Risk Report

Successful management of existing and emerging risks is critical to the long-term success of our business and to the achievement of our strategic objectives. In order to seize market opportunities and leverage the potential for success, risk must be accepted to a reasonable degree. Risk management is therefore an integral component of the Group's Corporate Governance.

Following the introduction of the FISG ("Finanzmarktintegritätsstärkungsgesetz"), we have taken the opportunity to review the Group's existing Risk Management System. At TUI, managing risk has always been a vital part of how we conduct our business. Our fully developed risk management system has not been limited to identifying only those developments that could jeopardise the companies continued existence, it has also included the active management of all other material risks. Management is limited to risks only, chances or opportunities are managed in the controlling process; legal chances are reported in a separate legal risk report.

The TUI Group Audit Committee has always been reviewing the adequacy and effectiveness of the risk management system and will continue to do so, but as the law now explicitly requires this, we have included the Committee in the risk governance overview below.

TUI Group Risk Management Roles & Responsibilities

AUDIT COMMITTEE
(of the Supervisory Board)

- *Oversee adequacy and effectiveness of the risk management system*
- *Acknowledge the risk appetite*

EXECUTIVE BOARD
Direct & Assure

- *Overall responsibility for risk management*
- *Determine strategic approach to risk*
- *Approve risk policy including risk appetite and set tone at the top*
- *Agree how principal risks are managed, mitigated and monitored*
- *Review the effectiveness of the risk management system*

RISK OVERSIGHT COMMITTEE (ROC)
Review & Communicate

- *Formulate risk strategy and policy including risk appetite*
- *Summarise and assess principal risks*
- *Ensure effective monitoring*
- *Report back to Executive Board*

GROUP RISK TEAM
Support & Report

BUSINESS & FUNCTIONS
Identify & Assess

- *Support engagement and culture of risk awareness, control focus*
- *Agree risk response strategy and local risk appetite*
- *Report an risk status quarterly with local board discussion and approval of quarterly risk register submission to Group*
- *Identify key risks to business strategy and mitigation factors*
- *Manage and monitor risks, ongoing basis, communicate emerging risks*

RISK CHAMPION COMMUNITY

AUDIT COMMITTEE

The Audit Committee, as a subcommittee of the Supervisory Board, is overseeing the effectiveness of the risk management system. The Group Risk Department Head reports twice a year on the system itself, on topics which have been discussed in the Risk Oversight Committee, the principal risks and their changes. The Committee considers the adequacy and the effectiveness of the risk management system and reviews and acknowledges the risk appetite formulated by the Executive Board.

EXECUTIVE BOARD – DIRECT & ASSURE

With oversight by the Supervisory Board, the Executive Board determines the strategic direction of the Group and agrees the nature and extent of the risks it is willing to take to achieve its strategic objectives.

Ultimate accountability for the Group's risk management rests with the Executive Board and therefore it has established and maintains a risk management system to identify, assess, manage and monitor risks which could threaten the existence of the company or have a significant impact on the achievement of its strategic objectives: these are referred to as the principal risks of the Group. This risk management system includes an internally-published risk management policy which helps to reinforce the tone set from the top on risk, by instilling an appropriate risk culture in the organisation whereby employees are expected to be risk aware, control minded and to 'do the right thing'. The policy provides a formal structure for risk management to embed it in the fabric of the business. Each principal risk has assigned to it a member of the Executive Board as overall risk sponsor to ensure that there is clarity of responsibility and to ensure that each of the principal risks are understood fully and managed effectively.

The Executive Board reports to the Audit Committee of the Supervisory Board on the adherence to both the UK and German listing requirements, the overall risk position of the Group, on the individual principal risks and their management, and on the performance and effectiveness of the risk management system as a whole.

RISK OVERSIGHT COMMITTEE – REVIEW & COMMUNICATE

On behalf of the Executive Board, the Risk Oversight Committee (the ROC), ensures that business risks are identified, assessed, managed and monitored across the businesses and functions of the Group. Meeting on a quarterly basis, the ROC's responsibilities include considering the principal risks to the Group's strategy and the risk appetite for each of those risks, assessing the operational effectiveness of the mitigation in place to manage those risks and any action plans to further mitigate them, as well as reviewing the bottom-up risk reporting from the businesses themselves to assess whether there are any heightened areas of concern.

Chaired by the Chief Financial Officer, senior operational and finance management as well as those central functions which are fulfilling the role as a second line are represented on the committee.

Leaders of central functions as well as senior executives from the Group's major businesses are invited on a rotational basis to present on their risk and control framework. This allows members of the ROC to ask questions on the processes in place, the risks present in each business or function, as well as any new or evolving risks which may be on their horizon. It also provides opportunity to seek confirmation that an appropriate risk culture continues to be in place in each of the major businesses and that there are no gaps between risk management at business level and at function level.

The ROC reports bi-annually to the Executive Board to ensure that it is kept abreast of changes in the risk landscape and developments in the management of principal risks, and to facilitate regular quality discussions on risk management at the Executive Board meetings.

GROUP RISK TEAM – SUPPORT & REPORT

The Executive Board has also established a Group Risk team to ensure that an adequate risk management system is set up and functions effectively and that the risk management policy is implemented appropriately across the Group. The team supports the risk management process by providing guidance, support and challenge to management whilst acting as the central point for coordinating, monitoring and reporting on risk across the Group. It also supports the ROC in fulfilling it's duties and the reporting to both the Executive and Supervisory Boards. Additionally, Group Risk is responsible for the operation of the risk and control software that underpins the Group's risk reporting and risk management process.

BUSINESS & FUNCTIONS – IDENTIFY & ASSESS

Every business and function in the Group is required to adopt the Group Risk Management policy. In order to do this, each either has their own risk committee or includes risk as a regular agenda item at their Board meetings to ensure that it receives the appropriate senior management attention within their business. In addition, the businesses each appoint a Risk Champion, who promotes the risk management policy within their business and ensures its effective application. The Risk Champions are in close contact with Group Risk and are critical both in ensuring that the risk management system functions effectively, and in implementing a culture of continuous awareness and improvement in risk management and reporting.

Risk Appetite

The Executive Board and Audit Committee, in conjunction with the Risk Oversight Committee has reviewed the Group's risk appetite. The results of the review indicate the board's risk appetite across three risk types:

Operational risks – moderate risk tolerance with regard to all operational risks. With the market environment returning to normal and the Group's business volume rising substantially, capacity bottlenecks in parts of the infrastructure led to business interruptions in the completed financial year, which the TUI Group was only able to influence to a limited extent. These external events thus temporarily led to an overall increase in the operational risk portfolio. The Executive Board has taken measures to increase the operational resilience of the business and aims to manage operational risks appropriately in order to continue to offer our customers consistent unique holiday experiences.

