



Agreement with WSF

13 December 2022

TUI Ad-hoc 13.12.2022 – Positioning TUI for the future...



Key objectives

- Reduce reliance on government
- Strengthen balance sheet
- Focus on growth & further market recovery

Agreement with WSF

- Repay c. €479m of Silent Participation I & Warrant Bond alongside substantial redemption of KfW RCF
- No WSF conversion into TUI shares until 31/12/2023
- Repayment price of €730m¹ as per signing date of Agreement, including a customary discount of 9.3%
- Repayment/redemption to be funded by capital increase with subscription rights (post capital reduction/share consolidation)
- Further details
 - Repayment price **subject to positive share price development** until capital increase announcement, capped at €2 (max. €957m)
 - **Interest payable** until closing
 - **Closing conditions:** confirmation by European Commission, AGM approval
 - Volume of capital increase limited to repayment / substantial redemption of government funding; subject to market development

¹ 1 Repayment price defined as 15-day VWAP before signing date (1.6816€) less discount of 9.30% multiplied with 479m (SP I + Warrant Bond)



... by seeking shareholder approval to return further government funding...

AGM details

- AGM invitation to be published on 5th January 2023
- AGM to be held on 14th February 2023 (virtually)

AGM Resolutions

- Shareholder approval requested for capital reduction/share consolidation (Ratio 10:1) to improve access to capital markets
- Based on expected attendance, 2/3 majority of capital presence required to pass resolution¹
- No impact on economic value for shareholders
- **TUI has existing authorisations in place to issue shares – remain unchanged**
- **Executive Board commits to limit use of existing authorisations (further details please see next page)**

Sanctioned Shareholder²

- Sanctions prohibit the exercise of voting rights at AGM
- Cannot exercise, sell or otherwise transfer subscription rights / shares
- As a result, sanctions preclude participation in any capital increase

Use of two separate capital authorisations

Authorised Capital 2022/I - WSF

- Capital Increase dedicated to full repayment of c.€479m (€420m Silent Participation I & €59m Warrant Bond to WSF)

Authorised Capital 2022/II – KfW RCF

- Capital increase mainly dedicated to substantial redemption of the KfW RCF facilities

Joint Offering



... using existing authorisations to execute WSF Agreement: repayment WSF & substantial redemption of KfW RCF...



Executive Board commits to limit use of existing authorisations as detailed above – capital increases to be carried out simultaneously in one joint offering



... to emerge stronger in an attractive, long-term growth sector



Capital increase is expected to

- ✓ **Strengthen balance sheet**
 - Reduce leverage to well below 3x
 - Lower cost of capital
 - Accelerate path to an improved credit rating
 - Continue to simplify capital structure
- ✓ **Allow the business to drive growth** at attractive return levels and grow market share
 - Drive enhanced reach and product offer for customers
 - Restore ability to undertake selective bolt-on investments
- ✓ **Lay the foundation to return to a more normal capital allocation policy**