[Non-binding translation]

Report of the Executive Board
to the Annual General Meeting of TUI AG on 14 February 2023
concerning the partial exercise of the
authorisation of the Executive Board to increase the share capital (Authorised Capital 2022/III) of the Company, including the authorisation to disapply shareholders' pre-emption rights,
granted by the Annual General Meeting of 8 February 2022

I.

By resolution passed by the Annual General Meeting of TUI AG, Hanover and Berlin, (the ***Company***) on 8 February 2022, the Executive Board of the Company was authorised, subject to the consent of the Supervisory Board of the Company, to increase the share capital of the Company in connection with the agreed recapitalisation pursuant to section 22 of the Stabilisation Fund Act (*Stabilisierungsfondsgesetz* – ***StFG***) once or several times until 7 February 2027 by an amount not to exceed EUR 671,000,000.00 (in words: Euro six hundred and seventy-one million) in total by issuing, once or several times, up to 671,000,000 new no-par value registered shares against contributions in cash and in kind in order to use the net issue proceeds primarily to repay the capital made available to the Company by the Economic Stabilisation Fund (*Wirtschaftsstabilisierungsfonds* – ***WSF***) in connection with the Silent Participation II, i.e. the silent partnership of the WSF within the meaning of section 22 (1) sentence 2 4th alterative StFG with an asset contribution in the amount of EUR 671,000,000.00 (***Authorised Capital 2022/III***).

Shareholders are, in principle, entitled to pre-emption rights. The shares may also be subscribed by one or several credit institutions with the obligation that the shares be offered to the shareholders for subscription. The WSF is entitled to subscribe to the new no-par value registered shares to which it is entitled upon the exercise of its subscription rights (if any) in accordance with the subscription ratio against granting of a contribution in kind by way of full or partial contribution of (i) the Silent Participation II (including the claims to coupons and any additional remuneration) at the then current subscription price less 10 % or (ii) the claim for repayment attaching to the bonds under the EUR 150,000,000.00 bonds with warrants issued by the Company in September 2020 with a term until 2026 (***Bonds With Warrants 2020/2026***) up to an amount of EUR 58,700,000.00 (unless bonds were already contributed upon exercise of the warrants or warrants were sold to third parties) at a subscription price of EUR 1.00 per share.

The Executive Board is further authorised, by way of capital increase against cash contribution, with the consent of the Supervisory Board, to disapply shareholders' pre-emption rights if the issue amount of the new shares is not significantly lower than the market price for previously issued shares with the same terms. The number of new shares issued on the basis of this authorisation, plus the shares issued or sold on the basis of an authorisation to sell pursuant to sections 71 (1) no. 8 sentence 5 and 186 (3) sentence 4 of the German Stock Corporation Act (*Aktiengesetz* – ***AktG***) after the General Meeting passed the resolution on this authorisation on 8 February 2022 (the ***Date of Resolution***) until such time as the authorisation has been exercised, must not exceed the limit specified in section 186 (3) sentence 4 AktG of 10 % of the share capital existing on the Date of Resolution or (if lower) the share capital existing on the date of issue of new shares. Further, shares that are issued or to be issued on the basis of bonds with conversion or warrant rights or conversion obligations issued in accordance with section 186 (3) sentence 4 AktG after the Date of Resolution until such time as the authorisation has been exercised must be taken into account when calculating this limit.

The Executive Board may further, subject to the consent of the Supervisory Board, disapply shareholders' pre-emption rights in respect of fractional amounts.

When calculating the aforementioned 10 %, shares to be granted to creditors of the bonds under the terms and conditions of these bonds for purposes of protection against dilution (e.g. in the event of a cash capital increase with pre-emption rights during the term of the bonds after the issue of the bonds) will not be taken into account.

However, the total portion of the share capital attributable to new shares for which pre-emption rights have been disapplied under these authorisations must not – together with the portion of the share capital attributable to own shares or new shares from authorised capital or relating to conversion or warrant rights or obligations from bonds that were sold or issued on or after 8 February 2022 subject to the disapplication of pre-emption rights – exceed 10 % of the share capital; this threshold is to be calculated on the basis of the amount of the share capital existing either on 8 February 2022 or at the time the new shares are issued, whichever is the lowest. When calculating the aforementioned 10 %, shares to be granted to creditors of the bonds under the terms and conditions of these bonds for purposes of protection against dilution (e.g. in the event of a cash capital increase with pre-emption rights during the term of the bonds after the issue of the bonds) will not be taken into account.

