

**Report of the Executive Board
to the Annual General Meeting of Shareholders of TUI AG on 13 February 2024
concerning the partial exercise of the authorisations granted to the Executive Board by the General Meeting of 8 February 2022 to increase the Company's share capital (Authorised Capital 2022/I and Authorised Capital 2022/II), including the authorisations to disapply shareholders' pre-emption rights in respect of fractional amounts**

I.

Authorisation by the General Meeting concerning Authorised Capital 2022/I

By resolution passed by the General Meeting of TUI AG, Hanover and Berlin, (the *Company*) on 8 February 2022 (*2022 Annual General Meeting*), 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 once or several times until 7 February 2027 by an amount not to exceed EUR 162,291,441.00 (in words: Euro one hundred and sixty-two million two hundred and ninety-one thousand four hundred and forty-one) in total by issuing new registered shares against contributions in cash (cf. Article 4 (5) of the Company's Charter, *Authorised Capital 2022/I*).

Shareholders are, in principle, entitled to pre-emption rights. The shares may be subscribed by one or several credit institutions with the obligation that the shares be offered to the shareholders for subscription.

However, the Executive Board may, subject to the consent of the Supervisory Board, disapply shareholders' pre-emption rights in respect of fractional amounts, among other things.

II.

Authorisation by the General Meeting concerning Authorised Capital 2022/II

The Executive Board was further authorised by the 2022 Annual General Meeting, subject to the consent of the Supervisory Board, to increase the Company's share capital once or several times until and including 7 February 2027 by an amount not to exceed EUR 626,907,236.00 (in words: Euro six hundred and twenty-six million nine hundred and seven thousand two hundred and thirty-six) in total by issuing new registered shares against contributions in cash or in kind (cf. Article 4 (7) of the Company's Charter, *Authorised Capital 2022/II* and together with the authorisation concerning Authorised Capital 2022/I, the *2022 Authorisations*).

Shareholders are, in principle, entitled to pre-emption rights. The pre-emption rights may be granted indirectly in that shares may also be subscribed by one or several credit institutions or equivalent entities as defined in section 186 (5) sentence 1 of the German Stock Corporation Act (*Aktiengesetz, AktG*) with the obligation to offer them to the shareholders for subscription.

In addition, shareholders' pre-emption rights may also be disappplied in respect of fractional amounts in the event that Authorised Capital 2022/II is utilised.

III.

Financing measures and repayments

In response to the impact of the COVID-19 pandemic and the resulting considerable burden on the Company's liquidity and financial position, the Company agreed a stabilisation package for a total amount of EUR 1,200,000,000.00 with the Federal Ministry of Finance, the Federal Ministry for Economic Affairs and Climate Action, the Kreditanstalt für Wiederaufbau (*KfW*) and the Economic Stabilisation Fund (*Wirtschaftsstabilisierungsfonds, WSF*), represented by the Federal Republic of Germany – Finanzagentur GmbH, in September 2020 by entering into a framework agreement, including a potential recapitalisation

measure under section 22 StFG¹. In this context, the recapitalisation measure under the StFG 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 150,000,000.00 on specific terms (the **Recapitalisation Measure**). The stabilisation package also comprised an increase in the additional facility (**Facility C**) agreed with KfW at the beginning of the COVID-19 pandemic under the special programme "Direct Participation for Syndicated Financing" (855) by EUR 1,050,000,000.00 to a total amount of EUR 2,850,000,000.00 under the Company's existing revolving credit facilities agreement.

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 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 (**Warrant Bond**) for a volume of EUR 150,000,000.00. With the proceeds from the Warrant Bond and the increase in Facility C by EUR 1,050,000,000.00, the Company was able to secure sufficient liquidity for the seasonal fluctuations in winter 2020/2021.

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 WSF measures in this context comprised a silent participation without loss participation, convertible into shares of the Company at a subscription price of EUR 1.00 per share, in an amount of EUR 420,000,000.00 (**Silent Participation I**) and a further silent participation with loss participation in a 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 the New Credit Facility was cancelled effective as of 30 September 2021.

The General Meeting, at the Extraordinary General Meeting on 5 January 2021, had resolved to grant the WSF a conversion right for the Silent Participation I, exercisable at any time, for up to 420,000,000 new no-par value registered shares, each representing a pro rata amount of the share capital of EUR 1.00 at an exchange ratio of 1:1 (**Conversion Right**). The WSF has not exercised its Conversion 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 then 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.

