

Inside Information according to article 17 MAR**Further progress with TUI's asset-right strategy - SARANJA, S.L., an entity of the RIU-Group takes over 49% minority stake in RIU Hotels S.A. Joint Venture from TUI**

- SARANJA, S.L., an entity of the RIU-Group takes over TUI's minority stake of RIU Hotels S.A. Joint Venture with a real estate portfolio of 21 properties
- Management of around 100 RIU hotels and resorts worldwide remains unchanged in the other 50:50 joint venture between RIU and TUI
- Property transaction strengthens focus on brand, operations, customer experience and distribution
- Delivering of TUI Group's asset-right strategy - decoupling of hotel growth and real estate investments
- Enterprise value totals around 1.5 billion euros, the purchase price around 670 million euros (incl. earn-out) for TUI's minority stake
- Transaction implies an enterprise value/EBITDA multiple of 11.9 (RIU FY 2019)

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Hanover, 27.05.2021, 18:43 CEST. TUI AG has reached an agreement today to dispose its 49% stake in RIU Hotels S.A. Joint Venture to Saranja S.L., an entity of the RIU-Group owned by Carmen and Luis Riu. The Enterprise Value totals around 1.5 billion euros, thereof around 670 million euros for TUI's minority stake including an earn-out-element. The expected net cash consideration pre earn-out amounts to around 540 million euros at closing of the transaction. The earn-out-element is payable upon RIU Hotels S.A. delivering its FY 2022 and 2023 operating budget. The transaction is expected to generate a considerable book gain for TUI and is subject to final financing agreements and certain regulatory approvals. The transaction is expected to complete in late summer 2021.

With the transaction TUI is sharpening its focus in its long-standing partnership with RIU: in the future, the cooperation will be even more clearly focused on brand, hotel management and distribution. As part of this focus, Saranja S.L., an entity of the RIU-Group is taking over TUI's minority share in RIU Hotels

S.A. joint venture and the previously jointly held real estate portfolio of 21 properties. The core of the long-standing strategic hotel partnership between RIU and TUI continues to be the 50:50 joint venture with around 100 hotels and resorts worldwide. This joint venture not impacted by the transaction will continue to manage and distribute all RIU hotels and resorts worldwide - including the 21 properties that will be transferred to the RIU-Group in the future.

TUI is thus strengthening its core business with holiday experiences - and in particular the development, operation and marketing of hotel and holiday brands. The Group intends to grow primarily with its international hotel brands TUI Blue, RIU, Robinson, TUI Magic Life and the management of these hotels, but in doing so will tie up less capital in property and real estate in the future. TUI had already initiated this so-called asset right strategy before Corona in December 2019. The aim is to decouple growth in hotels and cruise ships from investments.

The proceeds will be used to reduce the Group's debt which substantially increased during the Corona pandemic.

Per 30 September 2020 RIU Hotels S.A. generated a total revenue of 226 million euros, an underlying EBIT of 28 million euros, an EAT of 10 million euros and the EAT of TUI's 49% stake amounted to 5 million euros. Per 30 September 2020 the gross assets of TUI's stake in RIU Hotels S.A. totaled 433 million euros.

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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 fluctuations, 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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