The Executive Board is authorised to determine, subject to the consent of the Supervisory Board, the further content of share rights and the terms of the share issue. This also includes the authorisation, pursuant to section 7f (1) no. 1 in conjunction with section 7 (3a) Economic Stabilisation Acceleration Act (*Wirtschaftsstabilisierungsbeschleunigungsgesetz* – ***WStBG***), to offer any unsubscribed shares to the WSF for purchase after the expiration of the subscription period at the subscription price less 10 %. In this case, too, the WSF will be entitled to subscribe to the new no-par value registered shares against granting of a contribution in kind by way of full or partial contribution of Silent Participation II (including the claims to coupons and any additional remuneration).

Article 4 (12) of the Company's Articles of Association was re-stated accordingly.

II.

As a consequence of the effects of the COVID-19 pandemic and the significant burden on the Company's liquidity and financial position as a result thereof, the Company agreed with the Federal Ministry of Finance, the Federal Ministry for Economic Affairs and Energy, KfW and the WSF, represented by the Federal Republic of Germany – Finanzagentur GmbH, a stabilisation package for a total amount of EUR 1,200,000,000, including a potential recapitalisation measure under section 22 StFG by entering into of a framework agreement in September 2020. In this context, the recapitalisation measure under the Economic Stabilisation Fund Act provided for an equity-linked instrument structured as the issuance of a convertible bond or bond with warrants to the WSF in an amount of EUR 150,000,000 on specific terms (the ***Recapitalisation Measure***). The stabilisation package among other things comprises an increase in the additional credit line with KfW agreed upon at the beginning of the COVID-19 pandemic under KfW's special programme "Direct Participation for Syndicated Financing" (855) (***Facility C***) under the Company's existing Revolving Credit Facilities Agreement by EUR 1,050,000,000 to a total of EUR 2,850,000,000.

In order to implement the Recapitalisation Measure, and thus also to activate the increased amount under Facility C, the Company's Executive Board resolved on 29 September 2020, with the consent of the Company's Supervisory Board of the same date and making use of the authorisation still existing at that time by virtue of the resolution of the Annual General Meeting of 9 February 2016, to issue a bond with warrants to the WSF subject to the disapplication of shareholders' pre-emption rights. The WSF subscribed the bond with warrants for a volume of EUR 150,000,000. With the proceeds from the bond with warrants and the increase in Facility C by EUR 1,050,000,000, the Company was able to secure sufficient liquidity for the seasonal fluctuations in winter 2020/21.

In order to implement a further financing package, the Company issued silent participations (*stille Beteiligungen*) with a total amount of EUR 1,091,000,000.00 to the WSF on 4 January 2021. The measures by WSF include a silent participation without loss participation, which can be converted into shares of the Company at a subscription price of EUR 1.00 per share, in the amount of EUR 420,000,000.00 (***Silent Participation I***) as well as a further silent participation with loss participation in the total amount of EUR 671,000,000.00 (***Silent Participation II***) Also on 4 January 2021, the Company agreed an additional revolving syndicated credit facilities agreement with KfW and six other commercial banks for an amount of

EUR 200,000,000.00 (the ***New Credit Facility***); subsequently, an amount of EUR 30,000,000.00 of this New Credit Facility was cancelled as of 30 September 2021.

At the Extraordinary General Meeting on 5 January 2021, the General Meeting had resolved to grant the WSF a conversion right at any time for up to 420,000,000 new registered no-par value shares with a pro rata amount of the share capital of EUR 1.00 in an exchange ratio of 1:1 (***Exchange Right***). The WSF has not yet made use of its Exchange Right.

Moreover, the General Meeting, at the Extraordinary General Meeting on 5 January 2021, had initially reduced the Company's share capital from EUR 2.56 per TUI share to EUR 1.00 per TUI share. By a subsequent further resolution of the General Meeting, the Company's share capital was resolved to be increased from EUR 590,415,100.00 by EUR 508,978,534.00 to EUR 1,099,393,634.00 by issuing 508,978,534 new shares, each representing a pro rata amount of the Company's share capital of EUR 1.00. The funds accruing to the Company in connection with the January 2021 capital increase in particular served to fully redeem a bond issued by the Company with a nominal amount of EUR 300,000,000.00 which fell due in October 2021.

At the Company's Annual General Meeting on 25 March 2021, the General Meeting, inter alia, had resolved to authorise the Executive Board of the Company, subject to the consent of the Supervisory Board, to increase the Company’s share capital in total by up to EUR 109,939,363.00 by issuing, once or several times, new registered shares against cash contribution (***Authorised Capital 2021/I***) as well as by up to EUR 417,000,000.00 in total by issuing, once or several times, new registered shares against cash or in kind contribution (***Authorised Capital 2021/II***).

