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REGULATION S ONLY.

THIS INDICATIVE TERM SHEET COMPRISES ONLY A SUMMARY OF THE TERMS OF THE PROPOSED CONVERTIBLE BONDS (THE "BONDS"), WHICH ARE SUBJECT TO CHANGE. THE INFORMATION HEREIN IS INDICATIVE ONLY. ALTHOUGH THE INDICATIVE INFORMATION HEREIN IS REFLECTIVE OF THE TERMS OF THE BONDS CONTEMPLATED AS AT THE TIME OF COMMUNICATION, THERE IS NO ASSURANCE THAT THE BONDS WILL ACTUALLY BE ISSUED. THE BONDS WILL BE ISSUED ON THE BASIS OF THE FINAL TERMS AND CONDITIONS THAT ARE EXPECTED TO BE DELIVERED TO INVESTORS PRIOR TO OR UPON SETTLEMENT. BEFORE MAKING ANY INVESTMENT DECISION AND ENTERING INTO ANY TRANSACTION IN RELATION TO THE BONDS, POTENTIAL INVESTORS SHOULD TAKE STEPS TO ENSURE THAT THEY UNDERSTAND THE TRANSACTION AND HAVE MADE AN INDEPENDENT ASSESSMENT OF THE APPROPRIATENESS OF THE TRANSACTION IN THE LIGHT OF THEIR OBJECTIVES. POTENTIAL INVESTORS SHOULD MAKE SURE THAT THEY HAVE SUFFICIENT INFORMATION AVAILABLE IN RELATION TO THE ISSUER AND THE BONDS BEFORE MAKING AN INVESTMENT IN THE BONDS. YOUR ATTENTION IS DRAWN TO THE SECTIONS HEADED "IMPORTANT INFORMATION" AND "REPRESENTATIONS BY INVESTORS" BELOW.

Pricing Term Sheet

9th April 2021



EUR 400 million Senior Unsecured Convertible Bonds due 2028 convertible into ordinary registered shares of TUI AG

Summary Terms and Conditions

Issuer:	TUI AG (the "Issuer") (LEI number: 529900SL2WSPV293B552)
Securities Offered:	Euro denominated senior unsecured convertible bonds (the "Bonds"), convertible into new and/or existing no-par value ordinary registered shares of the Issuer (the "Shares")
Issue Size:	EUR 400 million
Underlying Shares:	New and/or existing Shares of the Issuer listed on XETRA ISIN DE000TUAG00 / German WKN TUAG00 / Bloomberg TUI1 GY / Reuters TUIGn.DE

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Summary Terms and Conditions

Status:	The Bonds will constitute direct, unconditional, unsubordinated and, subject to the negative pledge, unsecured obligations of the Issuer, ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer
Rating:	The Issuer is rated Caa1, Stable (Moody's) and CCC+, Stable (S&P) The Bonds will not be rated
Launch Date:	9 April 2021
Pricing Date:	9 April 2021
Closing Date:	16 April 2021
Maturity Date:	16 April 2028 (7 years)
Bondholder Put Date:	16 April 2026 (5 years)
Denomination:	EUR 100,000 (the " Principal Amount ")
Issue Price:	100% of the Principal Amount
Redemption Price:	100% of the Principal Amount
Coupon:	5.00% per annum, payable semi-annually in arrear in equal instalments on 16 April and 16 October in each year, commencing on 16 October 2021, Actual/Actual, following business day convention unadjusted
Yield to Maturity:	5.00% per annum
Conversion Premium:	25% above the Reference Price
Reference Price:	EUR 4.2905, being the Volume Weighted Average Price (" VWAP ") of the Shares on XETRA between launch and pricing on the Launch Date
Conversion Price:	EUR 5.3631 initially, equal to the Reference Price x (1 + Conversion Premium), subject to adjustment as provided in the Terms and Conditions
Conversion Ratio:	18645.9324 Shares per Bond initially – and from time to time the number of Shares corresponding to the Principal Amount divided by the prevailing Conversion Price
Conversion Right:	Unless previously redeemed, or purchased and cancelled, the Bonds will be convertible into Shares at any time during the Conversion Period at the prevailing Conversion Price
Conversion Period:	Bonds are convertible at the option of the Bondholder from 27 May 2021 (<i>41st calendar day following the Closing Date</i>) to the close of business on the 10 th business day prior to the Maturity Date or, on any early redemption at the option of the Issuer, to the close of business on the 10 th business day prior to the date set for redemption
Cash Payment in Lieu of Delivery of Shares in Certain Circumstances:	Yes, but only if, due to legal reasons, on the relevant settlement date the Issuer is unable to issue Shares from conditional capital, and in addition, the Issuer does not hold treasury shares, which the Issuer is legally authorised to deliver upon the exercise of a Conversion Right
Early Redemption at the Option of the Issuer:	The Bonds may be redeemed in whole but not in part at their Principal Amount together with accrued but unpaid interest subject to a minimum of 30 days' and a maximum of 60 days' prior notice: <ul style="list-style-type: none"> • at any time on or after 7 May 2026 (<i>5 years and 21 days following the Closing Date</i>), if the Parity Value on at least 20 trading days in any period of 30 consecutive trading days ending not earlier than 7 trading days prior to the giving of the notice of redemption in respect of a Bond in the principal amount of EUR 100,000 exceeds EUR 130,000; or • at any time, if 20% or less of the aggregate principal amount of the Bonds originally issued remains outstanding

