



TUI AG

Hanover/Berlin, Deutschland

(ISIN DE000TUAG000 / WKN TUAG00)

Subscription Offer

The extraordinary general meeting of TUI AG (the "**Company**") resolved on 5 January 2021 to increase the Company's share capital by EUR 508,978,534 (the "**Capital Increase**") by issuing 508,978,534 new ordinary registered shares with no-par value (*auf den Namen lautende Stückaktien*) with a proportionate amount of EUR 1.00 of the share capital and carrying full dividend rights from 1 October 2019 (the "**New Shares**"), against contribution in cash. The issue price corresponds to the minimum issue price (section 9 (1) AktG) of EUR 1.00 per new no-par value share (the "**Issue Price**"). The shareholders must generally be granted a subscription right.

The statutory subscription right shall be granted to all shareholders, except for shareholder Unifirm Limited, in such manner that the New Shares will be subscribed to and acquired by one or several credit institution(s) (or one or several enterprises engaged in activities in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (*Gesetz über das Kreditwesen*)) at the Issue Price with the obligation (i) to offer the New Shares to the shareholders of the Company for subscription at a fixed subscription price in the amount of EUR 1.07 (the "**Subscription Price**"), (ii) to deliver the shares in accordance with the exercised subscription rights when the implementation of the Capital Increase has become effective, and (iii) to pay the difference between the Issue Price and the Subscription Price – after deduction of a reasonable commission as well as the costs and disbursements – to the Company (indirect subscription right within the meaning of section 186 (5) sentence 1 AktG).

Shareholder Unifirm Limited shall be granted the statutory subscription right in such manner that Unifirm Limited will be permitted to subscribe for and acquire – in accordance with the amount of statutory subscription rights it is entitled to – the New Shares allotted to said amount of subscription rights at the Subscription Price directly with the Company (direct subscription right in the sense of section 186 (1) sentence 1 AktG).

The (direct or indirect) subscription is to be offered to the shareholders at a subscription ratio of 25:29 (25 new shares offered for every 29 existing shares, the "**Subscription Ratio**"). The Subscription Ratio is to be rounded down to two decimal places. Any fractional amount shall be excluded from the subscription right.

Barclays Bank Ireland PLC, 5 One Molesworth Street, Dublin 2, D02 RF29, Ireland ("**Barclays**"), BofA Securities Europe SA, 51 rue La Boétie, 75008 Paris, France ("**BofA Securities**"), Citigroup Global Markets Europe AG, Reuterweg 16, 60323 Frankfurt am Main, Germany ("**Citigroup**"), Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Federal Republic of Germany ("**Deutsche Bank**"), together with Barclays, BofA Securities and Citigroup the "**Joint Global Coordinators**") have agreed in an underwriting agreement dated 29 December 2020 (the "**Underwriting Agreement**") to offer the New Shares to the existing shareholders of the Company (other than Unifirm Limited) at the Subscription Ratio and the Subscription Price of EUR 1.07 per New Share, subject to the terms and conditions set out below under "*Important Notices*". The Company will offer the New Shares attributable to Unifirm Limited's Subscription Rights directly to Unifirm Limited for subscription.

The existing shareholder Unifirm Limited has undertaken to the Company, to exercise its subscription rights at the Subscription Price and subscribe directly these New Shares. For the remainder of the Capital Increase, the following underwriting and backstop agreements have been entered into:

- Unifirm Limited has agreed with the Company in a commitment and backstop agreement (the "**Commitment and Backstop Agreement**") to purchase any New Shares for which subscription rights will not be exercised ("**Rump Shares**") and which will not be sold in a private placement after the subscription period ("**Unplaced Rump Shares**") at the Subscription Price; provided, however, that the maximum commitment for all New Shares will be capped at 36.00% of the registered share capital after implementation of the Capital Increase.

- The Joint Global Coordinators have agreed to underwrite the remainder of the Unplaced Rump Shares at the Subscription Price, subject to terms and conditions in line with market practice.