Compliance risks – a lower risk tolerance with regard to compliance-related risks, including compliance with regulatory requirements, the security of information in any form and the prevention of harm to customers, employees and all other stakeholders.

Financial risks – a continued low, but temporarily slightly increased risk tolerance with regard to financial risks due to volatile prices of important tourism expenses. In the current financial year, the Group has taken various measures to reduce the debts incurred in the context of the COVID-19 pandemic. The Executive Board's goal is to further reduce the German government's exposure and improve balance sheet ratios. With a fundamentally unchanged hedging policy, the hedging ratios for all input costs in foreign currency and fuel risks are currently still below the target values. We assume that the hedging ratios will approach the historical ratios again in the medium term.

Our principal risks are aligned to these risk types.

Risk Reporting

The Group Risk department applies a consistent risk reporting methodology across the Group. This is underpinned by risk and control software which reinforces clarity of language, visibility of risks, mitigation and actions and accountability of ownership. Although the process of risk identification, assessment and response is continuous and embedded within the day-to-day operations of the businesses and functions, it is consolidated, reported and reviewed at varying levels throughout the Group on at least a quarterly basis.

Risk Identification: Management closest to the risks identify those that are relevant to the pursuit of the strategy within their business area.

A risk owner is assigned to each risk, who has the accountability and authority for ensuring that the risk is appropriately managed.

Risk Assessment: The methodology used is to initially assess the gross (or inherent) risk. This is essentially the downside, being the product of the impact together with the likelihood of the risk materialising if there is no mitigation in place to manage or monitor the risk. The key benefit of assessing the gross risk is that it highlights the potential risk exposure if mitigation were to fail completely or not be in place at all. Both impact and likelihood are scored using the criteria shown below:

Impact Assessment

MINOR	MODERATE	SIGNIFICANT	MAJOR	SERIOUS
Impact on	Impact on	Impact on	Impact on	Impact on
Financials (Sales and / or Costs)	Financials (Sales and / or Costs)	Financials (Sales and / or Costs)	Financials (Sales and / or Costs)	Financials (Sales and / or Costs)
Reputation	Reputation	Reputation	Reputation	Reputation
Technology reliability	Technology reliability	Technology reliability	Technology reliability	Technology reliability
Compliance	Compliance	Compliance	Compliance	Compliance
Health & Safety standards	Health & Safety standards	Health & Safety standards	Health & Safety standards	Health & Safety standards
Programme Delivery	Programme Delivery	Programme Delivery	Programme Delivery	Programme Delivery

Likelihood Assessment

RARE	UNLIKELY	POSSIBLE	LIKELY	ALMOST CERTAIN
<10 %	10 – <30 %	30 – <60 %	60 – <80 %	≥80 %

The next step in the risk reporting process is to assess and document the mitigation currently in place to reduce the likelihood of the risk materialising and / or its impact if it does. Consideration of these then enables the current (or residual) risk score to be assessed, which is essentially the reasonably foreseeable scenario. This measures the impact and likelihood of the risk with the mitigation in place and effective. The key benefit of assessing the current risk score is that it provides an understanding of the current level of risk faced today and the reliance on the mitigation in place.

Risk Response: If management are comfortable that the current risk position is within the Group's appetite, the risk is accepted and no further action is required to further reduce it. The mitigation continues to be operated and management monitor the risk, the mitigation and the risk landscape to ensure that it remains at an acceptable level. If management assesses that the current risk score is too high, an action plan will be drawn up with the objective of introducing new or stronger mitigation that will further reduce the impact and / or likelihood of the risk to an acceptable level. This is known as the target risk score and is the parameter by which management can ensure the risk is being managed in line with their overall risk appetite. The risk owner will normally be the individual tasked with ensuring that this action plan is implemented within an agreed timetable.

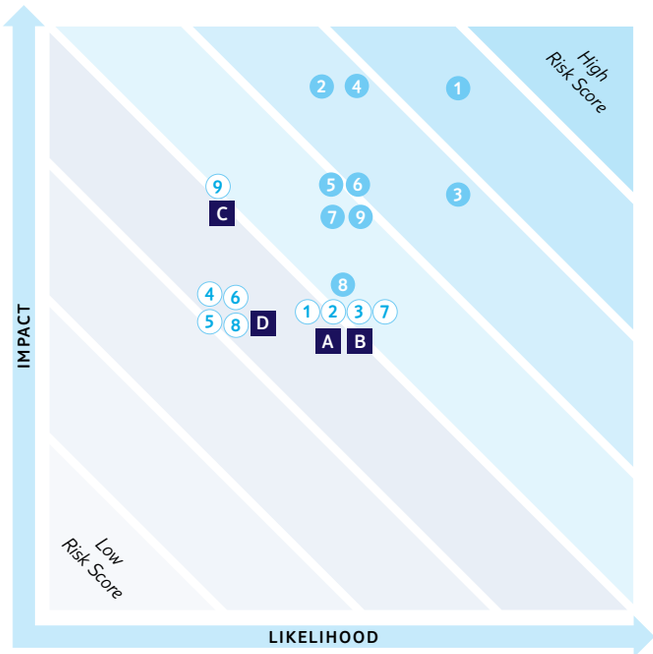
Each business and function will continue to review their risk register on an ongoing basis through the mechanism appropriate for their business e. g. local Risk Committee.

This bottom-up risk reporting is considered by the ROC alongside the Group's principal risks. New risks are added to the Group's principal risk register if deemed to be of a significant nature so that the ongoing status and the progression of key action plans can be managed in line with the Group's targets and expectations.

AD HOC RISK REPORTING

Whilst there is a formal process in place for reporting on risks on a quarterly basis, the process of risk identification, assessment and response is continuous and therefore if required, risks can be reported to the Executive Board outside of the quarterly process, should events dictate that this is necessary and appropriate. Ideally such ad hoc reporting is performed by the business or function which is closest to the risk, but it can be performed by the Group Risk department if necessary.

