

## **FAQ's on the planned capital measures 2023**

### **What capital measures has TUI planned for 2023 and why are they planned?**

In December 2022, we agreed with the Economic Stabilisation Fund (WSF) on a procedure for the repayment of Covid-19 aid. Under this repayment agreement, we are initially obliged to propose to the Annual General Meeting a reduction in our share capital from currently around € 1.785bn to then around € 179m by consolidating shares at a ratio of ten to one based on the provisions of the Economic Stabilisation Acceleration Act.

The agreement furthermore stipulates that TUI will fully terminate the Silent Participation I of nominally € 420m and repurchase the remaining warrant bond of nominally € 59m by the end of 2023 and that TUI will also receive back the option rights to TUI shares held by the WSF. In addition, TUI intends to further significantly reduce the KfW credit lines. In order to finance these repayments, TUI is obliged under the repayment agreement to work towards the implementation of one or more capital increases with subscription rights. This obligation will apply as of the effective date of the capital reduction until 31 December 2023 - subject to the positive assessment of the respective capital market conditions by the Executive Board and the Supervisory Board. With a successful implementation of the planned measures, we will strengthen our balance sheet, we will benefit from lower interest payments and we will gain further financial and entrepreneurial flexibility for the implementation of our strategy.

### **Why shall a capital reduction / consolidation of shares be implemented prior to the capital increase?**

In the event of capital increases with subscription rights, the newly issued shares to be subscribed for are offered with market standard discounts on the stock market price. Such price may, however, not fall below the proportional value of each share (nominal value) in the share capital of the company (in the case of TUI € 1.00). As the stock market price of the TUI share is currently close to such minimum subscription price, a capital increase with subscription rights is currently almost impossible. As a result of the share consolidation with a ratio of ten to one, the stock market price of the TUI share will be increased accordingly and will thus result in a situation where the raising of new share capital is possible, see also "How will the share price change as a result of the share consolidation?".

## **FAQ's on the share consolidation:**

### **What is a consolidation of shares (reverse stock split)?**

Shares are replaced (for example, in the case of the capital reduction planned for the TUI shares, at a ratio of ten to one), i.e. 10 old shares are replaced by one new share, resulting in a decrease of the total number of issued shares in accordance with the combination ratio. The percentage of a shareholder's participation in the company and the value of his portfolio does not change, while the stock exchange price of the resulting new shares increases in accordance with the combination ratio, i.e. increases tenfold in the case of TUI.

### **How will the share price change as a result of the share consolidation?**

The share price of a new share will mathematically adapt at the time of the effective date of the share consolidation according to the selected consolidation ratio and the value of the overall shareholding will remain unchanged.

TUI plans a ten-for-one consolidation, i.e. one new TUI share is created from every ten old TUI shares. At a stock market price of e.g. 2.00 euros on the day the share consolidation is booked, 100 old TUI shares with a stock market value of 2.00 euros each (= 200 euros) will therefore become ten new TUI shares with a stock market value of 20 euros each (= 200 euros).

### **What is a capital reduction?**

In a capital reduction, the share capital of a public limited company is reduced, e.g. through the consolidation of shares. The share capital of a company consists of the sum of the nominal values of all issued shares. Pursuant to the repayment agreement with the WSF, we are obliged to propose to the Annual General Meeting a reduction of the company's share capital from currently around € 1.785bn to then around € 179m by combining shares at a ratio of ten to one in accordance with the provisions of the Economic Stabilisation Acceleration Act. The corresponding reduction amount of around € 1.606bn euros will then be transferred to TUI's capital reserve. This is purely a rebooking on the balance sheet within the company's unchanged equity capital, which has no impact on the value of the shareholding held by the shareholders. See also "How will the share price change as a result of the share consolidation?" and "What does the share consolidation mean for me as a shareholder? Will the value of my shares decrease because the share capital of TUI AG will be reduced?"

### **What are the implications of the capital reduction for TUI? What does the share consolidation mean for me as a shareholder? Will the value of my shares decrease as the share capital of TUI AG is reduced?**

Due to the consolidation of TUI shares at a ratio of ten to one, TUI AG's share capital will decrease from currently around € 1.785bn to then around € 179m. The reduction amount of around € 1.606bn will be transferred to the Company's non-distributable capital reserve. The reduction in share capital therefore has an accounting impact for TUI (through a transfer of the reduction amount from share capital to the capital reserve, i.e. a different accounting item within TUI AG's equity on the balance sheet) but does not affect our shareholders financially. The share price is expected to increase tenfold when the share consolidation takes effect and the value of the individual shareholder's stake will thus remain unchanged. See also "How will the share price change as a result of the share consolidation?"

