

**Inside Information according to article 17 MAR****TUI AG reaches agreement with German Federal Government on additional stabilisation package of €1.2 billion**

Hanover, 12.08.2020, 13:56 CEST. TUI and KfW have agreed to increase the existing KfW tranche by €1.05 billion. The drawing of this amount is subject to (i) the issuance of a Convertible Bond to the Economic Stabilization Fund (WSF) in the amount of €150m and (ii) a waiver by the bondholders of the Senior Notes due in October 2021. Both conditions and other formal requirements need to be fulfilled by 30 September 2020.

The €1.2 billion stabilisation package strengthens TUI's position and would provide sufficient liquidity in this volatile market environment to cover TUI's seasonal swing through Winter 2020/21 and thereafter and in the case of any further long-term travel restrictions and disruptions related to COVID-19.

Including the additional stabilisation package, TUI AG would, as of today, have cash and available facilities of €2.4 billion.

Similar to the first KfW tranche in the amount of €1.8 billion issued in April 2020, the additional KfW tranche will be structured as an increase to TUI's existing Revolving Credit Facility ("RCF"). The execution of the amendments with the RCF banking consortium is almost finalised.

All conditions on the issuance of the Convertible Bond have been agreed. The potential Convertible Bond would be subscribed by the WSF subject to the conclusion of a subscription agreement and shall have an initial term of six years. The bond would bear interest at a rate of 9.5% p.a. TUI has a redemption right once the €1.05 billion KfW tranche is redeemed. If fully converted, it would represent a stake in TUI AG of up to 9%.

TUI would exercise its authority for the issuance of a Convertible Bond excluding pre-emption rights and use existing conditional capital to grant the underlying shares. The conversion price per share would be fixed at 60% of the average stock price before the issuance, but not less than €2.56 and WSF would have the right to call for the conversion of the Bond into TUI shares at any time.

In addition to the restrictions under the existing KfW loan, such as a dividend holiday and a restraint of share buy-backs, the stabilisation measure by the

WSF would be connected with further limitations regarding, inter alia, investments in other companies and the remuneration for board members as long as the WSF remains invested.

The additional KfW tranche is also subject to a waiver of a potential future limitation of TUI's financial indebtedness under the Senior Notes due in October 2021.

Easing of travel restrictions in Europe has enabled TUI to benefit from a partial restart to its Summer 2020 programme with an immediate positive effect on working capital, as customers are committing for the current and future holiday seasons. Holidays remain a high priority to our customers and we continue to work through different demand scenarios as we move through the current and upcoming seasons.

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## **FORWARD-LOOKING STATEMENTS**

This announcement contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market fluc-

tuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of this announcement.

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