



**TUI GROUP**

**INTERIM REPORT 9M FY2021**

**1 OCTOBER 2020 – 30 JUNE 2021**

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# INTERIM MANAGEMENT REPORT

- **Restart of operations** – 1.5m summer bookings added since H1 2021 update<sup>1</sup>
- **876k customers departed in Q3 2021**, vs. 159k in Q2
- **Rebound of customer deposits** – positive cash flow from operating and investing activities in Q3
- **Improved liquidity position** – current headroom as of 9 August 2021 increased to **~€3.1bn<sup>2</sup>**
- **Successful refinancing** – Upsizing of April convertible bond through ~€190m tap issue
- Further progress with asset-right strategy – Disposal of RIU Hotels S.A. (real estate portfolio) to Riu family; disposal proceeds of **€541m** received end of July 2021. Management of ~100 Riu hotels unchanged in our subsidiary RIUSA II S.A.
- **Extension of maturity profile** – RCF extension by 24 months to **July 2024** and covenant waiver agreed for September 2021 and March 2022.
- **Global Realignment Programme** - reaffirmed to deliver half of ~€400m savings by end of current financial year
- **Acceleration of digital strategy** – package holiday customer app usage up by 21% pts to 68% in Q3

<sup>1</sup> Since last updated bookings position 2 May 2021

<sup>2</sup> Available liquidity defined as unrestricted cash plus committed lines including financing packages, convertible bonds and proceeds from RIU Hotels S.A disposal

## TUI Group - financial highlights

	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %	Var. % at constant currency
<b>€ million</b>							
<b>Revenue</b>	<b>649.7</b>	<b>71.8</b>	<b>+ 805.4</b>	<b>1,365.9</b>	<b>6,710.4</b>	<b>- 79.6</b>	<b>- 79.4</b>
<b>Underlying EBIT<sup>1</sup></b>							
Hotels & Resorts	- 70.3	- 364.1	+ 80.7	- 268.6	- 308.0	+ 12.8	+ 9.8
Cruises	- 81.3	- 224.3	+ 63.8	- 234.6	- 197.3	- 18.9	- 19.4
TUI Musement	- 34.7	- 37.6	+ 7.7	- 96.7	- 66.5	- 45.3	- 47.2
Holiday Experiences	- 186.3	- 626.1	+ 70.2	- 599.9	- 571.9	- 4.9	- 6.9
Northern Region	- 289.8	- 177.2	- 63.6	- 708.1	- 592.4	- 19.5	- 18.8
Central Region	- 105.4	- 219.2	+ 51.9	- 377.4	- 398.7	+ 5.4	+ 5.4
Western Region	- 87.6	- 96.3	+ 9.1	- 247.3	- 285.9	+ 13.5	+ 14.3
Markets & Airlines	- 482.7	- 492.7	+ 2.0	- 1,332.8	- 1,277.0	- 4.4	- 3.8
All other segments	- 0.8	- 53.4	+ 98.6	- 45.9	- 118.0	+ 61.1	+ 61.0
<b>TUI Group</b>	<b>- 669.8</b>	<b>- 1,172.2</b>	<b>+ 42.9</b>	<b>- 1,978.6</b>	<b>- 1,966.9</b>	<b>- 0.6</b>	<b>- 0.8</b>
<b>EBIT<sup>1</sup></b>	<b>- 748.0</b>	<b>- 1,456.1</b>	<b>+ 48.6</b>	<b>- 2,046.6</b>	<b>- 2,202.0</b>	<b>+ 7.1</b>	
<b>Underlying EBITDA</b>	<b>- 448.7</b>	<b>- 622.4</b>	<b>+ 27.9</b>	<b>- 1,304.8</b>	<b>- 888.4</b>	<b>- 46.9</b>	
<b>EBITDA<sup>2</sup></b>	<b>- 491.4</b>	<b>- 794.2</b>	<b>+ 38.1</b>	<b>- 1,322.9</b>	<b>- 991.1</b>	<b>- 33.5</b>	
Group loss	- 939.8	- 1,509.6	+ 37.7	- 2,438.0	- 2,324.7	- 4.9	
Earnings per share	€ - 0.85	- 2.51	+ 66.1	- 2.66	- 3.98	+ 33.2	
Net capex and investment	- 14.4	- 222.8	+ 93.5	- 122.8	64.4	n. a.	
Equity ratio (30 June) <sup>3</sup>	%			- 3.6	6.4	- 10.0	
Net financial position (30 June)				- 6,348.7	- 5,866.2	- 8.2	
Employees (30 June)				46,518	42,093	+ 10.5	

Differences may occur due to rounding.

This Quarterly Report of the TUI Group was prepared for the reporting period 9M FY2021 from 1 October 2020 to 30 June 2021.

<sup>1</sup> We define the EBIT in underlying EBIT as earnings before interest, income taxes and result of the measurement of the Group's interest hedges. For further details please see pages 16 and 46-48.

<sup>2</sup> EBITDA is defined as earnings before interest, income taxes, goodwill impairment and amortisation and write-ups of other intangible assets, depreciation and write-ups of property, plant and equipment, investments and current assets.

<sup>3</sup> Equity divided by balance sheet total in %, variance is given in percentage points.

## Q3 2021 Summary

### Trading position

- Strong pipeline of 4.2m customers booked for Summer 2021 season – a increase of 1.5m bookings since H1 update, driven by good momentum from our continental European markets.
- Adjusting for the latest changes in travel restrictions imposed across our markets, we have flexed our capacity plan assumption for our peak summer season (July to October) to ~60% (of Summer 2019 volume).