## **Does agenda item 5 on the resolution on the reduction of the share capital by redemption of three shares by the Company affect me as a shareholder?**

The redemption of three shares proposed under agenda item 5 will only have an impact on one single shareholder. This is because the redemption relates to the total number of shares of the Company and not to the shares of each individual shareholder. Therefore, the three shares will be made available to the Company by one shareholder (an employee of the Company) free of charge. All other shareholders are not affected by the redemption. The proposed capital reduction is an upstream measure to enable the capital reduction proposed under agenda item 6 to be carried out at an outright consolidation ratio of ten to one (as the total number of shares will thereby be reduced from 1,785,205,853 to 1,785,205,850).

## **Will the market capitalisation of the company change after the reduction of the share capital?**

The market capitalisation remains unchanged, as the capital reduction and the share consolidation only affect the company's balance sheet and the measure as such has no influence on the market capitalisation or the value of your portfolio. The technical implementation of a share consolidation involves a mathematical tenfold increase in the share price, so that the market capitalisation remains the same. The share capital is reduced by € 1,606,685,265.00 to € 178,520,585.00 and the amount of the reduction is transferred to the company's non-distributable capital reserve. This is therefore only an exchange between the share capital and the capital reserve and the total of both balance sheet positions remains unchanged.

## **When will the share consolidation take place after the Annual General Meeting?**

The adjustment of the securities account to the new converted shares will, as a rule, take place on 24 February 2023. This will be based on the account position on the evening of 23 February, 2023, with due consideration of open stock exchange transactions. It is to be expected, that some banks will only make the adjustment on the 28 February, 2023, once open stock exchange transactions have been processed, in a similar manner to how Clearstream Banking AG operates.

## **What are the costs of the capital reduction/share consolidation for shareholders?**

As part of the settlement of the capital reduction, we will pay the participating institutions directly an appropriate custodian bank commission at market rates both for the conversion of the securities accounts and for the settlement of the fractional shares. According to the information available to us, the custody clients will not be charged any further costs for the capital reduction/share consolidation on the basis of this custodian bank fee paid by us.

If your bank nevertheless claims fees from you, you should contact your custodian bank with reference to the custodian bank commission paid. A further individual reimbursement of costs is unfortunately not possible - also due to the necessary equal treatment of shareholders. We are not in a position to influence the handling of your custodian bank.

## **When will the capital increase take place after the share consolidation?**

The exact timing of the capital increase has not yet been determined and depends on a large number of factors, including to a significant extent the development of the market. Pursuant to the repayment agreement with the WSF, TUI AG is obliged, to the extent permitted by law, to use its best endeavours to implement capital increases with subscription rights. This obligation applies as of the effective date of the capital reduction until 31 December 2023 - subject to the positive assessment of the respective capital market conditions by the Executive Board and Supervisory Board.

## **Will there be a new ISIN for the TUI shares and if so, why?**

Yes, in order to distinguish the old and new TUI shares, a new ISIN and a new WKN will be assigned in line with European market standards.

## **What happens if I do not have a number of TUI shares divisible by 10 (and what happens then to my remaining shares)?**

We would like to ask you to contact your custodian bank in this regard, as the banks proceed differently:

- One option is for your custodian bank to contact you and ask you whether you would like to sell your accruing partial rights in the event that the number of shares is not divisible by 10 or whether you would like to purchase additional partial rights in order to reach a number divisible by ten.  
**For example:** If you have 206 old TUI shares in your custody account, you will receive 206 partial rights in return, 200 of which will be exchanged for 20 new TUI shares. You can then sell the remaining 6 partial rights. Alternatively, you can buy four additional partial rights, so that you then have a total of 210 partial rights, which are exchanged for 21 new TUI shares. The conversion period is from 28 February to 9 March, 2023. Please ask your custodian bank for details.
- It is also possible that your custodian bank will not grant you the option to purchase fractional rights or will not contact you at all, in which case it will automatically sell the fractions that cannot be divided by ten at the end of the conversion period and credit you with the corresponding value. Please ask your custodian bank for details.

## **What happens to my remaining shares if I do not respond to the share consolidation letter from my bank?**

If your custodian bank does not receive any instructions from you or if your custodian bank does not contact you in this regard or does not offer the purchase of partial rights, it will normally automatically sell the fractions not divisible by ten at the end of the conversion period and credit you with the corresponding value. Please ask your custodian bank for details.

