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TUI AG

Fully Underwritten Offering to Raise Gross Proceeds of €544.6 million

7 January 2021

Further to the announcement on 2 December 2020 and 5 January 2021 and the approval by its shareholders on 5 January 2021, TUI AG (the **Company**) announces a fully underwritten Offering (as defined below) to raise gross proceeds of approximately €544.6 million through offering 508,978,534 new shares in the Company (the **New Shares**) to the Company's shareholders for subscription. The Company's shareholders will be offered 25 New Shares for every 29 existing shares they hold (**Subscription Ratio**) on the Record Date (as defined below) at a subscription price of €1.07 per New Share (the **Subscription Price**).

Investors holding depositary interests over the Company's shares (**DIs**) on 11 January 2021 will be credited with pre-emptive subscription rights (**DI Pre-Emptive Rights**) that will allow them to acquire additional DIs representing New Shares at the Subscription Ratio and at the Subscription Price. Investors may exercise their DI Pre-Emptive Rights from and including 12 January 2021 (after being credited with them) up to 10:00 (GMT) on 26 January 2021 (the **DI Subscription Period**).

The subscription rights to the New Shares (the **Subscription Rights**) may be traded on the Hanover Stock Exchange (**HSE**) and the Frankfurt Stock Exchange (**FSE**) and the DI Pre-Emptive Rights may be traded on a multilateral trading facility of the London Stock Exchange (**LSE**) at the times indicated in the timetable below. Existing shareholders can exercise their Subscription Rights during the period from and including 8 January 2021 up to and including 26 January 2021 (the **Subscription Period**).

A prospectus (the **Prospectus**) setting out the full details of the Offering, including a full timetable of key dates, has been approved and passported into the United Kingdom. The Prospectus is available on the Company's website (<https://www.tuigroup.com/en-en/investors/capital-increase>) as well as on the website of BaFin (www.bafin.de) and the website of the European Securities And Markets Authority (<https://registers.esma.europa.eu/publication/>). The information in this announcement should be read in conjunction with the Prospectus.

All capitalised terms used but not otherwise defined in this announcement have the meaning set out in the Prospectus.

Key Highlights

The New Shares:

- will be offered in a subscription offer (*Bezugsangebot*) to existing shareholders by way of (i) a public offering in Germany and the United Kingdom, (ii) private placements in the United States to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and (iii) private placements to eligible investors outside the United States in reliance on Regulation S under the Securities Act (the **Subscription Offer**); and
- not subscribed for in the Subscription Offer (**Rump Shares**), will be offered in private placements to eligible or qualified investors in certain other jurisdictions (the **Rump Placement**, and, together with the Subscription Offer, the **Offering**).

Unifirm Limited (**Unifirm**), an existing shareholder of the Company, has undertaken to the Company to exercise its Subscription Rights at the Subscription Price and to purchase any Rump Shares that are not sold in the Rump Placement (**Unplaced Rump Shares**) at the Subscription Price, provided, however, that its maximum shareholding in the Company after implementation of the Capital Increase will not exceed 36.00% of the registered share capital of the Company, subject to certain terms and conditions. The Joint Global Coordinators (as defined below) have agreed to underwrite the remainder of the Unplaced Rump Shares at the Subscription Price, subject to terms and conditions in the Underwriting Agreement. For further details of Unifirm's participation in the Offering and of the underwriting of the Offering, please refer to the Prospectus. Barclays Bank Ireland PLC, BofA Securities Europe SA, Citigroup Global Markets Europe AG and Deutsche Bank Aktiengesellschaft (together the **Joint Global Coordinators**) are acting as joint global coordinators and joint bookrunners and underwriters (as noted above) in connection with the Offering. Deutsche Bank AG, London Branch and Merrill Lynch International are acting as joint sponsors (the **Sponsors**) with respect to the applications for UK Admission.