### Operational and financial update

- Q3 Group revenue of €650m reflecting the restart of travel across our markets and reopening of destinations ahead of the key Summer period.
- Within Hotels & Resorts, 283 hotels (~79% of Group portfolio) were open at end of the third quarter, across destinations such as Balearics, Canaries, North Africa, Greek Islands, Mexico, Turkey and Cuba, delivering average occupancy rate of 48% and average revenue per bed of €70.
- In Cruises, TUI Cruises and Hapag-Lloyd Cruises stepped up operations in the quarter, with seven out of eleven ships offering itineraries across Europe during the third quarter. TUI Cruises has sailed continuously since July 2020. Our UK cruise brand, Marella Cruises resumed operations on the 25 June 2021, with Explorer being the first ship to recommence sailings since March 2020.
- Markets & Airlines took away 876k customers during the third quarter, mostly from our Central and Western region markets, who were able to travel to destinations such as Greece, the Balearics and Canaries.
- Q3 Group underlying EBIT loss of €670m, reflecting partial operations, offset by ramp-up costs across our business ahead of our peak summer period.
- Net debt improved to €6,349m versus our net financial position of €6,813m as of 31 March 2021 (Q2). The €464m improvement in net debt in the third quarter reflects particularly cash generation from customer bookings.
- Rebound of customer deposits – Q3 2021 is the first quarter to deliver positive cash flow from operating and investing activities since the start of the pandemic, reflecting the strong pent-up demand, with government regulation a clear limiting factor to our operations.
- We successfully placed convertible bonds with a total nominal amount of €400m in April 2021 and a further tap issue for nominal amount of ~€190m post balance sheet date in early July, issued on the same terms.
- Further delivery of our asset-right strategy, decoupling of hotel growth and real estate investments, we agreed the sale of our 49% minority stake in RIU Hotels S.A real-estate joint venture for an enterprise value of €1.5bn to Saranja S.L, an entity of the Riu-Group. The transaction will generate net cash consideration including earn-out of up to €670m. The transaction closed post balance sheet date on 31 July 2021 with initial cash proceeds received of €541m (excluding earn out) and is expected to create a significant book gain of ~€200m in Q4 FY 2021.
- Including both the new convertible bond and tap issue, and proceeds from the sale of RIU Hotels S.A. joint venture, our pro-forma cash and available facilities as of 9 August 2021 improved to €3.1bn<sup>1</sup>.
- RCF maturity date extension agreed from July 2022 to July 2024, with covenant waivers agreed for September 2021 and March 2022.
- Reaffirm Global Realignment Programme is on track to achieve our cost savings target of €400m p.a by FY 2023. Reflecting our accelerated plans to transform into a more agile and leaner business, we expect to deliver ~50% of our targeted savings by end of the current financial year.

<sup>1</sup> Available liquidity defined as unrestricted cash plus committed lines including financing packages, convertible bonds and proceeds from RIU Hotels S.A disposal

### €400m placement of convertible bonds plus tap issue of ~€190m

In April 2021, we successfully completed the placement of a senior unsecured convertible bonds for €400m and post balance sheet date, a further tap issue for ~€190m, both of which were oversubscribed. The new tap issue bonds for ~€190m are convertible into new and/or existing no-par value ordinary registered shares of TUI and are fully fungible with the €400m convertible bonds issued on 16 April 2021.

The new bonds are issued on the same terms (save for the issue price) as the existing bonds issued in April and will form a single series (*Gesamtemission*) with the existing bonds.

The bonds have been offered at a coupon rate of 5% and utilises 10% of conditional capital authorised at our recent AGM, representing ~110m underlying shares.

Unless previously converted, redeemed or repurchased and cancelled, the convertible bonds will be redeemed at their principal amount on 16 April 2028. Investors also have the possibility to convert the bonds into new and/or existing no-par value ordinary registered shares of TUI.

We intend to use the convertible bond proceeds for refinancing, in particular to reduce drawings under the KfW facilities and towards a subsequent repayment of such facilities.

#### **Sale of RIU Hotels S.A. real-estate portfolio**

Further to our asset-right strategy, decoupling hotel growth and real estate investment, we agreed the sale of our 49% minority stake in RIU Hotels S.A. real estate joint venture to Saranja S.L, an entity of Riu Group, owned by Carmen and Luis Riu. The transaction for an enterprise value of ~€1.5bn, implies an EV/EBITDA multiple of 11.9x (Riu FY 2019) and equates to a sale price of ~€670m including earn-out. The earn-out element is payable upon RIU Hotels S.A. delivering its FY 2022 and FY 2023 operating budget.

The sale was completed on 31 July 2021 and resulted in a net cash inflow of €541m, which will be used to reduce the Group's debt. Further purchase price payments will be made in FY 2023 and FY 2024 upon achievement of agreed earnings targets by RIU Hotels S.A. The transaction is expected to generate a significant book gain of ~€200m in Q4 FY 2021.

Our subsidiary RIUSA II S.A. is not impacted by the transaction and will continue to manage and distribute all Riu hotels and resorts worldwide - including the 21 properties transferred to the Riu-Group in the course of the transaction. The number of beds under our Group portfolio of hotels therefore remains unchanged, with only the ownership structure of 21 Riu properties changing from owned structure under RIU Hotels S.A. to managed structure under RIUSA II S.A.

#### **Revolving Credit Facility maturity extension to July 2024 and covenant waiver for September 2021 and March 2022 agreed**

Post balance sheet date on 27 July 2021, we agreed with 19 international banks and KfW to extend the maturity of our Revolving Credit Facility (RCF) totalling €4.7bn by two years to July 2024. Based on our current rating, the margin after extension for the RCF tranches will be 4.5% per annum.

Our RCF currently stands at €4.8bn. For regulatory reasons due to Brexit, the credit line of a British bank (consisting of ~€80m euros cash and €25m euros guarantee line) could not be extended beyond summer 2022, thereafter our facility will amount to €4.7bn until 2024.

Our current credit facilities comprise the following

- €1.75bn credit line from 20 private banks (incl. €215m guarantee line)
- €1.8bn KfW from the first stabilisation package
- €1.05bn KfW from second stabilisation package
- €0.2bn KfW and private banks from last stabilisation package

As part of our state support package agreed with the German government, covenant waivers were granted for September 2020 and March 2021. Given the continued disruption and limitation on our operations as a result of travel restrictions imposed, on 9 June 2021 and again on agreement of the maturity extension, our creditor banks agreed to a further covenant testing waiver for September 2021 and March 2022. Covenant testing will resume in September 2022, with higher ratio limits set for testing in September 2022 and March 2023. Normalised limits have been agreed to resume from September 2023.

### Liquidity position

Available liquidity as of 9 August 2021 improved to €3.1bn<sup>1</sup>.

With many of our key continental European markets re-opening for travel, and confirmation of quarantine exemption and lesser restrictions for those fully vaccinated, we have seen an increase in customer confidence and subsequently new bookings momentum from Central and Western region markets. Q3 as a result saw our first cash break-even quarter since the start of the pandemic, delivering positive cash flow from operating and investing activities.

<sup>1</sup> Available liquidity defined as unrestricted cash plus committed lines including financing packages, convertible bonds and proceeds from RIU Hotels S.A. disposal.

### Net debt

Net financial position improved to €6,349m versus our net financial position of €6,813m as of 31 March 2021 (Q2). The €464m improvement in net debt in the third quarter reflects particularly cash generation from customer bookings.