Principal Risk Heat Map



RISKS ABOVE APPETITE

CURRENT RISK POSITION **TARGET RISK POSITION**

1 *Lack of integration & flexibility (IT & Ops)*
2 *Reduction in customer demand*
3 *Inability to attract & retain talent*
4 *Insufficient cash flow*
5 *Volatility of input costs*
6 *Access to EU airspace post-Brexit*
7 *Disruption to IT Systems (Cyber attack)*
8 *Lack of sustainability improvements*
9 *Reliance on key suppliers*

RISKS WITHIN APPETITE

CURRENT RISK POSITION

A *Disruption within our destinations*
B *Security Health & Safety breach*
C *Breach of regulatory requirements*
D *Management of joint venture partnerships*

CURRENT RISK POSITION

The level of risk faced today taking account of the mitigation already in place and operating effectively

TARGET RISK POSITION

The acceptable level of risk, in line with the overall risk appetite

EFFECTIVENESS OF THE RISK MANAGEMENT SYSTEM

The Executive Board regularly reports to the Audit Committee of the Supervisory Board on the performance, effectiveness and adherence to listing requirements of the risk management system, supported by the ROC and the Group Risk department. Additionally, the Audit Committee receives assurance from Group Audit through its audit plan over a selection of principal risks, processes and business transformation initiatives most critical to the Group's continued success.

During the pandemic, there was a significant reduction in the companies' operation which allowed for a lower level of operational risk management. Instead, financial risks in terms of liquidity management were the primary focus during that time and these were being closely monitored and managed by the Executive Board.

With the ramp up of the business towards the summer season, risk management activities throughout the operational businesses and central functions resumed and formal requirements for risk reporting were re-introduced taking into account changes to the business as a result of the ongoing transformation. This however came at the same time as the increased volumes began putting pressure on the external infrastructure when some operational risks increased over which we had only limited control.

The conclusion from all of the above assurance work is that despite the temporary operational weaknesses as businesss activity resumed, the risk management system has functioned effectively throughout the year and there have been no significant failings identified. Of course there is always room for improvement, especially considering the necessary adaptions to the changes in the Group during the pandemic and the Risk Champions and the Group Risk department continue to work together to enhance the risk management and reporting processes.

Finally, in accordance with Section 317 (4) HGB (German Commercial Code), the auditor of TUI AG has reviewed the early detection system for risks in place as required by Section 91 (2) AktG (German Stock Corporation Act) to conclude, if the system can fulfill its duties. Following the auditing standard, the auditor has focused on the determination of the risk bearing capacity of TUI and the comparison of this performance indicator with the aggregation of the Group's Risk portfolio. To determine the risk bearing capacity, we leveradge our considerations given and calculations made for the Viability Statement. This procedure has been approved by the Group Executive Committee.

Principal risks

The principal risks to the Group are either considered to be 'Above' or 'Within' risk appetite.

Risks above the appetite are those that either require further mitigation in order to reduce them to an acceptable position or are heightened by external events beyond our control. We have action plans in place to increase or strengthen mitigation around each of these risks and reduce the current risk score to the target level indicated in the heat map diagram.

Risks within the appetite are those that considered to be at an acceptable level. For these, we have controls, processes and procedures in place as a matter of course that serve to mitigate each risk to either minimize the likelihood of the event occurring and/or minimise the impact if it does occur. These risks remain on our risk radar where we regularly monitor the risk, the mitigation and the risk landscape to ensure that the risk score stays stable and within our risk appetite in each case.

In the heat map diagram, the assessment criteria used are shown on page 37.

Financial year 2022 principal risks

Similarly to other external factors that have previously impacted our Group (e.g. the volcanic ash-cloud or grounding of the B737 Max fleet), we do not consider the COVID-19 pandemic as a risk in its own right, but as an event that has led to far-reaching consequences for our offer in source markets as well as destinations. This has led to several of our principal risks to materialise simultaneously, including: customer demand, input cost volatility, cashflow, destination disruption and security, health & safety. All of these principal risks continue to remain heightened throughout the pandemic.

Measures taken in order to react to this crisis have also heightened the principal risk profile. Therefore the lack of integration risk has increased, due to the volume and speed of transformation required within the Group in order to react to the impact; and the ability to attract and retain talent, due to the cost saving measures related to our employees.

From the Executive Board's perspective, despite the existing risks, the TUI Group currently has and will continue to have sufficient funds, resulting from both borrowings and operating cash flows, to meet its payment obligations and to ensure the going concern of the company accordingly in the foreseeable future. In this context, the Executive Board assumes that the credit lines expiring in summer 2024 will be refinanced. Therefore, as at 30 September 2022, the Executive Board does not identify any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In its assessment, the Executive Board assumes that booking behaviour in the 2023 financial year will largely correspond to the pre-pandemic level. The Executive Board assumes that travel behaviour will not be affected by further long-term closures and lockdowns or by the impact of Russia's war of aggression on Ukraine.

The Executive Board does not consider the remaining risk with regard to a further pandemic/war-related change in booking behaviour to be a threat to the company's existence. Nevertheless, the intensified general price increase of recent months could continue, in particular due to rising energy costs, and lead to a significant reduction in the private budget available for travel services, thus lowering purchasing power and resulting in declining customer demand. In addition, a permanent increase in fuel costs as well as other services, especially those we purchase in US dollars, could lead to an increase in our input costs. In view of the disruptions in our flight operations in H2 2022, we have initiated measures to increase the resilience of

our flight operations, for example by deploying more stand-by aircraft. In the medium term, we expect the situation at international airports to ease.

For further information please refer to the Viability Statement on page 48.

See chapter Going Concern Reporting in accordance with UK Corporate Governance Code, page 162.

If the risk detail in the subsequent tables does not suggest otherwise, the risks shown below relate to all segments of the Group. The risks listed are the principal risks to which we are exposed but are not exhaustive and will evolve over time due to the dynamic nature of our business.

Principal risks above risk appetite

Nature of Risk	Mitigating Factors
1. LACK OF INTEGRATION AND FLEXIBILITY WITHIN OPERATIONS AND IT SYSTEMS	
The Group's strategy ensures that we are more vertically integrated, which reduces the impact of disruption by pure digital players. The overall strategy is to drive profitable topline growth whilst reducing our cost base. This involves the integration of our businesses and the development of core platform capabilities and technical infrastructure providing flexibility of IT services. Our focus is on enhancing our operations and customer experience by providing engaging, intuitive and seamless customer service through the delivery of these projects. The lack of integration and flexibility within our systems and operations, particularly in the Markets & Airline businesses can impact our competitiveness and our ability to provide a superior customer experience as well as to deliver on quality and operational efficiency.	• We develop our own software solutions and combine them in an ecosystem for use in all markets of our Markets & Airlines division. • Integration and development of Musement IT platform as technology driver for Customer Experience. • An established Global Transformation Office to monitor all initiatives to ensure they are on track as well as regularly provide status updates to the Group Executive Committee. • An established Asset Transformation Board, chaired by the Chief Strategy Officer that reviews the current asset portfolio within our airline, hotels and cruise businesses. • Strong project management structures exist for all of the major restructuring, acquisition and disposal programs, which are underway to ensure that they are managed effectively. • Project reporting tool ensures enhanced visibility of the progress of major projects as a matter of routine. • Centralised management structures to oversee the Markets and Airline businesses.