The General Meeting, at the Company's Annual General Meeting on 25 March 2021, 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 once or several times until and including 24 March 2026 by an amount not to exceed EUR 109,939,363.00 in total by issuing new registered shares against contributions in cash (**Authorised Capital 2021/I**) and once or several times by issuing new registered shares against contributions in cash or in kind by an amount not to exceed EUR 417,000,000.00 in total (**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

¹ German Economic Stabilisation Fund Act (*Stabilisierungsfondsgesetz*)

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 Transaction Committee of the Executive Board, authorised by the Executive Board, with the consent granted by the Transaction Committee of the Supervisory Board, authorised by the Supervisory Board, on the basis of the authorisation of the Executive Board by the General Meeting concerning Authorised Capital 2021/I and the authorisation of the Executive Board by the General Meeting concerning Authorised Capital 2021/II, additionally increased the share capital of the Company from EUR 1,099,393,624.00 by a total amount of EUR 523,520,778.00 (that is EUR 109,939,363.00 from Authorised Capital 2021/I and EUR 413,581,415.00 from Authorised Capital 2021/II) to EUR 1,622,914,412.00 by issuing 523,520,778 new no-par value registered shares against contributions in cash. The proceeds from the issue of the new shares by utilising Authorised Capital 2021/I and partially utilising Authorised Capital 2021/II were used to repay outstanding debt under Facility C and under the additional revolving credit facility with a facility amount of EUR 1,535,000,000.00 agreed with 20 credit institutions on 15 September 2014 and thus to reduce net debt as well as interest costs.

On 1 April 2022, in line with contractual obligations, (i) the secured revolving syndicated loan agreement provided by KfW and the private banks in the amount of EUR 170,000,000.00, (ii) the bond portion in the amount of EUR 91,300,000.00 of the Warrant Bond fully subscribed by the WSF in the amount of EUR 150,000,000.00 and (iii) EUR 413,700,000.00 of the KfW unsecured revolving syndicated loan agreement were returned.

This was followed in May 2022 by the implementation of a capital increase by the Company from Authorised Capital 2022/III in accordance with the authorisation of the General Meeting of 8 February 2022 against contribution in cash subject to the disapplication of pre-emption rights. The net proceeds from this capital increase, together with other available cash, were used to repay the Silent Participation II of the WSF in full. This enabled the Company to repay the Silent Participation II in full on 30 June 2022 in the amount of EUR 671,000,000.00 plus interest due to the WSF, i.e. a total amount of EUR 725,404,925.53. Due to the continued strong operational performance, the existing and as yet undrawn KfW credit lines were also reduced at this time from EUR 2,436,300,000.00 to EUR 2,100,300,000.00, as previously announced and beyond the scope of the contractual obligations.

On 13 December 2022, the Company therefore concluded an agreement with the WSF on the repayment of the remaining stabilisation measures (**Repayment Agreement**). This agreement contained provisions for the intended complete termination of the remaining stabilisation measures granted by the WSF by means of a right of the Company (i) to repay the Silent Participation I in the nominal amount of EUR 420,000,000.00 and (ii) to repurchase the Warrant Bond issued to the WSF by the Company, which at that time still amounted to around EUR 58,700,000.00, as well as the still outstanding 58,674,899 option rights originally attached to the Warrant Bond, in each case by 31 December 2023. In addition, the Repayment Agreement contained provisions governing the implementation of capital measures for the purpose of refinancing the aforementioned measures.

IV. 2023 capital reduction

Under the Repayment Agreement, the Company was obliged to propose to the General Meeting a reduction of the Company's share capital from then around EUR 1,785 million to then around EUR 178.5 million by consolidating shares in order to prepare for the termination of the stabilisation measures.

On 14 February 2023, the Annual General Meeting of the Company (**2023 Annual General Meeting**) resolved, pursuant to section 237 (1) sentence 1 2nd alternative in conjunction with (3) no. 1 AktG in conjunction with

section 7 (6) WStBG² in connection with the recapitalisation of the Company within the meaning of section 22 StFG, to reduce the share capital and the number of no-par value shares in the Company by cancelling three no-par value shares (**Share Capital Reduction Through Share Cancellation**). The three no-par value shares were fully paid up and were provided to the Company free of charge by a shareholder. This capital reduction was an upstream measure to enable the further capital reduction subsequently resolved by the 2023 Annual General Meeting for the purpose of allocating a portion of the share capital to the capital reserve in line with sections 222 et seq. AktG in conjunction with section 7 (6) WStBG by consolidating shares with a clean consolidation ratio of ten to one (avoiding fractional amounts) (**Ordinary Capital Reduction**).