The WSF support measures comprise a silent participation convertible into shares in TUI of €420m and a second silent participation of €671m. As of 30 June 2021, both silent participations were fully paid in. In the IFRS consolidated financial statements, the silent participations are shown as equity due to their nature and are therefore not included in the Group's net debt.

With the successful placement of €400m convertible bonds, ~€190m tap issue and RIU Hotels S.A real estate disposal post balance sheet date, we have taken first steps towards refinancing our government facilities. As international leisure travel resumes and global markets begin to recover, it is our priority to rebuild a solid and healthy balance sheet and return to a gross leverage ratio target of less than 3x. The Group continues to explore measures to accelerate de-leveraging and ensure the appropriate capitalisation to support growth over the longer term.

### Current trading

- Peak summer period July to October bookings<sup>2</sup>, including amendments and voucher re-bookings, down 56% versus July to October 2019 (undistorted by COVID-19). ASP is up 6%, driven both by product and market mix.
- Total Summer 2021 bookings<sup>2</sup> including amendments and voucher re-bookings, down 68% versus Summer 2019 (undistorted by COVID-19). ASP<sup>2</sup> is up 9% driven both by product and market mix.
- ~4.2m customers booked for our Summer 2021 programme, a net increase of 1.5m bookings since H1 update, reflecting the pent-up demand when restrictions are eased, driven particularly by good momentum in Germany, Belgium, the Netherlands, and Poland.
- Adjusting for the latest changes in travel restrictions imposed across our markets, we have flexed our capacity plan assumption for the peak summer season (July to Oct) to ~60% (of Summer 2019 volume).
- Destinations which are well progressed with their vaccination programme and are reporting low incidence or hospitalisation rates will support our reopening portfolio. Destinations such as the Balearics, Canaries and Greek islands, currently form the bulk of our planned capacity for rest of the Summer 2021 peak season period. Our multi-destination presence, alongside long-term hotelier partnerships in place, means we are well placed to flex our flight routings and remix hotel capacity to other alternative destinations to enable holidays to continue if required.
- We are offering exclusive testing packages to help facilitate travel for our customers. In the UK, we have offered subsidised, market-leading testing packages starting from as little as £20 per passenger for a green destination, in partnership with government approved testing provider Chronomics, available exclusively to TUI customers.

<sup>2</sup> Bookings up to 8 August 2021 compared to respective bookings for 2019 programme (undistorted by COVID-19) and relate to all customers whether risk or non-risk

- TUI Cruises has been operating six of its seven Mein Schiff-fleet since end of July, with itineraries across Baltic and North Sea, Spanish coast, and Mediterranean. Hapag-Lloyd Cruises has been operating its four-ship fleet since July also, with new delivery Hanseatic spirit expected to join the fleet from late August. Bookings for 2022/2023 are currently in line with historical ranges (normalised pre-COVID-19), at slightly higher rates. Marella has successfully launched their return, with Explorer operating a domestic programme from Southampton since the end of June. Explorer 2 commenced sailing from Newcastle in July and Discovery is planned to operate out of Corfu towards end of Q4, with Discovery 2 currently scheduled to return to service in Spring 2022.
- We see good demand for our winter long-haul programme and early sales for Summer 2022 are ahead of pre-COVID-19 levels, supported by re-bookings and strong booking retention.
- We see continued customer appetite and intention to travel for future seasons within Markets & Airlines: Summer Programme 2022 bookings – bookings<sup>2</sup> up 120%.

<sup>2</sup> Bookings up to 8 August 2021 compared to respective bookings for 2019 programme (undistorted by COVID-19) and relate to all customers whether risk or non-risk

### **Global Realignment Programme**

As one of our self-help measures, we announced our global realignment programme to deliver targeted savings across the group of ~€400m per annum by FY 2023. Projects are well underway across core functions, Markets & Airlines and TUI Musement (formerly Destination Experiences) and we are on track to achieve ~50% of our targeted savings by end of the current financial year. Of the 8,000 roles potentially impacted as part of the programme, we have to date a reduction of ~7,000 FTEs already completed or agreed.

### **Sustainability Agenda 2050**

TUI is committed to making tourism more sustainable – reducing the environmental impacts of holidays, creating positive change for people and communities and pioneering sustainable tourism.

As a leading tourism group, we want to continue to use our significant influence, collaboratively with our partners, to initiate and drive sustainable change, across the whole leisure travel sector.

We have ranked industry-best in the 2020 S&P Dow Jones Sustainability Index Climate Strategy criteria. We have one of the most carbon efficient airlines in Europe, with a proven track record in aircraft performance and climate efficiency. Our cruise fleet is one of the most modern cruise fleets on the seas and furthering our credentials, our upcoming deliveries for our Mein Schiff fleet in 2024 and 2026 will be equipped with Liquefied Natural Gas (LNG) engines.

To drive positive impact in our destinations, we launched the TUI Care Foundation which has been responsible for creating various local and international programmes, working in collaboration with our destination partners as well as local and international NGOs since 2016. Today, the foundation is running 25 projects in 20 countries. Our many programmes include more recently, the launch of a Corona relief programme to help overcome the effect of the COVID-19 pandemic in holiday destinations by setting up an extensive relief initiative to support more than 200 local organisations around the world. In addition, the Economic Development Programme supports innovative and socially minded tourism entrepreneurs in travel destinations. The programme drives social innovation, creates local employment opportunities and contributes to local added value in holiday destinations, using tourism as a motor for positive change.

Our goal is to play a pioneering role in sustainability. We want to use tourism's creative power to maximise the benefits of tourism. And at the same time, we will innovate to minimise the ecological footprint of travel as well as encourage our customers to choose more sustainable travel options, and to take action to reduce their negative impacts and maximise their positive impacts in destinations. Together, with all our external and internal stakeholders and partners, we will drive a more sustainable future for the tourism industry.

To this end, with the UN Sustainable Development Goals at its core, we look forward to launching the TUI Group Sustainability Agenda 2050 this coming Autumn and sharing our sustainability strategic initiatives and expected key milestones.

## Report on changes in expected development

It remains difficult to forecast the further course of the pandemic and its impact on customer behavior. In view of these considerable uncertainties, the Executive Board continues to believe that it is not in a position to issue a specific forecast for the financial year 2021.

As part of our reporting on H1 2021 the expectations for the financial year 2021 made in the Annual Report 2020 have been adjusted in the following points.