Nature of Risk	Mitigating Factors
2. REDUCTION IN CUSTOMER DEMAND	
Spending on travel and tourism is discretionary and price sensitive as well as competitive. The economic outlook remains uncertain. Furthermore, in recent years there has been an emergence of successful substitute business models such as web-based travel and hotel portals which allow end users to combine the individual elements of a holiday trip on their own and book them separately. There is the risk that these external factors within our industry will impact on the spending power as well as the desire to travel of our customers. This could impact our short-term growth rates and lead to margin erosion. Customer demand has returned after the significant impact of the COVID-19 pandemic. Nevertheless, the Russian war of aggression against Ukraine and energy prices are significantly worsening the economic outlook in our key markets. Adverse climate conditions (heat-waves, droughts, heavy rain) bear the risk that customer demand for popular holiday destinations, where TUI is active, decline. This could impact our mid-term growth and the valuation of our hotel assets in these countries.	• Our market position as a globally operating tourism group, our brand and our integrated business model enables us to respond robustly to competitive threats. • The Group is characterised by the continuous development of new holiday experiences, developing new concepts and services which match the needs and preferences of our customers. Our strong and lasting relationships with our key hotel partners further reinforces our ability to develop new concepts exclusive to the Group. • Experience shows that many consumers give high priority to their travel spending. • Leveraging our scale to keep costs down and prices competitive. • The multitude of source markets, which react to external shocks to varying degrees, can lead to a balancing effect. • Promoting the benefits of travelling with a globally operating tour operator to increase customer confidence and peace of mind. This became particularly prominent during the pandemic where customers are seeking a higher level of security from reputable companies. • With our asset right strategy in our hotels business, we aim a mix of owned, leased or other partnership arrangements to manage the investment into the holiday destinations. This secures capacity and thus limiting the financial investment.
3. INABILITY TO ATTRACT AND RETAIN TALENT	
Our success depends on the ability to attract, retain, and develop our talent to ensure that we equip our employees to deliver our strategy as well as to also become our future leaders. There is a risk that we are unable to attract and retain key talent, build future leadership capability and maintain the commitment and trust of our employees. Challenges in managing and maintaining our talent pipeline in order to deliver against our strategy, drive competitiveness and maximize on our operating performance, may impact on our ability to future proof the Group and the associated potential for negative impact on shareholder confidence. This risk continues to be high as a result of the cost saving measures related to our employees as well due to the tourism industry being a less attractive sector.	• Support retention by refreshing our Performance Management processes, aligning our development opportunities to the business needs and communicating all internal vacancies to our employees. • Promoting a working from anywhere culture, allows us to attract and retain a wider pool of talent that does not require to be located close to our base offices. • Build and develop internal talent pools of our high potential employees ensuring that they are diverse and inclusive. • A strategically aligned leadership programme for high performing management at all levels and the creation of strong management development programme for all people managers.

Nature of Risk	Mitigating Factors
4. INSUFFICIENT CASH FLOW	
Tourism is an inherently seasonal business with the majority of profits earned in the European summer months. Cash flows are similarly seasonal with the cash high occurring in the summer as advance payments and final balances are received from customers, with the cash low occurring in the winter as liabilities have to be settled with many suppliers after the end of the summer season. There is the risk that if we do not adequately manage cash balances through the winter low period this could impact on the Group's liquidity and ability to settle liabilities as they fall due whilst ensuring that financial covenants are maintained. As a result of the COVID-19 pandemic the Group has experienced increasing challenges to the cashflow profile. This is due to operational activity being significantly reduced during the summer months, which is the time when the majority of cash balances are received from customers. After two years heavily impacted by the COVID-19 pandemic, operational activity has recovered during H2 2022, leading to a more normalised cashflow profile again. Nevertheless, we are still experiencing a significantly shorter booking profile whereby customers are booking very close to departure and therefore cash deposits are received later than previous booking patterns and the cash balances are subject to higher short tem movements. The price increases observed in the year under review had no relevant impact on customer demand.	• The Executive Board has continued to place significant focus on the review of the Group's cash flow position during and after the COVID-19 crisis period. • The resumption of holidays, and ramp-up of operations during 2022 have contributed towards improving the cash positon. • With the customer deposits received for the coming seasons , the positive cash flow in 2022 and, the net funds from the financing measures implemented in the year under review (capital increases in October 2021 and May 2022 net of government hand-backs), the Executive Board believes that, despite the existing risks, the TUI Group currently has and will continue to have sufficient funds resulting both from the borrowing and from operating cash flows to meet its payment obligations and to continue as a going concern. The Executive Board no longer considers the remaining risk with regard to a further pandemic-related change in booking behaviour as a threat to the company as a going concern. For the 2023 financial year, it is expected that booking behaviour will largely correspond to the pre-pandemic level. The Executive Board assumes that travel behaviour will not be affected by further long-term closures and lockdowns or by the impact of Russia's war of aggression on Ukraine. • The Executive Board does not consider the remaining risk with regard to a further pandemic/war-related change in booking behaviour to be a threat to the company's existence. In view of the disruptions in our flight operations in H2 2022, we have initiated measures to increase the resilience of our flight operations, for example by deploying more stand-by aircraft. In the medium term, we expect the situation at international airports to ease. • Our focus on holiday experiences is helping to reduce the seasonality risk, as hotels, cruises and destination experiences have a more evenly distributed profit and cash profile across the year. • As our business is spread across a number of markets, there are some counter-cyclical features e. g. winter is a more important season for the Nordic and Canadian markets. Some brands, such as the UK ski brand Crystal Ski, have a different seasonality profile which helps to counter-balance the overall profile. • The business regularly produces both short term and long term cash forecasts during the year – on a daily basis when needed – , which the Treasury department use to manage cash resources effectively. We continue to maintain high-quality relationships with the Group's key financiers. TUI AG's RCF and KfW credit line are subject to compliance with certain financial target values (covenants) for debt coverage and interest coverage, the review of which is carried out based on the last four reported quarters at the end of the financial year or the half-year of a financial year. Against the backdrop of the impact from the COVID-19 pandemic, the review was suspended until March 2022 and resumed in September 2022. Higher limits will be applied at the first two cut-off dates before normalised limits have to be complied with from September 2023. As of September 2022, TUI successfully complied with the financial covenants.