Summary Terms and Conditions

“**Parity Value**” of a Bond in respect of any dealing day means the Principal Amount of such a Bond divided by the Conversion Price in effect on such day, multiplied by the Volume Weighted Average Price of a Share on XETRA on such dealing day, as further described in the Terms and Conditions

Dividend Entitlement: The Shares to be delivered by the Issuer upon conversion will be entitled to profits (to be paid out by way of dividends, if any) for the then current and all following financial years as from the beginning of the financial year of the Issuer in which such Shares are issued, and may initially carry a separate securities code if a dividend for the previous financial year has not been paid yet.

Dividend Protection: Downward adjustment of the Conversion Price for any cash dividends per Share paid by the Issuer

Anti-dilution Provisions: Standard German market anti-dilution protection in relation to Shares, as further described in the Terms and Conditions

Change of Control and Take-Over Bid Protection: If a Change of Control occurs, the Issuer will, as soon as practicable after becoming aware thereof, fix the Control Record Date and give notice of the Change of Control, the adjusted Conversion Price determined in accordance with the formula below and the Control Record Date

If a Change of Control occurs and a Bondholder validly exercises the Conversion Right in respect of any Bond during the period from and including the date on which the Issuer gives notice of a Change of Control to and including 4:00 p.m. (Frankfurt time) on the Control Record Date, then the Conversion Price will be adjusted in accordance with the formula below:

$$CP_a = \frac{CP}{1 + Pr \times \frac{c}{t}}$$

where:

- CP_a = the adjusted Conversion Price;
- CP = the Conversion Price on the day immediately preceding the day on which the Acceptance Event or the Change of Control, as applicable, occurs;
- Pr = the initial conversion premium of 25 per cent.;
- c = the number of days from and including the date on which the Change of Control or the Acceptance Event occurs to but excluding the Maturity Date; and
- t = the number of days from and including the Closing Date to but excluding the Maturity Date

If any Bidder publishes a Take-over Bid in accordance with § 14(2) WpÜG, the Issuer will give notice of the Take-over Bid and of the prospective Acceptance Record Date as soon as practicable after becoming aware of the publication. If the Issuer gives such notice, each Bondholder has the right to exercise the Conversion Right in respect of any Bond at the Conversion Price adjusted in accordance with the formula set out above by giving a conversion notice that is conditional on the occurrence of an Acceptance Event (the “**Conditional Conversion Notice**”). The Conditional Conversion Notice must be received by the Principal Conversion Agent before 4:00 p.m. (Frankfurt time) on the last day of the Conditional Conversion Notice Period. In addition, the Bondholder is required to deliver to the Principal Conversion Agent the Bonds to be converted before the end of the Conditional Conversion Notice Period. Any Conditional Conversion Notice becomes unconditional at the end of the day on which the Acceptance Event occurs, regardless of whether or not that point in time falls within an Excluded Period. If an Acceptance Event occurs, the Issuer will give notice of this fact, the adjusted Conversion Price and the Acceptance Record Date as soon as practicable after the publication by the Bidder of the announcement triggering the occurrence of the Acceptance Event

Please refer to the Terms and Conditions for the more detailed description of the conversion procedure in case of the occurrence of a Conditional Take-Over Bid

Where:

Summary Terms and Conditions

An "**Acceptance Event**" occurs when upon a Take-over Bid (i) after the expiry of the Initial Acceptance Period, the Bidder has published an announcement pursuant to § 23(1) sentence 1 No. 2 WpÜG according to which the Take-over Bid has been accepted at least for a number of Shares which (together with Shares already held by or attributable to the Bidder pursuant to the provisions of § 30 WpÜG) corresponds at least to such number of Shares as are necessary to provide Control, and (ii) the Bidder has published an announcement according to which all offer conditions (including any minimum acceptance thresholds) have been satisfied at the latest upon expiry of the Initial Acceptance Period, except for (x) such offer conditions that have been validly waived and (y) such offer conditions the satisfaction of which may remain pending upon the expiration of the Initial Acceptance Period (such as conditions in relation to regulatory approvals, in particular merger control approvals or the completion of capital measures of the Bidder in order to secure the offer consideration); provided, however, that an Acceptance Event cannot occur anymore if any offer condition cannot be fulfilled (already before or at the same time) any longer and the offer has, thus, failed