- Due to the travel restrictions in the first half of the year and the current expectations for the summer season 2021, we now expect TUI Group revenue (IFRS 16) in financial year 2021 to be down year-on-year at constant currency rates.
- Based on expected gross capital expenditure, divestments and recoveries from advance payments made for aircraft orders, we expect cash inflow from net investments in property, plant and equipment and financial investments to be at least at the prior-year level in financial year 2021.

In addition, we are adjusting our statement made in the Annual Report 2020 for the adjustments expected in the financial year 2021 as follows:

- As a result of the sale of the 49% stake in RIU Hotels S.A. agreed in Q3 2021 and the expected positive disposal result, we have also amended our estimate of the adjustments and now expect net benefits to be adjusted for the financial year 2021.

⇒ See also TUI Group Annual Report 2020 page 50

## Structure and strategy of TUI Group

### Reporting structure

The present Interim Report 9M FY2021 is based on TUI Group's reporting structure set out in the Annual Report 2020.

⇒ See TUI Group Annual Report 2020 from page 26

### Group strategy

TUI Group's strategy set out in the Annual Report 2020 should be continued after the effects of COVID-19 have subsided.

⇒ See TUI Group Annual Report 2020 from page 23

## Consolidated earnings

### Revenue

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Hotels & Resorts	74.0	4.5	n. a.	157.9	304.7	- 48.2
Cruises	1.1	2.0	- 45.0	2.7	483.6	- 99.4
TUI Musement	19.0	- 6.2	n. a.	37.5	294.2	- 87.2
Holiday Experiences	94.1	0.2	n. a.	198.2	1,082.5	- 81.7
Northern Region	56.0	15.3	+ 266.0	215.1	2,202.2	- 90.2
Central Region	370.3	34.1	+ 985.9	707.7	2,244.0	- 68.5
Western Region	120.5	20.4	+ 490.7	222.6	1,095.5	- 79.7
Markets & Airlines	546.8	69.8	+ 683.4	1,145.5	5,541.7	- 79.3
All other segments	8.7	1.7	+ 411.8	22.3	86.2	- 74.1
<b>TUI Group</b>	<b>649.7</b>	<b>71.8</b>	<b>+ 804.9</b>	<b>1,365.9</b>	<b>6,710.4</b>	<b>- 79.6</b>
<b>TUI Group (at constant currency)</b>	<b>650.0</b>	<b>71.8</b>	<b>+ 805.3</b>	<b>1,382.4</b>	<b>6,710.4</b>	<b>- 79.4</b>

### Underlying EBIT

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Hotels & Resorts	- 70.3	- 364.1	+ 80.7	- 268.6	- 308.0	+ 12.8
Cruises	- 81.3	- 224.3	+ 63.8	- 234.6	- 197.3	- 18.9
TUI Musement	- 34.7	- 37.6	+ 7.7	- 96.7	- 66.5	- 45.4
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Western Region	- 87.6	- 96.3	+ 9.0	- 247.3	- 285.9	+ 13.5
Markets & Airlines	- 482.7	- 492.7	+ 2.0	- 1,332.8	- 1,277.0	- 4.4
All other segments	- 0.8	- 53.4	+ 98.5	- 45.9	- 118.0	+ 61.1
<b>TUI Group</b>	<b>- 669.8</b>	<b>- 1,172.2</b>	<b>+ 42.9</b>	<b>- 1,978.6</b>	<b>- 1,966.9</b>	<b>- 0.6</b>

### EBIT

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Hotels & Resorts	- 74.8	- 432.1	+ 82.7	- 273.1	- 376.0	+ 27.4
Cruises	- 81.3	- 224.3	+ 63.8	- 234.6	- 197.3	- 18.9
TUI Musement	- 46.1	- 46.2	+ 0.2	- 113.2	- 85.3	- 32.7
Holiday Experiences	- 202.1	- 702.6	+ 71.2	- 621.0	- 658.7	+ 5.7
Northern Region	- 293.1	- 195.3	- 50.1	- 734.1	- 618.7	- 18.7
Central Region	- 110.6	- 347.9	+ 68.2	- 334.7	- 448.3	+ 25.3
Western Region	- 102.0	- 152.5	+ 33.1	- 268.5	- 351.5	+ 23.6
Markets & Airlines	- 505.6	- 695.6	+ 27.3	- 1,337.3	- 1,418.4	+ 5.7
All other segments	- 40.3	- 57.9	+ 30.4	- 88.3	- 124.9	+ 29.3
<b>TUI Group</b>	<b>- 748.0</b>	<b>- 1,456.1</b>	<b>+ 48.6</b>	<b>- 2,046.6</b>	<b>- 2,202.0</b>	<b>+ 7.1</b>

## Segmental performance

### Holiday Experiences

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Revenue	94.1	0.2	n. a.	198.2	1,082.5	- 81.7
Underlying EBIT	- 186.3	- 626.1	+ 70.2	- 599.9	- 571.9	- 4.9
Underlying EBIT at constant currency	- 188.7	- 626.1	+ 69.9	- 611.4	- 571.9	- 6.9

### Hotels & Resorts

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Total revenue	135.4	8.8	n. a.	282.2	591.2	- 52.3
Revenue	74.0	4.5	n. a.	157.9	304.7	- 48.2
Underlying EBIT	- 70.3	- 364.1	+ 80.7	- 268.6	- 308.0	+ 12.8
Underlying EBIT at constant currency	- 73.3	- 364.1	+ 79.9	- 277.9	- 308.0	+ 9.8
<b>Capacity hotels total<sup>1</sup> ('000)</b>	<b>6,640</b>	<b>373</b>	<b>n. a.</b>	<b>16,058</b>	<b>17,006</b>	<b>- 5.6</b>
Riu	2,750	211	n. a.	7,532	8,410	- 10.4
Robinson	594	27	n. a.	1,194	1,364	- 12.4
Blue Diamond	1,289	-	n. a.	3,321	2,298	+ 44.5
<b>Occupancy rate hotels total<sup>2</sup> (in %, variance in % points)</b>	<b>48</b>	<b>23</b>	<b>+ 25</b>	<b>44</b>	<b>74</b>	<b>- 30</b>
Riu	59	24	+ 35	48	81	- 33
Robinson	48	34	+ 14	48	67	- 19
Blue Diamond	57	-	n. a.	46	75	- 29
<b>Average revenue per bed hotels total<sup>3</sup> (in €)</b>	<b>70</b>	<b>49</b>	<b>+ 44.4</b>	<b>67</b>	<b>73</b>	<b>- 8.8</b>
Riu	56	41	+ 38.4	56	69	- 19.7
Robinson	98	107	- 8.6	95	97	- 2.5
Blue Diamond	104	-	n. a.	99	123	- 20.2

Revenue includes fully consolidated companies, all other KPIs incl. companies measured at equity.