The Share Capital Reduction Through Share Cancellation and the subsequent Ordinary Capital Reduction were filed for entry in the commercial register of TUI AG on 16 February 2023 and published on the Company's website accordingly. The reduction of the share capital to EUR 178,520,585.00, divided into 178,520,585 no-par value registered shares, thereby became effective.

V.

2023 capital increases subject to the disapplication of pre-emption rights for fractional amounts

Following the capital reduction, the Company was further obliged under the Repayment Agreement to obtain the proceeds for repayment of the stabilisation measures in full by way of capital increases by 31 December 2023, subject to a positive assessment of the circumstances prevailing in the capital market.

As announced in the German Federal Gazette (*Bundesanzeiger*) on 28 March 2023, the Company's Executive Board resolved on 24 March 2023, with the consent of the Company's Supervisory Board of the same date, on the basis of the 2022 Authorisations, to increase the share capital of the Company of EUR 178,520,585.00 by up to EUR 476,054,893.00 in total (that is up to EUR 140,358,663.00 from Authorised Capital 2022/I and up to EUR 335,696,230.00 from Authorised Capital 2022/II) to up to EUR 654,575,478.00 by issuing up to 476,054,893 new no-par value registered shares (that is up to 140,358,663 from Authorised Capital 2022/I (**Capital Increase I**) and up to 335,696,230 from Authorised Capital 2022/II (**Capital Increase II**), in each case with a pro rata amount of EUR 1.00 per new share (**New Shares**) of the share capital against contributions in cash (the total number of shares from the capital increases, including the portion of the new shares that would be allocated to Unifirm Limited (**Unifirm**) and Severgroup LLC (**Severgroup**) as well as other Major Shareholder Sanctioned Persons or Entities (as defined below) and will thus not be issued) (together the **Capital Increases**).

The shareholders were in principle granted an indirect subscription right (the **Subscription Offer**) in that the New Shares were subscribed by several credit institutions with the obligation to offer them to the shareholders for subscription (the **Subscription Right**). In the context of the Subscription Offer, the existing shareholders of the Company (with the exception of Unifirm and Severgroup or their ultimate beneficial owners Alexey Mordashov or Marina Mordashova or any natural or legal persons, entities or bodies associated with them as listed in Annex 1 to Council Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine or natural or legal persons, entities or bodies directly or indirectly controlled by any of them (together the **Major Shareholder Sanctioned Persons or Entities**)) were granted an indirect Subscription Right related to 328,910,448 new shares (that is 140,358,663 new shares from Capital Increase I and 188,551,785 new shares from Capital Increase II).

The (indirect) subscription was offered to the shareholders (with the exception of Unifirm and Severgroup and other Major Shareholder Sanctioned Persons or Entities) at a subscription ratio of 8:3 (i.e. 8 New Shares offered for every 3 existing shares, the **Subscription Ratio**). The subscription price amounted to EUR 5.55. The issue price amounted to EUR 1.00 per New Share with full dividend rights from 1 October 2022.

² German Act to Accelerate and Simplify the Acquisition of Shares in and Risk Positions of Companies in the Financial Sector by the Financial Market Stabilisation Fund (*Finanzmarktstabilisierungsfonds – FMS*) and in the Real Economy by the Economic Stabilisation Fund (*Wirtschaftsstabilisierungsfonds – WSF*)

Fractional amounts were disappplied from the Subscription Right in compliance with the provisions of the authorisation to use Authorised Capital 2022/I resolved by the General Meeting of the Company on 8 February 2022 under agenda item 5 and the authorisation to use Authorised Capital 2022/II resolved under agenda item 6 as well as in compliance with the statutory requirements in line with sections 203 (1) and 186 (3) sentence 4 AktG.

The Subscription Right was disappplied in order to facilitate execution of the Subscription Offer in the Company's best interest, also in respect of fractional amounts.