Nature of Risk	Mitigating Factors
	• Regularly reviewing ways in which we can raise additional finance from the capital markets, should it be required, and how we can continue to improve our Free Cash Flow position. *Please refer to the Viability Statement on page 48 for further details on the measures taken this year.*
5. VOLATILITY OF INPUT COSTS	
A significant proportion of operating expenses are in non-local currency and / or relate to aircraft and cruise fuel which therefore exposes the business to fluctuations in both exchange rates and fuel prices. There is the risk that if we do not manage adequately the volatility of exchange rates, fuel prices and other input costs, then this could result in increased costs and lead to margin erosion, impacting on our ability to achieve profit targets. As a result of the pandemic there is also a risk that there will be only limited lines available to put in place hedges to manage the volatility of future seasons. Furthermore, changes in macroeconomic conditions, such as those that were experienced as a result of the pandemic and other geo-political events, like the war on Ukraine, can have an impact on fuel rates and exchange rates which, particularly for the £ / € rate has a direct impact on the translation of non-euro market results into euros, the reporting currency of our Group. The recent increase in inflationary pressures has led to central banks increasing interest rates. The aggressive raising of US interest rates by the US Federal Reserve vs. a slower pace of monetary tightening by other central banks, most notably the ECB, has increased interest rate differentials and caused the US dollar to strengthen against other currencies such as the Euro and British Pound. Where the Group has unhedged exposures, this will have an adverse impact on input costs denominated in US dollars.	• An established Hedging Committee that monitors the Group's hedging position. • Ensuring that the appropriate derivative financial instruments are used to provide hedging cover for the underlying transactions involving fuel and foreign currency. • Maintaining an appropriate hedging policy to ensure that hedging cover is taken out ahead of the markets' customer booking profiles, where hedging lines allow. This provides a degree of certainty over input costs when planning pricing and capacity, whilst also allowing some flexibility in prices so as to be able to respond to competitive pressures if necessary. • Tracking the foreign exchange and fuel markets to ensure the most up-to-date market intelligence and the ongoing appropriateness of our hedging policies. • Expressing our key profit growth target in constant currency terms so that short term performance can be assessed without the distortion caused by exchange rate fluctuations. We are currently unable to exercise all controls as our banking lines do not sufficiently cover all of the Group's hedging needs. We regard this as a temporary situation which has already significantly improved in the recent months. *Further information on currency and fuel hedges can be found in the Notes to the consolidated financial statements in the Financial instruments section.*
6. ACCESS TO EU AIRSPACE POST-BREXIT	
Our main concern is whether or not all of our airlines will continue to have access to EU airspace as now. If we were unable to continue to fly intra-EU routes, such as from Germany to Spain, this would have a significant operational and financial impact on the Group. Other areas of uncertainty include the status of our UK employees working in the EU and vice versa and the potential for customer visa requirements for holidays from the UK to the EU.	• Dedicated workstreams to coordinate suitable mitigation strategies where the UK exit from the European Union has impacted on our operations, particularly the airlines. • Regular engagement and lobbying towards relevant UK and EU decision makers to stress the continued importance of a liberalised and less regulated aviation market across Europe to allow access to investment capital and to protect consumer choice in both regions.

Nature of Risk	Mitigating Factors
7. DISRUPTION TO IT SYSTEMS (CYBER ATTACKS)	
Our responsibility is to protect the confidentiality, integrity and availability of the data we process for our customers, employees, and businesses. This is an evolving risk due to increasing digitalisation, embracing emerging technologies, growing global cyber-crime activity, Russia-Ukraine conflict and more regulation (e.g. EU GDPR). Our consolidation under the TUI brand and increasing dependence on online sales and customer care increases our exposure and the potential worst-case impact of a successful cyber-attack. If we do not ensure we have the appropriate level of security controls in place across the Group, this could have a significant negative impact on our key stakeholders, associated reputational damage and potential for financial implications.	• Continued commitment from the Executive Board in support of key initiatives to ensure existing and future IT systems are secure by design, that exposure to vulnerability is managed, user access is monitored, and colleagues are made aware of information security risks through appropriate training – Security first in everything we do. • Increasing the maturity and coverage of our Security Operations Centre and monitoring tools to anticipate, detect and respond to criminal attacks and resolve information security incidents. • Scaling out our Security Engineering capability to ensure controls are embedded in the application development pipeline as TUI's information technology is transformed. • Continuous improvement through lessons learned from real or simulated cyber incidents.
8. LACK OF SUSTAINABILITY IMPROVEMENTS	
For the Group, economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our Company. This is the way we create the conditions for long-term economic success and assume responsibility for sustainable transformation in the tourism sector. Our focus is to reduce the environmental impact of our operations and promote responsible social policies and outcomes both directly through our own business and indirectly via our influence over our supply chain partners, thereby driving the sustainable transformation of the tourism industry. There is a risk that we are not successful in driving social and environmental improvements across our operations, that our suppliers do not uphold our corporate and social responsibility standards and we fail to influence destinations to manage tourism more sustainably. If we do not maximise our positive impact on destinations and minimise the negative impact to the extent that our stakeholders expect, this could result in a decline in stakeholder confidence, reputational damage and reduction in demand for our products and services.	• The TUI Sustainability Agenda purpose is to set and drive industry standards, ambitious goals and develop transformation roadmaps for all parts of the business. • This means to actively engage colleagues, partners and customers, bringing sustainability to life in a tangible and emotional way. • The Group Sustainability department sets clear goals, priorities, and the framework to deliver the Sustainability Agenda. • Operating one of the most carbon efficient airlines in Europe with continued investment in new, more efficient aircraft and cruise ships. • Our ambition is to achieve net-zero emissions across our operations and supply chain by 2050 at the latest. • Science-based targets have been set for our airline, hotel and cruise operations by 2030, validated by the Science Based Targets initiative (SBTi). • Development and implementation of emission reduction roadmaps for airlines, cruises and hotels to significantly reduce emissions. • Adhering to increasingly supply chain focused regulations (e.g. German Supply Chain Act, EU Supply chain due diligence regulation 2025) rolling out new processes and structure with a strong focus on procurement. • Implemented an environmental management system with all TUI airlines having achieved ISO 14001 certification. • Driving up social and environmental standards through accommodation suppliers achieving certifications recognised by the Global Sustainable Tourism Council (GSTC) and applying the GSTC Criteria to TUI experiences. • Enabling customers to make more sustainable holiday choices by launching our Green & Fair label.

