

TUI Group: Conditions created for rapid resumption of travel activities after challenging Corona Year 2020 / Group accelerates realignment and increases long-term cost reductions / Market intact, TUI business model future-proof - demand for holiday travel high

- **Global reorientation measures accelerated and cost target raised: annual savings of 400 million euros announced**
- **Demand for travel is rising: 50 per cent of the programme for May 2021 already booked**
- **Summer 2021: average prices +14 percent - bookings 3 percent higher than for summer 2019**
- **Revenue in Corona year reaches 7.9 billion euros^[1] *(previous year: 18.9 billion euros)**
- **Significant cost reductions limit loss for the full year: underlying EBIT -3.0 billion euros^[1] (previous year: 893.5 million euros)**
- **TUI has liquid funds amounting to 2.5 billion euros^[2]**
- **CEO Fritz Jousen: "Very rapid cost and liquidity measures, an accelerated realignment and our flexible business model have enabled us to steer the Group through the crisis. TUI is ready for a speedy and successful resumption of travel activities as soon as the lockdowns are lifted and destinations reopen. The prospect of vaccinations from the beginning of the year will significantly increase demand for summer holidays in 2021. We are prepared for a new start after the crisis".**

Hanover, 10 December 2020: TUI is preparing intensively for a new start in 2021 after the corona crisis year 2020. The pandemic is not over, but there is light at the end of the tunnel and the prospects for tourism and for TUI are good. The demand for holiday travel is there - consumers in all age groups say that travelling is one of the most missed activities for them in the Corona year. 2021 will be a transition year for tourism, and 2022 is expected to see a return to pre-Corona levels. In particular, the holiday sector will recover faster than the sector as a whole. TUI had made an excellent start to the financial year before the outbreak of the pandemic, but the

^[1] Pro forma calculation according to IAS 17

^[2] As of 30 November 2020, including 3rd financing package and redemption of the senior bond in the amount of 300 million euros

worldwide travel warnings since March 2020 then forced the Group to largely discontinue business. Among other things, there was no Easter business, no travel at Whitsun and only very limited summer business in the Corona crisis year 2020. The Group introduced cost-cutting and financing measures at an early stage and accelerated the global realignment. In addition to securing additional liquidity, extensive cost-cutting projects were launched. The long-term goal of reducing annual costs has been raised from the previous 300 million euros to the current 400 million euros.

Fritz Jousen, CEO of the TUI Group: "The rapid measures to cut costs and secure liquidity are important for the Group. They are a stable foundation for the future. TUI was in perfect health before the crisis and we want to return to our former strength as quickly as possible. The market is intact, our business model is future-proof and customer demand is there. Holiday travel remains very relevant for people. At the same time, international tourism is strengthening the southern euro zone and North Africa in a special way. We are very well positioned to resume operations on a larger scale as soon as the lockdowns are lifted and destinations are reopened. Our business model with our own tour operators, the travel agencies, aircraft, hotels and ships under the TUI umbrella makes a resumption possible very quickly. The prospect of successful vaccinations from the beginning of the year makes us confident. All indicators point to a successful restart of the travel business as soon as the pandemic is over. We are prepared for this new start. We are consistently continuing the change we have initiated in order to be better and more efficient after the crisis".

Group transformation accelerated - TUI becomes more digital, leaner, more efficient

The transformation and expansion of the Group's digital platforms, which was initiated before the crisis, is being implemented consistently and has received a further boost in the pandemic. In all areas of the Group, the pandemic has further accelerated the digitalisation of the business. Wherever it is in the interest of the customer, services will be digitalised even more in the future. The maxim is more and better service for the benefit of the customer. At the same time, digitalisation offers considerable potential for efficiency and cost reduction. A comprehensive cost-reduction programme was launched in the spring.