On 16 April 2021, based on an authorisation granted by the General Meeting at the Company’s Annual General Meeting on 25 March 2021, the Company issued 4,000 convertible bonds with a term of seven years ending on 16 April 2028, each with a nominal amount of EUR 100,000.00, and thus with a total nominal amount of EUR 400,000,000.00, which grant conversion rights for up to 74,583,729 shares, each representing a pro rata amount of the share capital of EUR 1.00. Making further use of the same authorisation, the Company carried out a tap issuance of the convertible bond 2021 with an additional 1,896 convertible bonds, each with a nominal amount of EUR 100,000.00, and thus with a total nominal amount of EUR 189,600,000.00, which grant conversion rights for up to 35,352,687 shares, each representing a pro rata amount of the share capital of EUR 1.00. The proceeds from the issue of the convertible bonds and the tap issuance of the convertible bonds were used for refinancing and in particular to further reduce drawings under the KfW facilities and towards a subsequent repayment of such facilities.

By resolution of 6 October 2021, the Executive Board, with the consent of the Supervisory Board, based on the authorisation of the Executive Board by the General Meeting regarding the Authorised Capital 2021/I and the authorisation of the Executive Board by the General Meeting regarding the Authorised Capital 2021/II, has additionally increased the Company's share capital of EUR 1,099,393,624 by a total of EUR 523,520,778.00 (namely EUR 109,939,363.00 from the Authorised Capital 2021/I and EUR 413,581,415.00 from the Authorised Capital 2021/II) to EUR 1,622,914,412.00 by issuing 523,520,778 new registered no-par value shares against cash contributions. The proceeds from the issuance of the new shares in the course of the partial exercise of the Authorised Capital 2021/I and the partial exercise of the Authorised Capital 2021/II served to repay outstanding debts from Facility C and from the further revolving credit facility agreed with 20 banks with a credit line of EUR 1,535,000,000.00 since 15 September 2014 and thus to reduce interest costs in addition to reducing net debt.

Due to the stable business development in 2022, (i) the secured revolving syndicated loan agreement from the third stabilisation package in the amount of EUR 170,000,000.00 provided by KfW and the private banks, (ii) the bond component in the amount of EUR 91,300,000.00 of the bond warrants fully subscribed by WSF in the amount of EUR 150,000,000.00 and (iii) EUR 413,700,000.00 of the unsecured revolving syndicated loan agreement with KfW from the first two stabilisation packages were returned on 1 April 2022.

III.

As announced in the German Federal Gazette (*Bundesanzeiger*) on 20 May 2022, the Executive Board resolved on 17 May 2022, with the consent of the Supervisory Board – on the basis of the authorisation of the Executive Board by the Annual General Meeting concerning Authorised Capital 2022/III – to increase the share capital of the Company of EUR 1,622,914,412.00 (not taking into account any capital increase from the Company's conditional capital in the current financial year) in total by EUR 162,291,411.00 to EUR 1,785,205,853.00 (not taking into account any capital increase from the Company's conditional capital in the current financial year) by issuing up to 162,291,441 new, no-par-value registered shares (with a pro rata amount of EUR 1.00 for each new share (***New Shares***) against contributions in cash. The statutory pre-emption rights of the shareholders were excluded in compliance with the detailed provisions of the authorisation to exercise the Authorised Capital 2022/III resolved by the General Meeting of the Company on 8 February 2022 under agenda item 9 (***Authorisation 2022***) as well as in compliance with the statutory requirements pursuant to section 203 (1), section 186 (3) sentence 4 AktG. The issue amount was EUR 1.00 per New Share with full dividend rights from 1 October 2021.

The number of New Shares and the placement price per New Share were determined by way of an accelerated bookbuilding process and subsequently resolved by the Executive Board with the approval of the Supervisory Board on 17 May 2022. Only (i) Barclays Bank Ireland plc, (ii) HSBC Trinkhaus & Burkhardt AG and (iii) UniCredit Bank AG, each with 54,097,147 no-par value shares, were admitted to subscribe for the New Shares in an international private placement. The total number of New Shares to be issued amounted to 162,291,441 no-par value shares. The placement price of the New Shares was EUR 2.62 per New Share. This resulted in gross proceeds of around EUR 425,000,000.00.

The New Shares were admitted to trading on the regulated market of the Hanover Stock Exchange without a prospectus on 20 May 2022 and included in the Open Market of the Frankfurt Stock Exchange (Xetra) as well as admitted to trading on the premium listing segment of the FCA's Official List and to trading on the main market of the London Stock Exchange for listed securities on 24 May 2022 in the form of depositary interests.

The record of the Annual General Meeting of 8 February 2022, including the wording of the authorisation, has been deposited with the commercial registers of the Local Court (*Amtsgericht*) of Berlin, HRB 321, and the Local Court of Hanover, HRB 6580.

IV.