The subscription rights (ISIN DE000TUAG109) of the existing shareholders other than Unifirm Limited and attributable to the existing shares of the Company (ISIN DE000TUAG000 / WKN TUAG00) will automatically be delivered by Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany, to the custodian banks on 12 January 2021 as per the holding on 11 January 2021 at 11:59 p.m. CET (record date). The custodian banks are responsible for booking the subscription rights to the eligible custodian accounts of such existing shareholders. From the beginning of the Subscription Period on 8 January 2021, the existing shares of the Company (ISIN DE000TUAG000/WKN TUAG00) will be quoted "ex subscription rights" on the regulated market of the Hanover Stock Exchange, the London Stock Exchange and on the Open Market of the Frankfurter Stock Exchange and on the OTC-markets of all other German stock exchanges.

We kindly request our shareholders, other than Unifirm Limited, to exercise their subscription rights in order to avoid exclusion from participation in the capital increase during the Subscription Period

from 8 until 26 January 2021 inclusive (the "Subscription Period")

through their custodian banks at the subscription agent mentioned below during normal office hours. Subscription rights not exercised in due time shall lapse and shareholders will not receive any compensation.

Subscription agent is Deutsche Bank AG. The subscription rights are fully transferable.

Shareholders may only subscribe for one whole share or multiples thereof. The notification of the exercise of the subscription rights is binding upon receipt by the subscription agent and cannot be altered thereafter. No compensation will be awarded for any subscription rights not exercised. Upon expiration of the Subscription Period, the unexercised subscription rights will expire and become worthless and holders that have not exercised those subscription rights will not receive any compensation for any such expired rights. For the avoidance of doubt: (A) in the event that any shares to which the unexercised subscription rights relate are purchased under the Rump Placement or pursuant to the terms of the Commitment and Backstop Agreements, any premium over the Subscription Price received from such purchaser will not be distributed to shareholders under rule 9.5.4 of the UK Listing Rules; and (B) there will be no entitlement of shareholders to fractional shares or the proceeds of any sale of aggregated fractional entitlement as part of the Offering under rule 9.5.13 of the UK Listing Rules.

The transfer of the New Shares, other than those subscribed for by Unifirm Limited, to the investors who have exercised subscription rights or who have purchased Rump Shares will be executed by the subscription agent. The implementation of the Capital Increase is subject to the registration in the commercial register of the district court of Berlin-Charlottenburg and in the commercial register of the district court of Hanover (both such commercial registers together the "Commercial Registers"), expected on or about 14 January 2021.

Subscription Price

The Subscription Price per New Share subscribed is EUR 1.07. The Subscription Price must be paid on 26 January 2021 at the latest.

Shareholders should take into account that if they choose to exercise their subscription rights, they have committed to acquiring the shares of the Company at a Subscription Price potentially higher than would be possible for them through an acquisition on the market, due to the volatility of the Company's shares and a possible deterioration of market conditions.

Subscription Rights Trading

The subscription rights will be traded on the regulated market of the Hanover Stock Exchange from 8 January 2021 through 22 January 2021. Furthermore, they will be traded in the Open Market of the Frankfurt Stock Exchange from 8 January 2021 through 22 January 2021. The price for the subscription rights is determined continuously during the ordinary times of trading. On 22 January

2021, the Subscription Rights trading on XETRA will end with a closing auction starting not before 11:45 a.m. CET and on the Hanover Stock Exchange with a special midday auction starting at 12:00 (noon) CET. The market price of subscription rights depends, inter alia, on the development of the price of the Company's shares but it may show a significantly higher volatility than the price of the shares.

Subscription rights, settled in the form of depository interests, will also be traded on a multilateral trading facility at the London Stock Exchange, from 12 January 2021 through 22 January 2021.

Important Notice

Prior to making a decision to exercise, purchase or sell subscription rights, shareholders and investors are advised to carefully read the securities prospectus dated 29 December 2020, for the public offering of the New Shares (the "Prospectus") and to take particular note of the risks described in the "Risk factors" section of the Prospectus and to consider such information when making their decision.