**Cost reductions implemented in the short term limit loss for the year as a whole
- revenue at around 8 billion euros**

The first five months of the 2020 financial year (October 2019 to February 2020) were very successful for TUI, with a record booking rate of +14 per cent in January. In mid-March, the Group had to completely discontinue all travel activities due to the worldwide travel warnings. The tourism group was only able to generate revenue again when it was able to fly its first holiday guests to Majorca in mid-June in a pilot project and a limited resumption of operations from July onwards. Greece was particularly strong as a holiday destination in 2020. Since the new start in the summer, TUI has safely made holidays possible for more than two million guests. Underlying EBIT on a constant currency basis totaled -3.0 billion euros^[1] *(previous year 893.5 million euros). Revenue amounted to 7.9 billion euros and was 58 per cent down on the previous year (18.9 billion euros). The sale of Hapag-Lloyd Cruises to the joint venture TUI Cruises, jointly operated with the Royal Caribbean Group, was initiated before the crisis. The transaction was successfully completed in the summer despite the difficult crisis environment. The proceeds additionally improved the Group's liquidity. In addition, TUI had reached an agreement with Boeing to compensate for the consequences of the 737 MAX flight ban.

Financing and liquidity secured for ongoing pandemic

In view of the persistently volatile market environment and the continuing travel restrictions, TUI AG has agreed an additional financing package totaling 1.8 billion euros with private investors, banks and the German government. The package agreed last week includes a capital increase with subscription rights of around 500 million euros, the Group's anchor shareholder has already confirmed his participation. It also includes a convertible silent participation of the Economic Stabilisation Fund in the amount of 420 million euros. The financing package strengthens TUI's position against the backdrop of increasing travel restrictions due to a renewed rise in the number of infections and the associated shorter-term booking behaviour of some customers. The Group is securing liquidity during the ongoing pandemic.

Forecast for resumption of extensive travel activities in 2021 not reliably possible

^[1] Pro forma calculation according to IAS 17

Due to the continuing high incidence of infection and the resulting lockdowns in the markets and only a few available travel corridors, it is not possible at this stage to make a reliable forecast of the extent and period of travel activity in 2021. At present, trips from the most important core markets can be made in particular to the Canary Islands as a popular winter destination. Cruises around the Canary Islands without shore leave (Blue Voyages) also take place.

Total bookings across all markets for winter 2020/21 are currently 82 per cent lower than in the previous year, roughly in line with the reduced capacities. Average prices are four per cent higher. Bookings for summer 2021 are three per cent higher than for the regular summer 2019. Average prices for the summer 2021 programme are currently 14 per cent higher than for 2020.

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Positive outlook for the tourism sector and TUI after the pandemic

The unbroken high level of consumer interest in holidays promises a rapid recovery for the holiday sector if the Corona situation eases. Tourism will remain a growth industry in the long term. As a safe and reliable form of travel, package tours in particular will play an important role in the resumption of travel. The cruise segment is also expected to see a complete resumption of business as soon as vaccines become widely available. The restart of cruises in summer 2020 has demonstrated the great interest of customers. With strong holiday brands, differentiated products and broad-based distribution in the key European markets, TUI is well positioned to get back on track successfully after the pandemic.

About the TUI Group

The TUI Group is the world's leading tourism group and operates worldwide. The Group is headquartered in Germany. The TUI share is listed on the FTSE 250, the leading index of the London Stock Exchange, and on the Regulated Unofficial Market in Germany.

The TUI Group offers integrated services from a single source for its 28 million customers, 21 million of whom are in the European national companies. The entire tourism value chain is represented under one roof. This includes over 400 hotels and resorts with premium brands such as RIU, TUI Blue and Robinson and 15 cruise ships, from the MS Europa and MS Europa 2 in the luxury class and expedition ships to the Mein Schiff fleet of TUI Cruises and cruise ships at Marella Cruises in England. The Group also includes Europe's leading tour operator brands and online marketing platforms, five airlines with more than 100 modern medium and long-haul aircraft and over 1,000 travel agencies. Besides the expansion of its core business with hotels, cruises via successful joint ventures and activities in holiday destinations, TUI is increasingly focusing on the expansion of digital platforms. The Group is transforming itself into a digital company.

Global responsibility for sustainable economic, ecological and social action is at the core of our corporate culture. With projects in 25 countries, the TUI Care Foundation initiated by TUI focuses on the positive effects of tourism, education and training and the strengthening of environmental and social standards. It thus supports the development of holiday destinations. The globally active TUI Care Foundation initiates projects that create new opportunities for the next generation.

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