1 Group owned or leased hotel beds multiplied by opening days per quarter

2 Occupied beds divided by capacity

3 Arrangement revenue divided by occupied beds

283 hotels were open as at the end of the period (~79% of Group hotel portfolio), increasing from 122 at end of H1 2021, reflecting hotels which were able to reopen across destinations such as the Balearics, Canaries, North Africa, Greek Islands, Mexico, Turkey and Cuba.

Demonstrating the benefit of our diversified markets and destinations, our hotels have hosted customers from the local markets like Mexico as well as from the US in addition to our core European source market customers.

In Q3 2021 we delivered an occupancy rate of 48% and average revenue per bed of €70.

Riu operated 85 hotels (out of 101 hotels) as at the end of quarter. Overall occupancy of 59% and average revenue per bed of €56 reflects the continued demand for our Riu brand.

Robinson operated 19 hotels (out of 26 hotels) as at end of the quarter. Overall Q3 occupancy was 48%. The average revenue per bed of €98 was driven by product mix.

Blue Diamond operated all but one of its 34 hotels as at end of the quarter. Overall occupancy was 57% and average revenue per bed was €104.

Underlying EBIT loss improved to €70m versus prior quarter (Q2 2021 loss: €103m) as a result.

## Cruises

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Revenue <sup>1</sup>	1.1	2.0	- 45.0	2.7	483.6	- 99.4
Underlying EBIT	- 81.3	- 224.3	+ 63.8	- 234.6	- 197.3	- 18.9
Underlying EBIT at constant currency	- 80.4	- 224.3	+ 64.2	- 235.6	- 197.3	- 19.4
<b>Occupancy (in %, variance in % points)</b>						
TUI Cruises	41	-	n. a.	37	97	- 60
Marella Cruises	48	-	n. a.	48	96	- 48
Hapag-Lloyd Cruises <sup>2</sup>	42	-	n. a.	33	77	- 44
<b>Passenger days ('000)</b>						
TUI Cruises	256	-	n. a.	610	2,854	- 78.6
Marella Cruises	6	-	n. a.	6	1,366	- 99.6
Hapag-Lloyd Cruises	23	-	n. a.	43	383	- 88.8
<b>Average daily rates<sup>3</sup> (in €)</b>						
TUI Cruises	125	-	n. a.	113	141	- 20.2
Marella Cruises (in £)	127	-	n. a.	127	146	- 13.0
Hapag-Lloyd Cruises <sup>2</sup>	443	-	n. a.	407	612	- 33.4

1 No revenue is carried for TUI Cruises and Hapag-Lloyd Cruises as the joint venture is consolidated at equity

2 Hapag-Lloyd Cruises prior year KPIs restated to align to TUI Cruises methodology

3 Per day and passenger

During Q3 2021, TUI Cruises increased its operations from May, from three ships to four, offering itineraries to the Canaries, Spanish coast, Greek Islands and Baltic Sea. Average daily rate of the operated fleet was €125 reflecting shorter average duration of itineraries offered. Occupancy of the operated fleet was 41%.

Our UK cruise brand Marella, resumed sailing with Explorer at the end of June, with a domestic programme from Southampton, its first since the government-imposed suspension of cruise operations in March 2020. Average daily rate and occupancy of the operated fleet was £127 and 48% respectively, with occupancy capped at 50% as required by UK government restrictions.

For Hapag-Lloyd Cruises, in addition to Europa 2 which was already in operation, Expedition Class Hanseatic nature and inspiration resumed sailings with short cruises from Hamburg and to the Baltic Sea. Average daily rate of the operated fleet was €443 reflecting the pricing of shorter and more local itineraries. Occupancy of the operated fleet was 42%.

Underlying EBIT loss declined to €81m versus prior quarter (Q2 2021 loss: €55m) reflecting the ramp up of operations in preparing our fleet and returning our crew onboard ahead of our peak summer period. Prior year includes 100% result of Hapag-Lloyd Cruises (Q3 2020 loss: €17.8m) which is now consolidated at equity within the TUI Cruises Joint Venture.

## TUI Musement (formerly Destination Experiences)

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Total revenue	25.7	-5.4	n. a.	51.2	418.3	- 87.8
Revenue	19.0	- 6.2	n. a.	37.5	294.2	- 87.3
Underlying EBIT	- 34.7	- 37.6	+ 7.7	- 96.7	- 66.5	- 45.4
Underlying EBIT at constant currency	- 35.0	- 37.6	+ 6.9	- 97.9	- 66.5	- 47.2

212k excursions and activities sold in the quarter, reflecting the increased departures and reopening of destinations. Online sales participation was 39%.

Underlying EBIT loss of €35m included ramp up costs as we prepared staff to return to destinations ahead of peak summer period.

## Markets & Airlines

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Revenue	546.8	69.8	+ 683.4	1,145.5	5,541.7	- 79.3
Underlying EBIT	- 482.7	- 492.7	+ 2.0	- 1,332.8	- 1,277.0	- 4.4
Underlying EBIT at constant currency	- 470.5	- 492.7	+ 4.5	- 1,326.0	- 1,277.0	- 3.8
Direct distribution mix <sup>1,3</sup> (in %, variance in % points)	73	n. a.	n. a.	74	n. a.	n. a.
Online mix <sup>2,3</sup> (in %, variance in % points)	52	n. a.	n. a.	54	n. a.	n. a.
Customers ('000) <sup>3</sup>	876	60	n. a.	1,560	6,325	- 75.3

1 Share of sales via own channels (retail and online)

2 Share of online sales

3 Like-for-like basis excluding disposed entities Berge & Meer and Boomerang

We restarted operations in April firstly from our German source market. In Q3 we took 876k customers on their summer holidays, mostly from our central and western markets. Greece, the Balearics and the Canaries were the most popular destinations during the quarter. Travel regulations remains a key limitation on our operations, with customer demand highly correlated to newsflow and positive travel policy advice.

Supported by the acceleration of our digital strategy, online distribution has increased 4% pts to 52% (vs Q3 2019: 48%) overall across our markets.