"**Acceptance Record Date**" means the last day of the Initial Acceptance Period (taking into account extensions of this period, if any, pursuant to, or in accordance with, applicable laws and regulations)

"**Bidder**" is the person or partnership making the Take-over Bid or the Mandatory Offer

A "**Change of Control**" will be deemed to have occurred (i) if after the date of issue of the Bonds any person or persons or any partnership ("**Relevant Person(s)**") and/or any person or persons acting on behalf of any such Relevant Person(s), (irrespective of whether the management board (*Vorstand*) or the supervisory board (*Aufsichtsrat*) of the Issuer has given its consent thereto) acquire(s) Control of the Issuer (unless the acquirer is a credit institution, financial service provider or agent that acquires the relevant Shares only temporarily in a transitory function in connection with the implementation of a capital measure or corporate action) or (ii) in case of a merger of the Issuer with or into a Third Person or the merger of a Third Person with or into the Issuer, or the sale of all or substantially all of the assets (determined on a consolidated basis) of the Issuer to a Third Person other than in connection with transactions following which (A) in the case of a merger, holders that represented 100% of the voting rights of the Issuer hold at least the majority of the voting rights of the surviving entity immediately after such merger and (B) in the case of a sale of all or substantially all of the assets of the Issuer, the acquiring entity is or becomes a subsidiary of the Issuer and becomes a guarantor in respect of the Bonds.

"**Conditional Conversion Notice Period**" means the period commencing on the day on which the Issuer gives notice and ending at 4:00 pm (Frankfurt time) on the Acceptance Record Date

"**Control**" means direct or indirect, legal and/or beneficial, ownership of Shares (including by a group of persons acting in concert within the meaning of §§ 2(5)), carrying an aggregate 50 per cent. or more of the voting rights in the Issuer. "**Control Record Date**" means the business day fixed by the Issuer which will be not less than 40 and no more than 60 days after the date on which the notice of the Change of Control is published in accordance with the Terms and Conditions

"**Initial Acceptance Period**" means the acceptance period pursuant to § 16(1) WpÜG (not the additional acceptance period pursuant to § 16(2) WpÜG)

"**Mandatory Offer**" means any mandatory offer (*Pflichtangebot*) for Shares, according to the WpÜG or – in case the Issuer is not or no longer subject to the WpÜG but to the comparable takeover regulation of another jurisdiction – according to this comparable takeover regulation, which is addressed to shareholders of the Issuer by any person or partnership other than the Issuer

"**Take-over Bid**" means any voluntary take-over bid for Shares, according to the WpÜG or – in case the Issuer is not or no longer subject to the WpÜG but to the comparable takeover regulation of another jurisdiction – according to this comparable takeover regulation, which is addressed to the shareholders of the Issuer by any person or partnership other than the Issuer

"**Third Person**" means any person other than a subsidiary of the Issuer

Summary Terms and Conditions

"**WpÜG**" means the German Securities Acquisition and Take-Over Act (*Wertpapiererwerbs- und Übernahmegesetz*), as amended from time to time

In the case of a Take-over Bid, in connection with which an Acceptance Event as well as a Change of Control occurs, the Conversion Price shall be adjusted only once (and as of the time at which the first of these events occurs)

In no event shall the Conversion Price be adjusted more than once during any period starting with the notice by the Issuer of a Change of Control or a Take-over Bid and ending on the Change of Control Record Date (in case of a Change of Control) or the day of the settlement of the Take-over Bid (in case of a Take-over Bid)

Bondholder Put:

The Bonds may be redeemed at the option of the Bondholders:

- (i) at the Principal Amount plus accrued interest on the Bondholder Put Date (subject to giving notice no more than 60 business days and no later than 45 business days prior to the Bondholder Put Date); and
- (ii) upon the occurrence of a Change of Control or Transferring Merger, at par plus accrued interest, as further described in the Terms and Conditions

Negative Pledge:

Yes, in respect of the Issuer and the Issuer's Material Subsidiaries in respect of capital markets indebtedness, as further described in the Terms and Conditions (subject to customary exceptions)

Events of Default:

Customary Euro-market events of default in relation to the Issuer and its Material Subsidiaries, as described in the Terms and Conditions

Cross Default:

Yes, in respect of the Issuer and the Issuer's Material Subsidiaries including a cross default threshold of EUR 50 million, as further described in the Terms and Conditions

Material Subsidiary:

A subsidiary of the Issuer which has total assets or net sales (excluding intra-group items) representing 5% or more of the total assets or net sales of the Issuer and its subsidiaries, calculated on a consolidated basis, as further described in the Terms and Conditions

Tax Call / Gross-Up:

None

Use of Proceeds:

The Issuer intends to use the proceeds from the Offering to further improve its liquidity position as the Covid-19 crisis continues and subsequently for the repayment of existing financing instruments

Form:

The Bonds will be in bearer form, represented by a global certificate to be held permanently by Clearstream Banking AG, Frankfurt, in its book-entry system, with a register of holders (the "**Bondholders**")

Lock-up:

For the Issuer and its subsidiaries from the Pricing Date until 60 calendar days after the Closing Date

Selling Restrictions:

Institutional private placement, Reg S only, Category 1, no Rule 144A, TEFRA Rules do not apply

No offers or sales into the US, Australia, Japan or South Africa

Sales in the EEA or in the UK to Qualified Investors only and not to retail investors (as defined in the EU PRIIPs Regulation and UK PRIIPs Regulation, respectively). No key information document (within the meaning of the EU or UK PRIIPs Regulation) will be prepared

In Canada, sales only to investors that are not individuals, that are both an "Accredited Investor" and a "Permitted Client" and are resident in Ontario, Québec, British Columbia or Alberta (with investor letter)

MiFID II Professionals/Eligible Counterparties-only / No EU PRIIPS or UK PRIIPS KID / No sales to retail investors in the EEA, the UK or elsewhere

Standard selling restrictions apply elsewhere

EU MiFID Target Market:

Eligible counterparties and professional clients only. No EU PRIIPs or UK PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA or the UK

Summary Terms and Conditions

Governing Law:	German Law
Listing of the Bonds:	Application is intended to be made for the Bonds to be included on the Open Market segment (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange
Clearing Systems:	Clearstream Banking AG Frankfurt, and also for Euroclear Brussels and Clearstream Luxembourg.
Clearing Codes:	ISIN: DE000A3E5KG2 German WKN: A3E5KG Common Code: 233255149
Paying and Conversion Agent:	Citibank, N.A., London Branch
Calculation Agent:	Conv-Ex Advisors Limited
Joint Global Coordinators and Joint Bookrunners:	Citigroup Global Markets Europe AG, BofA Securities Europe SA, Commerzbank Aktiengesellschaft and Société Générale
Joint Bookrunners:	Barclays Bank Ireland PLC, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, HSBC, ING Bank N.V., Landesbank Baden-Württemberg and UniCredit Bank AG
Settlement Agent:	Citigroup Global Markets Europe AG

IMPORTANT INFORMATION

For further information on this transaction, please call your regular contact at the Joint Bookrunners

This indicative term sheet should be read together with the full text of the Terms and Conditions of the Bonds.

IMPORTANT NOTICES AND REPRESENTATIONS BY INVESTORS

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IN THE UNITED KINGDOM WHO INITIALLY ACQUIRES ANY BONDS OR TO WHOM ANY OFFER OF BONDS MAY BE MADE AND, TO THE EXTENT APPLICABLE, ANY FUNDS ON BEHALF OF WHICH SUCH PERSON IS ACQUIRING THE BONDS THAT ARE LOCATED IN A MEMBER STATE OR IN THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A QUALIFIED INVESTOR. FOR THESE PURPOSES, THE EXPRESSION "**PROSPECTUS REGULATION**" MEANS REGULATION (EU) 2017/1129 AND REGULATION (EU) 2017/1129 AS IT FORMS PART OF UNITED KINGDOM DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "EUWA").

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the "**securities**") should only be made on the basis of an independent review by you of the Issuer's publicly available information. Neither the Joint Bookrunners nor any of their respective affiliates accept any liability arising from the use of, or make any representation as to the accuracy or completeness of, this document or the Issuer's publicly available information. The information contained in this document is subject to change without notice and in particular in the final terms and conditions relating to the Bonds up until the closing date.

Neither the Joint Bookrunners nor any of their respective affiliates, officers, employees or agents shall be responsible for, or for investigating, any matter which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Bonds, or any other agreement or document relating to the Bonds, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

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The target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to any offering of the Bonds and/or the Shares.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MIFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any action whatsoever with respect to the Bonds.

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Act 2000 of the UK (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

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