Nature of Risk	Mitigating Factors
	• Working with partners in the Destination Co-Lab to develop Rhodes into a beacon for sustainable development of holiday destinations, with the ambition to share the learnings. • We are working on improving our alignment to climate-related financial disclosures in line with the TCFD, by publishing TUI Groups first TCFD statement in this Annual Report. *See page 123.*

9. RELIANCE ON KEY SUPPLIERS

Providers of holiday and travel services are exposed to the inherent risk of failure in their key suppliers, particularly for hotels, aircraft and cruise ships. This is heightened by the industry convention of paying hoteliers in advance ('prepayments') to secure a level of room allocation for the season as well as in areas where a single supplier is used to provide a product or service. There is the risk that we are unable to continue with our core operations in the event of a major service failure from our key suppliers. This risk has crystalised during the summer season when capacity bottlenecks in third party infrastructure caused some temporarily business interruption.	• Using reputable and financially stable suppliers, particularly in areas where a single supplier is used to provide a service. • Regular monitoring of supplier performance against agreed terms and conditions. • Strong working relationships with all key suppliers. • Owned and joint venture partner hotels form a substantial part of our program which reduces our inherent risk in this area. • A robust prepayment authorisation process is established and embedded to both limit the level of prepayments made and ensure that they are only paid to trusted, credit-worthy counterparties. • Prepayments are monitored on a timely and sufficiently granular basis to manage our financial exposure to justifiable levels. • Developing adequate controls around key suppliers operative ability. In service meetings, for example, we discuss current challenges with suppliers even more closely, so that we are also in a position to react operationally ourselves.

Nature of Risk	Mitigating Factors

Principal risks within appetite

A. DISRUPTION WITHIN OUR DESTINATIONS

Providers of holiday and travel services are exposed to the inherent risk of external events affecting destinations. This can include natural disasters such as hurricanes or tsunamis; outbreaks of disease such as the COVID-19 pandemic; political volatility as has been seen in Egypt, Turkey and Greece in recent years; the implications of war in countries close to our markets and destinations; and terrorist events such as the tragic incident in Tunisia in 2015. There is the risk that if such an event occurs, impacting one or more of our destinations that we could potentially suffer operational disruption and costs. We may be required to repatriate our customers and/or the event could lead to a significant decline in demand for holidays to the affected destinations over an extended period of time.	• Within our Group SHS centre of excellence we have a centralised Crisis Management Planning and Co-ordination function, providing centralised frameworks, personnel reporting structures, incident management systems and crisis communications plans for use in the local delivery of any response. • Our well-established crisis management procedures and emergency response plans are activated when an event of this nature occurs and focus on the welfare of our customers. • Due to our presence in key holiday destinations, in the event of a local event occurring, we can offer alternative options to our customers and remix our destination portfolio away from the affected area in future seasons if necessary.

B. SECURITY HEALTH & SAFETY FAILURE

The safety and security of customers and colleagues is of paramount importance to any holiday and travel service provider. There is the risk of accidents, incidents or events occurring causing illness, injury or death to customers or colleagues whilst on a TUI holiday or provided activity or service. In addition to the harm caused the affected individual(s), this could result in disruption to operational activities, reputational damage to the business and/or financial liabilities through loss of earnings, lack of demand and/or legal claims being brought by the affected parties.	• The established Group Security, Health & Safety (Group SHS) centre of excellence oversees safety and security risk management activities are appropriately conducted across the organisation, delivering alignment and consistency across the TUI Group. • Group SHS' operational responsibilities include TUI Tour Operations, TUI Hotels & Resorts and TUI Musement (including Intercruises). Operational safety and security risk management activities for Airline and Cruise operations are managed from within the respective business units. • Data-led, risk-based Safety and Security Risk Management systems are in place. • Safety and Security Risk Management clauses are included in supplier contracts. • Appropriate insurance policies are in place to mitigate any financial losses.

Nature of Risk	Mitigating Factors
C. BREACH OF REGULATORY REQUIREMENTS	
Most providers of holiday and travel services operate across a number of economies and jurisdictions, which therefore exposes them to a range of regulatory laws which must be complied with. As we are operating from multiple source markets and providing holidays in more than many destinations, we are exposed to a range of laws and regulations with which we must comply or else risk incurring fines or other sanctions from regulatory bodies.	• Communication and strong tone from the top concerning compliance with laws and regulations. • Risk based compliance management systems managing the most relevant legal areas for the Group. • Regular reporting of Integrity and Compliance Director in different bodies (Group Executive Committee, Audit Committee, Group Works Council) in order to guarantee appropriate monitoring, supervision and implementation of action plans and to strengthen the Integrity & Compliance culture across the Group. • Embedded legal expertise in all major businesses responsible for maintaining high quality relationships with the relevant regulators and authorities. • Ongoing implementation and review of Compliance Management System conducted by the Group Integrity & Compliance department to monitor compliance with regulations and provide expert advice to local teams on specific compliance areas.
D. MANAGEMENT OF JOINT VENTURE PARTNERSHIPS	
It is common for tourism groups to use joint venture partnerships in some of their operations in order to reduce the risk of new ventures, to gain access to their expertise of the local market as well as to strengthen the balance sheet position in line with our less capital intensive "asset-right" strategy (e. g. the transaction completed with Riu). There are three significant joint ventures within the Group – Riu, TUI Cruises and Sunwing. → *For details on our strategy refer to page 23.* There is the risk that if we do not maintain good relations with our key partners that the ventures' objectives may not remain consistent with that of the Group which could lead to operational difficulties and jeopardize the achievement of financial targets.	• Good working relationships exist with all of our main joint venture partners and they are fully aligned with and committed to the growth strategy of the Group.

Viability Statement

In accordance with Rule 31 of the UK Corporate Governance Code, the Executive Board assesses the Company's future prospects for a period exceeding the twelve months required by the going concern premise. The Executive Board reviews the business development annually and on a rolling basis based on a three-year strategic plan. The current three-year plan was adopted in October 2022 and covers the period until 30 September 2025. A three-year horizon is considered appropriate for a fast moving competitive environment such as tourism.

The global travel restrictions to contain COVID-19 have had a continuous negative impact on the Group's earnings and liquidity development since the end of March 2020. To cover the resulting liquidity needs, the Group has carried out various financing measures in the financial years 2020 and 2021, which, in addition to a capital increase, the use of the banking and capital markets and cash inflows from the sale of assets, also include financing measures from the Federal Republic of Germany in the form of a KfW credit line totalling € 2.85 bn, an option bond from the Economic Stabilisation Fund (WSF) totalling € 150 m and two silent participations from the WSF totalling € 1.091 bn. The financing measures are described in detail in the annual reports for the past two financial years.