Underlying loss increased to €483m versus prior quarter (Q2 2021 loss: €404m) reflecting the ramp up costs of operations as we prepared our aircraft fleet, retrained crew, and increased the number of retail staff in stores ahead of peak summer period. The quarterly result also includes €33m benefit from hedging ineffectiveness on both FX and fuel contracts.

## Northern Region

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Revenue	56.0	15.3	+ 266.0	215.1	2,202.2	- 90.2
Underlying EBIT	- 289.8	- 177.2	- 63.5	- 708.1	- 592.4	- 19.5
Underlying EBIT at constant currency	- 278.7	- 177.2	- 57.3	- 704.0	- 592.4	- 18.8
Direct distribution mix <sup>1</sup> (in %, variance in % points)	95	n. a.	n. a.	93	n. a.	n. a.
Online mix <sup>2</sup> (in %, variance in % points)	77	n. a.	n. a.	76	n. a.	n. a.
Customers ('000)	50	-	n. a.	169	2,238	- 92.4

1 Share of sales via own channels (retail and online)

2 Share of online sales

50k customers departed in the third quarter, reflecting the limited green list destinations made available by the UK government. Direct distribution remained high at 95% with online distribution increasing by 11% pts to 77% (vs. Q3 2019: 66%).

Underlying loss increased to €290m versus prior quarter (Q2 2021 loss: €194m) as a result of ramp up costs in preparation for peak Q4 and related costs from stop/start nature of permitted destinations under UK travel restrictions.

## Central Region

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Revenue	370.3	34.1	+ 985.9	707.7	2,244.0	- 68.5
Underlying EBIT	- 105.4	- 219.2	+ 51.9	- 377.4	- 398.7	+ 5.3
Underlying EBIT at constant currency	- 105.1	- 219.2	+ 52.1	- 377.1	- 398.7	+ 5.4
Direct distribution mix <sup>1,3</sup> (in %, variance in % points)	63	n. a.	n. a.	63	n. a.	n. a.
Online mix <sup>2,3</sup> (in %, variance in % points)	39	n. a.	n. a.	38	n. a.	n. a.
Customers <sup>3</sup> ('000)	510	57	+ 794.7	842	2,253	- 62.6

1 Share of sales via own channels (retail and online)

2 Share of online sales

3 Like-for-like basis excluding disposed entities Berge & Meer and Boomerang

510k customers departed in the third quarter, reflecting the more consistent travel advice given by our Central region governments, enabling customers to depart with more certainty to destinations such as Majorca, Canaries and Turkey.

Online distribution for the region has increased by 17% pts to 39% (vs. Q3 2019: 22%) with direct distribution increasing 13% pts to 63% (vs. Q3 2019: 50%).

Underlying loss improved to €105m versus prior quarter (Q2 2021 loss: 126m) reflecting the contribution from more substantial departures and operations.

## Western Region

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Revenue	120.5	20.4	+ 490.7	222.6	1,095.5	- 79.7
Underlying EBIT	- 87.6	- 96.3	+ 9.0	- 247.3	- 285.9	+ 13.5
Underlying EBIT at constant currency	- 86.7	- 96.3	+ 10.0	- 245.0	- 285.9	+ 14.3
Direct distribution mix <sup>1</sup> (in %, variance in % points)	85	n. a.	n. a.	86	n. a.	n. a.
Online mix <sup>2</sup> (in %, variance in % points)	69	n. a.	n. a.	70	n. a.	n. a.
Customers ('000)	317	3	n. a.	549	1,833	- 70.0

1 Share of sales via own channels (retail and online)

2 Share of online sales

317k customers departed in the period reflecting the reopening of destinations part way through the quarter for the region. Again, supported by our digital acceleration, online distribution improved by 13% pts to 69% (vs. Q3 2019: 56%) with direct distribution increasing 10% pts to 85% (vs. Q3 2019: 75%).

Underlying loss increased to €88m versus prior quarter (Q2 2021 loss: €84m) reflecting ramp up costs of operations ahead of peak summer period.

## All other segments

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Revenue	8.7	1.7	+ 411.8	22.3	86.2	- 74.1
Underlying EBIT	- 0.8	- 53.4	+ 98.5	- 45.9	- 118.0	+ 61.1
Underlying EBIT at constant currency)	- 0.7	- 53.4	+ 98.7	- 46.0	- 118.0	+ 61.0

Underlying EBIT loss improved to €1m versus prior quarter (Q3 2021 loss: €19m) reflecting our ongoing cost-savings measures across head-office and other entities, as part of our global realignment programme.

## Financial position and net assets

### Cash Flow / Net capex and investments / Net debt

In the period under review the TUI Group's operating cash flow continued to be impacted by the travel restrictions imposed by COVID-19 in March 2020.

At €1,089.4m, the cash outflow from operating activities decreased by €869.6m compared to previous year.

The net debt as of 30 June 2021 increased by €482.5m to €6,348.7m year-on-year.

#### Net debt

	30 June 2021	30 June 2020	Var. %
Financial debt	4,578.9	4,218.6	+ 8.5
Lease liabilities	3,307.8	3,645.2	- 9.3
Cash and cash equivalents	1,524.4	1,988.0	- 23.3
Short-term interest-bearing investments	13.6	9.5	+ 43.2
<b>Net debt</b>	<b>6,348.7</b>	<b>5,866.2</b>	<b>+ 8.2</b>

#### Net capex and investments

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
<b>Cash gross capex</b>						
Hotels & Resorts	22.1	44.6	- 50.4	92.0	215.2	- 57.2
Cruises	1.2	- 0.8	n. a.	16.3	42.7	- 61.8
TUI Musement	3.9	3.1	+ 25.8	9.7	10.4	- 6.7
Holiday Experiences	27.1	46.9	- 42.2	118.0	268.3	- 56.0
Northern Region	2.2	- 1.0	n. a.	7.6	29.9	- 74.6
Central Region	1.2	2.8	- 57.1	3.7	11.7	- 68.4
Western Region	1.9	3.0	- 36.7	3.5	14.8	- 76.4
Markets & Airlines*	20.3	8.2	+ 147.6	35.3	68.9	- 48.8
All other segments	21.2	14.2	+ 49.3	54.1	53.6	+ 0.9
<b>TUI Group</b>	<b>68.7</b>	<b>69.3</b>	<b>- 0.9</b>	<b>207.4</b>	<b>390.9</b>	<b>- 46.9</b>
Net pre delivery payments on aircraft	- 54.5	0.6	n. a.	- 86.1	- 41.8	- 106.0
Financial investments	1.2	75.7	- 98.4	22.9	132.6	- 82.7
Divestments	- 29.8	- 368.4	+ 91.9	- 266.9	- 417.2	+ 36.0
<b>Net capex and investments</b>	<b>- 14.4</b>	<b>- 222.8</b>	<b>+ 93.5</b>	<b>- 122.8</b>	<b>64.4</b>	<b>n. a.</b>

\* Including €15.0m for Q3 2021 (previous year: €3.4m) and €20.5m for 9M 2021 (previous year €12.5m) cash gross capex of the aircraft leasing companies, which are allocated to Markets & Airlines as a whole, but not to the individual segments Northern Region, Central Region and Western Region.