## **When will I see the new number of shares and the new ISIN in my securities account?**

As a rule, this will be the case on the 24 February, 2023, and at the latest on 28 February, 2023. There may be small variations, depending on your individual bank.

## **What impact will the capital reduction/share consolidation have on TUI AG's existing authorisations for capital increases?**

The existing authorisations remain valid unchanged and the amount of the existing authorised and conditional capitals will not be reduced corresponding to the capital reduction by a factor of ten. However, in the framework of a binding voluntary commitment, the Executive Board of TUI AG has undertaken, to the extent legally permissible, to use Authorised Capital 2022/I primarily for the full repayment of the funds received from the WSF and Authorised Capital 2022/II primarily for the reduction of the KfW credit lines. The Executive Board will also explain this voluntary commitment again at the Annual General Meeting on 14 February 2023. Further details and the wording of the voluntary commitment can be found in the invitation to the Annual General Meeting published on our website.

## **FAQ's on the capital increase:**

### **When will the capital increase be carried out?**

The exact timing of the capital increase has not yet been determined and depends on a large number of factors, including to a significant extent the development of the market. Pursuant to the repayment agreement with the WSF, TUI AG is obliged, to the extent permitted by law, to use its best endeavours to implement one or more capital increases with subscription rights. This obligation applies as of the effective date of the capital reduction until 31 December 2023 - subject to the positive assessment of the respective capital market conditions by the Executive Board and the Supervisory Board.

### **By how many shares shall TUI AG's capital be increased?**

The exact number of new shares to be issued has not yet been determined and depends on a number of factors, including the development of the market and thus the amount to be paid to the WSF. The exact number of shares will be published at the beginning of the subscription period.

### **As a shareholder, will I receive subscription rights for the capital increase?**

Yes, in accordance with the subscription ratio yet to be determined, which will be published shortly before the start of the subscription period, your custodian bank will automatically book subscription rights into your securities account.

### **What will the subscription ratio be and what will the subscription price be?**

The exact subscription ratio and the subscription price has not yet been determined. This will be published shortly before the start of the subscription period.

## **Will this be the last capital increase or will there be others?**

The agreement with the Economic Stabilisation Fund (WSF) provides for the intended complete termination of the stabilisation measures granted by the WSF. In addition, a substantial reduction in KfW credit lines is envisaged. Pursuant to the agreement, the repayments shall be carried out by the end of 2023 and would be financed with the proceeds from two capital increases with subscription rights carried out at the same time. After completion of these transactions, no further capital increases are planned to reduce the Group's debt.

## **Will there be one or two capital increases? / What are the effects of two capital increases carried out?**

We intend to carry out the planned capital increase from two Authorised Capitals:

1. the Authorised Capital 2022/I (primarily for the full repayment of the funds received from WSF); and
2. the Authorised Capital 2022/II (primarily for the reduction of KfW credit lines).

Technically, there are two capital increases. However, these will be offered within the framework of a uniform, joint subscription offer, so that you as a shareholder will not notice the technical separation in the processing.

## **I hold Depositary Interests, can I also participate in the capital increase?**

A capital increase with subscription rights is planned. Subscription rights will be granted to both our shareholders and the holders of depositary interests.

## **What happens if I do not respond to the capital increase letter from my bank?**

If your custodian bank does not receive any instructions from you, it will usually sell your subscription rights automatically at the end of the subscription period and credit you with the corresponding value. Please ask your custodian bank for details.

## **May my custodian bank charge fees for the rights issue?**

According to the information available to us, the custody clients will generally be charged by their respective custodian bank for the fees incurred for the settlement of a capital increase in accordance with the respective general terms and conditions (or individual agreements, if applicable).

For details, please get in touch with your custodian bank.

## **May/can the sanctioned shareholder of TUI AG participate in the capital increase? What happens to the subscription rights of the sanctioned shareholder of TUI AG?**

Alexey A. Mordashov indirectly holds shares in TUI AG (via Unifirm Limited and Severgroup LLC). Inter alia due to the sanctions imposed on him in connection with the Ukraine war in February 2022, a far-reaching loss of rights currently applies to the shares (indirectly) held by Mr Mordashov. This also means, in particular, that Mr Mordashov cannot participate in the capital increase and that consequently no subscription rights will be granted to Mr Mordashov.