With the entry of the new shares in the commercial register on 28 October 2021 and final settlement with the participating banks on 2 November 2021, TUI AG successfully completed another capital increase. The gross issue proceeds totalled around € 1.1 bn. The Group's share capital increased nominally by € 523.5 m to € 1.623 bn.

On 17 May 2022, TUI AG placed around 162.3 m new shares with institutional investors in the framework of a capital increase against cash contributions without subscription rights for shareholders by way of an accelerated placement, corresponding to around 10 % of TUI AG's share capital. The gross proceeds of around € 425.2 m from the capital increase and available cash were used to fully repay the German government's silent participation II (Economic Stabilisation Fund, 'WSF') of € 671.0 m in full ahead of schedule on 30 June 2022. Including the coupons to be shown as dividends, TUI repaid € 725.4 m to the WSF. Following full repayment and termination of the KfW credit line, TUI has to pay remuneration to the German state for the coupons saved by the early repayment of Silent Participation II.

As at 30 September 2022, TUI Group's revolving credit facilities totalled € 3.74 bn, they have a term until summer 2024. The financing commitments available until 30 September 2021 were utilised in the amount of € 0.6 bn as at the balance sheet date.

With regard to the KfW credit lines, it was also agreed that TUI AG would use 50 % of individual cash inflows exceeding € 50 m by 20 July 2022, but not exceeding € 700 m, for example from capital measures or disposals of assets or companies, to reduce the financing granted to TUI AG to bridge the effects of COVID-19. In accordance with this agreement, TUI AG returned the unused credit facility of € 170 m on 1 April 2022. In addition, the volume of unused credit commitments under the KfW credit line as at 31 March 2022 was reduced by € 413.7 m. Finally, 913 of the 1,500 warrant bonds issued to WSF were redeemed. A purchase price of € 91.3 m plus accrued interest and early repayment penalties of € 7.2 m was paid for these. On June 30, 2022, the existing and at that date undrawn KfW credit lines were reduced by a further € 336 m to € 2.1 bn.

For regulatory reasons due to Brexit, the credit line of a British bank (around € 80 m liquid funds and € 25 m guarantee line) could not be extended beyond summer 2022. It was therefore repaid or terminated as of July 20, 2022.

After 20 July 2022, 50 % of individual specific cash inflows exceeding € 50 m must be used to reduce the financing granted to TUI AG to bridge the effects of COVID-19; there is no maximum limit.

TUI AG's € 1.64 bn credit line from private banks and KfW credit line are subject to compliance with certain financial target values (covenants) for debt coverage and interest coverage, the review of which is carried out on the basis of the last four reported quarters at the end of the financial year or the half-year of a financial year. Against the backdrop of the ongoing pressures from the COVID-19 pandemic, the review has only been resumed in September 2022 and TUI was in full compliance. In addition, higher limits are to be applied on the first two cut-off dates before normalised limits have to be complied with from September 2023.

The support and stabilisation package as well as the further financing measures are described in detail in the chapter 'Going concern reporting according to the UK Corporate Governance Code' in the notes.

→ *See chapter Going Concern Reporting in accordance with the UK Corporate Governance Code, page 162.*

Currently, TUI Group is only marginally affected by the negative financial impact of the COVID-19 pandemic.

Although the number of COVID-19 cases remained high, in particular due to the rapid spread of the Omicron variant, contact restriction measures and travel restrictions were gradually eased in most countries in the first months of the calendar year and business was fully resumed in all segments. As of April 2022, the entire fleet of the Cruises Segment was in operation, and as of summer 2022, the Hotels & Resorts Segment was able to offer the entire product portfolio. Demand recovered very robustly, albeit later than assumed in the previous year's planning due to the travel restrictions in place at the beginning of the financial year. In the Cruises segment, the recovery in demand started later than in the other segments. As a result of the pandemic, a more short-term booking behaviour continues to be observed. The unprecedented restart of business led to flight disruptions, particularly in the UK and the Netherlands, but also in other source markets, which impacted the Group's result. The price increase in the course of the financial year, especially for fuel, and changes in exchange rates could not be fully offset by higher travel prices and additionally burdened the result in the past financial year.

From the Executive Board's perspective, despite the existing risks, the TUI Group currently has and will continue to have sufficient funds, resulting from both borrowings and operating cash flows, to meet its payment obligations and to ensure the going concern of the company accordingly in the foreseeable future. In this context, the Executive Board assumes that the credit lines expiring in summer 2024 will be refinanced. Therefore, as at 30 September 2022, the Executive Board does not identify any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In its assessment, the Executive Board assumes that booking behaviour in the 2023 financial year will largely correspond to the pre-pandemic level. The Executive Board assumes that travel behaviour will not be affected by further long-term closures and lockdowns or by the impact of Russia's war of aggression on Ukraine.

The Executive Board does not consider the remaining risk with regard to a further pandemic/war-related change in booking behaviour to be a threat to the company's existence. Nevertheless, the TUI Group's performance might be impaired by the following factors. The intensified general price increase of recent months could continue, in particular due to rising energy costs, and lead to a significant reduction in the private budget available for travel services, thus lowering purchasing power and resulting in declining customer demand. In addition, a permanent increase in fuel costs as well as other services, especially those we purchase in US dollars, could lead to an increase in our input costs. Further burdens could result from continued or increased flight disruptions. If these risks were to materialise, compliance with the financial covenants as at 31 March 2023 and 30 September 2023 could be jeopardised. The Executive Board considers the simultaneous occurrence of these risks to be very unlikely and therefore assumes that the financial targets (covenants) will be met.

Taking into account the current situation of the Group, the main risks and the above-mentioned sensitivity analysis, the Executive Board has a reasonable expectation that the Group will be able to continue operations and meet the obligations arising within the three-year period under review.

Key features of the internal control and risk management system in relation to the (Group) accounting process (sections 289 (4) and 315 (4) of the German Commercial Code)

1. CONCEPTUAL FRAMEWORK AND GOVERNANCE

The internationally recognised framework created by COSO (Committee of Sponsoring Organizations of the Treadway Commission) forms the conceptual basis for TUI Group's accounting-related internal control system.

On the basis of section 107 (3) of the German Stock Corporation Act, the Audit Committee of the Supervisory Board of TUI AG reviews the auditing of the annual financial statements, monitoring the accounting process and the effectiveness of the internal control and risk management systems. The reliability of financial reporting and the monitoring of the financial accounting process as well as the effectiveness of the internal control and risk management systems are described in the Audit Committee Report. This also takes account of the effectiveness of the accounting-related internal control and risk management system.