The Joint Global Coordinators are entitled to terminate the Underwriting Agreement under certain circumstances. Such circumstances include, in particular, state aid approval from the EU commission not being granted, a suspension of trading on or by any of the Hanover Stock Exchange, the Frankfurt Stock Exchange, the London Stock Exchange or the New York Stock Exchange or any other regulated financial market within the European Economic Area, a suspension of trading of any securities of TUI AG, a general moratorium on commercial banking activities, an outbreak of hostilities or escalation of hostilities or terror attacks or any material adverse change in national or international financial, political, industrial or economic conditions.

In the event of a termination of the Underwriting Agreement prior to the implementation of the Capital Increase becoming effective, the subscription rights shall expire. In such a case, a rescission of subscription rights trading transactions will not take place. Accordingly, investors who have acquired subscription rights in the subscription rights trading would suffer a loss in this case. If the Joint Global Coordinators terminate the Underwriting Agreement after the implementation of the Capital Increase has become effective, which is possible until delivery of the New Shares to the depository banks, such termination would only relate to the Rump Shares not purchased by Unifirm Limited pursuant to the Commitment and Backstop Agreement. The share purchase agreements for Rump Shares, other than purchased by Unifirm Limited pursuant to the Commitment and Backstop Agreement, are therefore subject to reservation. If short sales have occurred, the seller of these shares bears the risk of not being able to fulfil its obligation by delivering New Shares.

In light of the current high volatility of equity prices and the market environment, shareholders should inform themselves of the Company's current share price before exercising their subscription rights at the Subscription Price.

Form and Certification of the New Shares

The New Shares (ISIN DE000TUAG000 / WKN TUAG00) will be represented by one or more global certificates, which will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760, Eschborn, Germany. The right of a shareholder to have his share confirmed in a share certificate is excluded. Unless the Subscription Period is extended, the New Shares subscribed in connection with the Subscription Offer are expected to be delivered on 29 January 2021 by means of a credit note to the respective securities accounts.

Commission charged by custodian banks

The custodian banks will charge the customary bank commission for the subscription of the New Shares.

Admission to Trading and Listing of the New Shares

The existing shares of the Company (ISIN DE000TUAG000/WKN TUAG00), settled in the form of DIs, have been admitted to the premium listing segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. Applications will be made to the Financial

Conduct Authority for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities (together "**UK Admission**"). It is expected that UK Admission will become effective and that dealings in the New Shares, settled in the form of DIs, will commence on the London Stock Exchange at 8.00 a.m. (London time) on 29 January 2021.

The admission of the New Shares to trading on the regulated market of the Hanover Stock Exchange and the decision on the inclusion of the New Shares in the Open Market of the Frankfurt Stock Exchange are expected to take place on 18 January 2021. All New Shares will be included in the existing listings of the Company's shares (ISIN DE000TUAG000 / WKN TUAG00) on or about 20 January 2021.

Availability of the Prospectus

After completion of a completeness check, including an examination of the coherence and comprehensibility of the information provided, which is not to be construed as an endorsement of the New Shares, the prospectus was approved by the German Federal Financial Supervisory Authority ("**BaFin**") on 29 December 2020 and published by the Company on its website (www.tuigroup.com). Upon request, a printed version of the Prospectus will be made available to any investor at TUI AG, Karl-Wiechert-Allee 4, 30625 Hanover, Germany, during normal business hours.

Selling restrictions

The New Shares and the subscription rights have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with the securities regulatory authorities of any individual state of the United States of America. The New Shares and the Subscription Rights may at no time be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, to or within the United States of America, except in a transaction not subject to, or pursuant to an exemption from, the registration requirements of the Securities Act and, in each case, in accordance with any applicable securities laws of any state.

Hanover/Berlin, in January 2021

TUI AG

The Management Board