Unexercised Subscription Rights or DI Pre-Emptive Rights will lapse and will not be sold. The New Shares to which those unexercised Subscription Rights or DI Rights relate may be sold in the Rump Placement or pursuant to the arrangements described above with respect to Unplaced Rump Shares. Therefore, shareholders or investors who take no action will not receive any compensation for any unexercised Subscription Rights or DI Pre-Emptive Rights and will be diluted.

Reasons for the Offering and Use of Proceeds

The principal purpose of the Offering is to repay indebtedness in order to improve the Company's liquidity position. As a first priority, the Company intends to use the net proceeds from the Offering of approximately €509 million to repay in full the €300 million outstanding principal amount under the 2016 Notes together with any accrued but unpaid interest and applicable premium in an estimated amount of approximately €14.0 million, assuming repayment of the 2016 Notes on or about 26 February 2021. The Company intends to use the remaining net proceeds from the Offering, in the amount of approximately €195 million, to strengthen its ongoing liquidity.

Timetable

Expected timetable of principal events in Germany and in the United Kingdom:

30 December 2020	Publication of the Prospectus
7 January 2021	Subscription Offer published
8 January 2021	Existing shares and DIs marked ex-entitlement; Subscription Period begins and Subscription Rights trading on HSE and FSE begins
11 January 2021	Record date for Subscription Rights entitlements and for DI Rights entitlements (Record Date)
12 January 2021	DI Pre-Emptive Rights created and credited to investors; DI Subscription Period begins and the DI Pre-Emptive Rights begin trading on a multilateral trading facility of the LSE
20 January 2021	Commencement of trading in the New Shares on HSE and FSE
22 January 2021	DI Pre-Emptive Rights cease trading (at 11:00 GMT) and Subscription Rights cease trading (at noon CET)
26 January 2021	DI Rights Subscription Period ends (at 10:00 GMT) and Subscription Period ends (at 23:59 CET)
27 January 2021	Rump Placement, if any
29 January 2021	Settlement of New Shares with shareholders and investors; New Shares begin trading on Main Market for listed securities of the LSE

Application has been made to the LSE for up to 508,978,534 DI Pre-Emptive Rights to be admitted to trading on a multilateral trading facility of the London Stock Exchange which is expected to be effective on 12 January 2021. The DI Pre-Emptive Rights will expire at the end of the DI Rights Subscription Period. All acceptances in respect of the DI Pre-Emptive Rights must be submitted no later than the expected deadline of 10:00 GMT on 26 January 2021. The DI Pre-Emptive Rights will settle on a T+2 basis.

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The Securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Securities have not been, and will not be, registered under the Securities Act. There will be no public offer of securities in the United States.

This announcement is an advertisement and not a prospectus for the purposes of Prospectus Regulation (Regulation (EU) 2017/1129) (the **Prospectus Regulation**) and the UK Prospectus Regulation (Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) (the **UK Prospectus Regulation**). The public offering of certain Securities in Germany and the United Kingdom will be made exclusively by means of and on the basis of the published Prospectus of the Company which has been approved by the BaFin and has been passported into the United Kingdom, which approval and passporting should not be understood as an endorsement of any Securities offered. Investors must not subscribe for or purchase any Securities referred to in this announcement except on the basis of information contained in the Prospectus published or the international offering circular issued, by the Company in connection with the Offering, as the case may be (together with any amendments or supplements thereto), and should read the Prospectus or the international offering circular, as the case may be (together with any amendments or supplements thereto) before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the Securities. The approved Prospectus is available on the website of the BaFin (www.bafin.de), the website of the Company (<https://www.tuigroup.com/en-en/investors/capital-increase>) and the website of the European Securities And Markets Authority (<https://registers.esma.europa.eu/publication/>).