Cash gross capex in 9M 2021 was 46.9% lower year-on-year, reflecting our continuously disciplined capex management. Net capex and investments of €-122.8m declined by €187.2m year-on-year.

The divestments related mainly to the sale and lease back of spare engines and aircraft. Previous year's divestments included the sale of Hapag-Lloyd Kreuzfahrten to our joint venture TUI Cruises and the sale of two German specialist tour operators.

## Assets and liabilities

### Assets and liabilities

	30 June 2021	30 Sep 2020	Var. %
Non-current assets	11,314.2	12,647.8	- 10.5
Current assets	3,321.7	2,693.4	+ 23.3
<b>Assets</b>	<b>14,635.9</b>	<b>15,341.1</b>	<b>- 4.6</b>
Equity	- 524.7	218.1	n. a.
Provisions	2,197.4	2,317.3	- 5.2
Financial liabilities	4,578.9	4,269.0	+ 7.3
Other liabilities	8,384.3	8,536.7	- 1.8
<b>Liabilities</b>	<b>14,635.9</b>	<b>15,341.1</b>	<b>- 4.6</b>

## Comments on the consolidated income statement

### Unaudited condensed consolidated income statement of TUI Group for the period from 1 Oct 2020 to 30 Jun 2021

	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
<b>€ million</b>						
Revenue	649.7	71.8	+804.9	1,365.9	6,710.4	- 79.6
Cost of sales	1,124.2	1,009.0	+11.4	2,642.4	7,968.7	- 66.8
<b>Gross loss</b>	<b>- 474.5</b>	<b>- 937.3</b>	<b>+49.4</b>	<b>- 1,276.4</b>	<b>- 1,258.3</b>	<b>- 1.4</b>
Administrative expenses	216.5	202.7	+6.8	604.2	731.1	- 17.4
Other income	10.1	4.5	+124.4	20.9	97.6	- 78.6
Other expenses	1.0	14.9	- 93.3	9.2	18.6	- 50.5
Impairment of goodwill	-	67.7	n. a.	-	67.7	n. a.
Impairment (+) / Reversal of impairment (-) of financial assets	- 6.8	72.1	n. a.	- 35.9	95.6	n. a.
Financial income	- 1.9	4.8	n. a.	25.0	27.2	- 8.1
Financial expense	100.5	74.9	+34.2	356.5	204.6	+74.2
Share of result of investments accounted for using the equity method	- 69.4	- 107.4	+35.4	- 226.5	- 63.7	- 255.6
Impairment (+) / Reversal of impairment (-) of net investments in joint ventures and associates	-	51.2	n. a.	- 0.5	53.0	n. a.
<b>Earnings before income taxes</b>	<b>- 846.9</b>	<b>- 1,518.8</b>	<b>+44.2</b>	<b>- 2,390.7</b>	<b>- 2,367.7</b>	<b>- 1.0</b>
Income taxes (expense +), income (-)	92.9	- 9.1	n. a.	47.3	- 43.1	n. a.
<b>Group loss</b>	<b>- 939.8</b>	<b>- 1,509.6</b>	<b>+37.7</b>	<b>- 2,438.0</b>	<b>- 2,324.7</b>	<b>- 4.9</b>
Group loss attributable to shareholders of TUI AG	- 934.8	- 1,481.4	+36.9	- 2,409.6	- 2,342.8	- 2.9
Group loss / profit attributable to non-controlling interest	- 5.0	- 28.2	+82.3	- 28.4	18.1	n. a.

The development of TUI Group's revenue and earnings in the first nine months 2021 was still materially impacted by the suspension of the vast majority of our tour operation, aviation, hotel and cruise operations as a result of the global travel restrictions in order to contain the spread of COVID-19. TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months, however this period the impact is less evident due to the COVID-19 pandemic.

Consolidated turnover in 9M 2021 declined by 79.6% year-on-year to €1.4bn. This decline reflects the worldwide travel restrictions imposed to stem the spread of COVID-19.

## Alternative performance measures

We use underlying EBIT for our management system. We define the EBIT in underlying EBIT as earnings before interest, taxes and result of the measurement of the Group's interest hedges.

One-off items carried here include adjustments for income and expense items that reflect amounts and frequencies of occurrence rendering an evaluation of the operating profitability of the segments and the Group more difficult or causing distortions. These items include gains on disposal of financial investments, significant gains and losses from the sale of assets as well as significant restructuring and integration expenses. Any effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments are adjusted. Also, any goodwill impairments are adjusted in the reconciliation to underlying EBIT.

### Reconciliation to underlying EBIT

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
<b>Earnings before income taxes</b>	<b>- 846.9</b>	<b>- 1,518.8</b>	<b>+44.2</b>	<b>- 2,390.7</b>	<b>- 2,367.7</b>	<b>- 1.0</b>
plus: Net interest expenses (excluding expense / income from measurement of interest hedges)	97.2	69.0	+40.9	336.7	173.6	+94.0
plus / less: (Expenses) income from measurement of interest hedges	1.8	- 6.3	n. a.	7.4	- 7.9	n. a.
<b>EBIT</b>	<b>- 748.0</b>	<b>- 1,456.1</b>	<b>+48.6</b>	<b>- 2,046.6</b>	<b>- 2,202.0</b>	<b>7.1</b>
<b>Adjustments:</b>						
plus: Separately disclosed items	70.0	266.0		43.5	194.9	
plus: Expense from purchase price allocation	8.2	17.9		24.4	40.2	
<b>Underlying EBIT</b>	<b>- 669.8</b>	<b>- 1,172.2</b>	<b>+42.9</b>	<b>- 1,978.6</b>	<b>- 1,966.9</b>	<b>- 0.6</b>

The TUI Group's operating loss adjusted for special items increased by €11.7m to €1,978.6m in 9M 2021.