Report of the Audit Committee, see page 18.

The Group's auditors gain insight into TUI Group's established control environment and control measures. The accounting-related audits by the auditor are complemented by an assessment of selected control definitions and their implementation. The audit of the consolidated financial statements by the Group auditor and the audit of the individual financial statements of Group companies included in the consolidated financial statements, in particular, constitute a key non-process-related monitoring measure in relation to Group accounting.

In Group accounting, the risk management system, implemented as a component of the internal control system in the form of an Enterprise Risk Management (ERM) System, also addresses the risk of misstatements in Group bookkeeping and external reporting. A more detailed explanation of the risk management system is provided in the section on Risk Governance in the Risk Report.

2. USE OF IT SYSTEMS

Bookkeeping transactions are captured in the individual financial statements of TUI AG and of the subsidiaries of TUI AG through local accounting systems, above all supplied by SAP. When preparing TUI AG's consolidated financial statements, the subsidiaries complement their individual financial statements by setting up standardised reporting packages in the Oracle Hyperion Financial Management (HFM) reporting system. HFM is used as the uniform reporting and consolidation system throughout the Group and hence no additional interfaces are involved in preparing the consolidated financial statements.

All consolidation processes used to prepare the consolidated financial statements of TUI AG, e.g. capital consolidation, the consolidation of assets and liabilities and the elimination of expenses and income and at equity measurement, are generated and fully documented in HFM. Virtually all elements of TUI AG's consolidated financial statements, including the disclosures in the Notes, are developed from and validated by the HFM consolidation system. HFM also provides various modules for evaluation purposes in order to present complementary information to explain TUI AG's consolidated financial statements.

The HFM reporting and consolidation system has an in-built workflow process whereby, when the reporting companies capture their data packages within the system, they are then locked out from making any further changes to that data. This ensures data integrity within the system. This workflow process has been checked and validated by the TUI AG Group Audit department on several occasions since the system was introduced.

At their own discretion, TUI AG's Group auditors select certain individual financial statements from the financial statements entered in the HFM reporting and consolidation system by the Group companies, which are then reviewed for the purposes of auditing the consolidated financial statements.

3. SPECIFIC RISKS RELATED TO (GROUP) ACCOUNTING

Specific risks related to (Group) accounting may arise, for example, from unusual or complex business transactions, in particular at critical times towards the end of the financial year. Business transactions not routinely processed also entail special risks. The discretion necessarily granted to employees for the recognition and measurement of assets and liabilities may result in further (Group) accounting-related risks. The outsourcing and transfer of accounting-specific tasks to service companies may also give rise to specific risks.

4. KEY REGULATION AND CONTROL ACTIVITIES TO ENSURE PROPER AND RELIABLE (GROUP) ACCOUNTING

The internal control measures aimed at securing proper and reliable (Group) accounting ensure that business transactions are fully recorded in a timely manner in accordance with legal requirements and the Articles of Association. This also ensures that assets and liabilities are properly recognised, measured and presented in the financial statements and the consolidated financial statements. The control operations also ensure that bookkeeping records provide reliable and comprehensive information.

Controls implemented to secure proper and reliable accounting include, for instance, analysis of facts and developments on the basis of specific indicators. Separation of administrative, execution, settlement and authorisation functions and the implementation of these functions by different persons reduces the potential for fraudulent operations. Organisational measures also aim to capture any corporate or Groupwide restructuring or changes in sector business operations rapidly and appropriately in (Group) accounting. They also ensure, for instance, that bookkeeping transactions are correctly recognised in the period in which they occur in the event of changes in the IT systems used by the accounting departments of Group companies. The internal control system likewise ensures that changes in the TUI Group's economic or legal environment are mapped and that new or amended accounting standards are correctly applied.

To safeguard financial processes, there is a Group-wide framework under which all major companies included in the consolidated financial statements as fully consolidated companies are required to report the nature of their controls and their implementation for financial reporting, fraud prevention and detection and effectiveness of working capital management in relation to defined risks from financial processes to the Group Risk & Controls function with system support and to assess their effectiveness on a quarterly basis. The Group Risk & Controls function reviews these reports on a sample basis and provides advice on how to improve efficiency and effectiveness. Where financial processes are carried out in the Group's own Shared Service Center, this function provides support for the further development of the process and control framework. Based on the feedback received, Internal Audit selects companies for an in-depth review of the control measures in accordance with its own risk assessment.

The TUI Group's accounting policies together with the International Financial Reporting Standards (IFRS) in compliance with EU legislation, govern the uniform accounting and measurement principles for the German and foreign companies included in TUI's consolidated financial statements. They include general accounting principles and methods, policies concerning the statement of financial position, income statement, notes, management report and cash flow statement.

The TUI Group's accounting policies also govern specific formal requirements for the consolidated financial statements. Besides defining the group of consolidated companies, they include detailed guidance on the reporting of financial information by those companies via the group reporting system HFM on a monthly, quarterly and year end basis. TUI's accounting policies also include, for instance, specific instructions on the initiating, reconciling, accounting for and settlement of transactions between group companies or determination of the fair value of certain assets, especially goodwill. At Group level, specific controls to ensure proper and reliable (Group) accounting include the analysis and, where necessary, correction of the individual financial statements submitted by the Group companies, taking account of the reports prepared by the auditors and meetings to discuss the financial statements which involve both the auditors and local management. Any further content that requires adjusting can be isolated and processed downstream. The control mechanisms already established in the HFM consolidation system minimise the risk of processing erroneous financial statements. Certain parameters are determined at Group level and have to be applied by Group companies. This includes parameters applicable to the measurement of pension provisions or other provisions and the interest rates to be applied when cash flow models are used to calculate the fair value of certain assets. The central implementation of impairment tests for goodwill recognised in the financial statements secures the application of uniform and standardized evaluation criteria.

5. DISCLAIMER

With the organisational, control and monitoring structures established by the TUI Group, the internal control and risk management system enables company-specific facts to be captured, processed and recognised in full and properly presented in the Group's accounts.

However, it lies in the very nature of the matter that discretionary decision-making, faulty checks, criminal acts and other circumstances, in particular, cannot be ruled out and will restrict the efficiency and reliability of the internal control and risk management systems, so that even Group-wide application of the systems cannot guarantee with absolute certainty the accurate, complete and timely recording of facts in the Group's accounts.

Any statements made relate exclusively to TUI AG and to subsidiaries according to IFRS 10 included in TUI AG's consolidated financial statements.