Before issuing the New Shares, the Executive Board discussed the prerequisites as well as the appropriateness and expediency of the issue and the exclusion of pre-emption rights. In the course of the deliberations, after thoroughly discussing the market environment at that time and after comprehensive consideration of the advantages and disadvantages associated with the issue, both the Executive Board and the Supervisory Board of the Company came to the conclusion that the issue of the New Shares at the issue price and excluding shareholders' pre-emption rights was in the Company's interest. In particular, the Executive Board and Supervisory Board came to the conclusion that the capital increase by way of partial exercise of the Authorised Capital 2022/III within the planned parameters represented a favorable opportunity for the Company to raise equity on the capital market. In the opinion of the Executive Board, more advantageous and equally transaction-proof alternative financing options were not available to the Company. The exercise of the Authorised Capital 2022/III was a possibility of raising capital provided for by resolution of the Annual General Meeting, which expressly serves the purpose to primarily repay the capital made available to the Company by the WSF within the framework of the Silent Participation II. At the time of the resolution of the Executive Board on the issue of the New Shares exercising the Authorised Capital 2022/III, signs were indicating a recovery regarding the Company's operating business particularly benefiting from a strong summer business due to the lifting of restrictions, which had significantly burdened the Company's business operations in the context of the COVID-19 pandemic. Based on the assessment of the Executive Board, therefore, this time frame had to be used due to lack of equally beneficial alternatives to the repayment of the Silent Participation II.

The statutory requirements and those provided for in the authorisation to exercise the Authorised Capital 2022/III for the exclusion of pre-emption rights were fulfilled with regard to the issue of the New Shares. The placement price of the New Shares in the amount of EUR 2.62 was appropriate from the point of view of the Company and its shareholders. On 17 May 2022, the date of the Executive Board's resolution on the placement price of the New Shares, the average share price of the Company amounted to EUR 2.89 per share on XETRA. The placement price was hence less than 10 % lower than the average market price of the Company's already listed shares. Due to the volatility of the share price, the Executive Board is therefore of the opinion that the placement price was not significantly lower than the stock market price of the shares already listed on the stock exchange and was therefore appropriate within the meaning of the Authorisation 2022 and the statutory requirements (cf. section 203 (1) and section 186 (3) sentence 4 AktG).

The placement price of EUR 2.62 without granting subscription rights to shareholders provided a dilution risk for existing shareholders. However, the placement price at this amount – together with other available cash – made it possible to repay the Silent Participation II in full, including interest due. This enabled the Company to repay a relevant part of the state aid, strengthen its balance sheet and ensure further improvement in the Company's capital base. This served and serves to safeguard the sustainability and causes an appreciation of the value of the shareholders' investment. In this respect, according to the entrepreneurial assessment of the Executive Board, the placement price was also appropriate in the interest of the shareholders in the specific situation of the Company and was therefore ultimately in the interest of the Company and its shareholders to enable the strengthening of the Company's balance sheet.

Finally, the issue of the New Shares also complied with the maximum limit for the number of issued shares provided for in the Authorisation 2022 as well as in section 186 (3) sentence 4 AktG. The issue of New Shares through partial exercise of the Authorised Capital 2022/III grants a total of 162,291,441 new registered no-par value shares and thus pre-emption rights to the same number of TUI shares. With a pro rata amount of the share capital of EUR 1.00 per share, this corresponds to approximately 9.99 % of the Company's share capital existing at the time of granting as well as utilizing the Authorisation 2022, meaning that the maximum limit of 10 % was not exceeded. In the present case, this limit was also not reduced due to required offsetting of earlier capital measures.

The issue of the New Shares while disapplying pre-emption rights enabled the Company to raise funds without the issuance of a prospectus, which made the conduct of the issuance possible at short notice and by secure transaction via the accelerated placement procedure. Due to the accelerated placement process, the capital increase could be carried out at considerably lower costs and within a shorter time frame. As a result, the Company was able to react quickly and flexibly to the stable business development of the Company post-COVID-19 pandemic and generated gross proceeds of around EUR 425,000,000.00. The Company was able to use the net proceeds from the capital increase from the Authorised Capital 2022/III together with other available cash for the full repayment of the Silent Participation II of the WSF. As a result, the Company was able to repay the Silent Participation II in full to the WSF on 30 June 2022 in the amount of EUR 671,000,000.00 plus interest due, resulting in a total amount of EUR 725,000,000.00. The Company thus succeeded in further advancing the Company's deleveraging in order to strengthen its balance sheet and align the Company's business operations in a time when the COVID-19 pandemic subsided. For the reasons set out above, the exclusion of the pre-emption rights was in the interest of the Company and was necessary, appropriate and proportionate to that extent.