This announcement has been issued by and is the sole responsibility of the Company. The information contained in this announcement is for background information purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement does not constitute a recommendation concerning any investor's decision or options with respect to the Offering. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each shareholder or prospective investor should consult his, her or its own independent legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Apart from the responsibilities and liabilities, if any, which may be imposed on them by the Financial Services and Markets Act 2000, as amended or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint Global Coordinators, the Sponsors nor any of their respective affiliates nor any of its or their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever and makes no representation or warranty, express or implied, for the contents of this announcement, including its accuracy, fairness, sufficiency, completeness or verification or for any other statement made or

purported to be made by it, or on its behalf, in connection with the Company or the Offering and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Each of the Joint Global Coordinators, the Sponsors and their respective affiliates and its and their respective directors, officers, employees, advisers or agents accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether direct or indirect, arising in tort, contract or otherwise which it might otherwise have in respect of this announcement or any such statement. Furthermore, each of the Joint Global Coordinators, Sponsors and/or their affiliates provides various investment banking, commercial banking and financial advisory services from time to time to the Company.

Each of the Joint Global Coordinators and Sponsors is acting exclusively for the Company in connection with the Offering and they are acting for no one else. The Joint Global Coordinators and Sponsors will not regard any other person as their respective clients in relation to the Offering or any other matter in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, each of the Joint Global Coordinators and any of their respective affiliates, may take up a portion of the Securities as a principal position and in that capacity may retain, subscribe for, purchase, sell, offer to sell or otherwise deal for their own accounts in such Securities and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in this announcement to the Securities being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, placing or dealing by each of the Joint Global Coordinators and any of their affiliates in such capacity. In addition, certain of the Joint Global Coordinators or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for difference) with investors in connection with which such Joint Global Coordinators (or their affiliates) may from time to time acquire, hold or dispose of Securities. None of the Joint Global Coordinators or any of their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

No person has been authorised to give any information or to make any representations other than those contained in this announcement and the Prospectus published or the international offering circular issued, by the Company in connection with the Offering, as the case may be (together with any amendments or supplements thereto) and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Joint Global Coordinators, the Sponsors or any of their respective affiliates.

Forward-Looking Statements

Certain statements included in this announcement are forward-looking. These statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, they involve risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Actual results could differ materially from those expressed or implied by such forward-looking statements. The potential reasons for such differences include market fluctuations, the development of world market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. The Company does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of this announcement. The potential reasons for such differences include market fluctuations, the development of world market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. The Company does not intend or assume any obligation to

update any forward-looking statement to reflect events or circumstances after the date of this announcement.

Forward-looking statements often use words such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” or other words of similar meaning. They include, without limitation, any and all projections relating to the results of operations and financial conditions of the Company and its subsidiary undertakings from time to time (the ‘Group’), as well as plans and objectives for future operations, expected future revenues, financing plans, expected expenditure and divestments relating to the Group and discussions of the Group’s business plan. All forward-looking statements in this announcement are based upon information known to the Group on the date of this announcement and speak as of the date of this announcement. Other than in accordance with its legal or regulatory obligations, the Group does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any such statement is based.

Actual results may differ from those expressed or implied in the forward-looking statements in this announcement as a result of any number of known and unknown risks, uncertainties and other factors, including, but not limited to, the effects of the COVID-19 pandemic and uncertainties about its impact and duration, many of which are difficult to predict and are generally beyond the control of the Group, and it is not reasonably possible to itemise each item. Accordingly, readers of this announcement are cautioned against relying on forward-looking statements. All forward-looking statements made on or after the date of this announcement and attributable to the Company are expressly qualified in their entirety by the primary risks set out in that section. Many of these risks are, and will be, exacerbated by the COVID-19 pandemic and any further disruption to the travel and leisure industry and economic environment as a result.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Securities the subject of the Offering have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, distributors should note that: (i) the price of the Securities may decline and investors could lose all or part of their investment; (ii) the Securities offer no guaranteed income and no capital protection; and (iii) an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 other action whatsoever with respect to

the Securities. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Securities and determining appropriate distribution channels.