⇒ For further details on the separately disclosed items see page 46-48 in the Notes of this report.

### Key figures of income statement

	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
<b>EBITDAR</b>	<b>- 489.5</b>	<b>- 790.5</b>	<b>+ 38.1</b>	<b>- 1,313.5</b>	<b>- 952.4</b>	<b>- 37.9</b>
Operating rental expenses	- 1.9	- 3.7	+ 48.6	- 9.4	- 38.7	+ 75.7
<b>EBITDA</b>	<b>- 491.4</b>	<b>- 794.2</b>	<b>+ 38.1</b>	<b>- 1,322.9</b>	<b>- 991.1</b>	<b>- 33.5</b>
Depreciation/amortisation less reversals of depreciation*	- 256.6	- 661.9	+ 61.2	- 723.7	- 1,210.9	+ 40.2
<b>EBIT</b>	<b>- 748.0</b>	<b>- 1,456.1</b>	<b>+ 48.6</b>	<b>- 2,046.6</b>	<b>- 2,202.0</b>	<b>+ 7.1</b>
Income/Expense from the measurement of interest hedges	1.8	- 6.3	n. a.	7.4	- 7.9	n. a.
Net interest expense	97.2	69.0	+ 40.9	336.7	173.6	+ 94.0
<b>EBT</b>	<b>- 846.9</b>	<b>- 1,518.8</b>	<b>+ 44.2</b>	<b>- 2,390.7</b>	<b>- 2,367.7</b>	<b>- 1.0</b>

\* on property, plant and equipment, intangible assets, right of use assets and other assets

## Other segment indicators

### Underlying EBITDA

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Hotels & Resorts	- 18.8	- 162.5	+ 88.4	- 105.9	- 6.1	n. a.
Cruises	- 65.2	- 94.9	+ 31.3	- 187.4	6.1	n. a.
TUI Musement	- 28.7	- 31.2	+ 8.0	- 78.3	- 46.5	- 68.4
Holiday Experiences	- 112.7	- 288.6	+ 60.9	- 371.6	- 46.5	- 699.1
Northern Region	- 204.7	- 73.5	- 178.5	- 460.2	- 321.3	- 43.2
Central Region	- 77.4	- 168.6	+ 54.1	- 287.3	- 272.1	- 5.6
Western Region	- 53.6	- 39.3	- 36.4	- 144.2	- 138.7	- 4.0
Markets & Airlines	- 335.7	- 281.3	- 19.3	- 891.8	- 732.0	- 21.8
All other segments	- 0.4	- 52.5	+ 99.2	- 41.5	- 109.9	+ 62.2
<b>TUI Group</b>	<b>- 448.7</b>	<b>- 622.4</b>	<b>+ 27.9</b>	<b>- 1,304.8</b>	<b>- 888.4</b>	<b>- 46.9</b>

### EBITDA

€ million	Q3 2021	Q3 2020	Var. %	9M 2021	9M 2020	Var. %
Hotels & Resorts	- 21.2	- 162.8	+ 87.0	- 108.4	- 6.4	n. a.
Cruises	- 65.2	- 94.9	+ 31.3	- 187.4	6.1	n. a.
TUI Musement	- 38.2	- 34.8	- 9.8	- 89.1	- 54.6	- 63.2
Holiday Experiences	- 124.5	- 292.4	+ 57.4	- 384.9	- 54.9	- 601.1
Northern Region	- 205.6	- 74.4	- 176.3	- 477.7	- 323.9	- 47.5
Central Region	- 79.0	- 296.8	+ 73.4	- 240.3	- 318.2	+ 24.5
Western Region	- 66.2	- 73.6	+ 10.1	- 159.9	- 177.4	+ 9.9
Markets & Airlines	- 350.8	- 444.8	+ 21.1	- 878.0	- 819.4	- 7.2
All other segments	- 16.1	- 57.0	+ 71.8	- 60.0	- 116.8	+ 48.6
<b>TUI Group</b>	<b>- 491.4</b>	<b>- 794.2</b>	<b>+ 38.1</b>	<b>- 1,322.9</b>	<b>- 991.1</b>	<b>- 33.5</b>

### Employees

	30 June 2021	30 June 2020	Var. %
Hotels & Resorts	18,312	9,754	+ 87.7
Cruises*	58	340	- 82.9
TUI Musement	4,510	3,807	+ 18.5
Holiday Experiences	22,880	13,901	+ 64.6
Northern Region	9,210	11,149	- 17.4
Central Region	7,636	9,090	- 16.0
Western Region	4,495	5,666	- 20.7
Markets & Airlines	21,341	25,905	- 17.6
All other segments	2,297	2,287	+ 0.4
<b>Total</b>	<b>46,518</b>	<b>42,093</b>	<b>+ 10.5</b>

\* Excludes TUI Cruises (JV) employees. Cruises employees are primarily hired by external crew management agencies.

## Corporate Governance

### Composition of the Boards

The composition of TUI AG's Boards changed as follows in the first nine months in FY 2021:

The terms of office of all ten employee representatives on the Supervisory Board and four of the ten Supervisory Board members to be elected by the Annual General Meeting ended at the close of the Annual General Meeting on 25 March 2021.

The following members were elected or re-elected to the Supervisory Board by this year's the ordinary General Meeting:

Dr. Jutta Dönges, Managing Director of Finanzagentur GmbH; Prof. Dr. Edgar Ernst, President of the German Financial Reporting Enforcement Panel (FREP); Janina Kugel, Supervisory Board member & Senior Advisor and Alexey Mordashov, Chairman of the Board of Directors of PAO Severstal. Peter Long and Angelika Gifford re-signed from the Supervisory Board at the end of their regular term of office.

The ten Supervisory Board members representing the employees were already elected on 8 October 2020. Mark Muratovic and Tanja Viehl were elected to the Supervisory Board as new employee representatives. Dr Dierk Hirschel and Michael Pönipp stepped down at the end of their regular term of office.

There were the following changes in TUI AG's Executive Board:

Birgit Conix, who had been responsible for Finance on TUI AG's Executive Board since July 2018, left in December 2020. She was succeeded by Executive Board member Sebastian Ebel.

In January 2021, Peter Krueger took over a newly tailored Executive Board department as Chief Strategy Officer, combining the TUI Airlines, hotel and cruise shareholdings as well as his previous areas of responsibility TUI Strategy and M&A.

On 11 May 2021, the Supervisory Board of TUI AG decided to appoint Sybille Reiß as Member of the Executive Board responsible for Human Resources and as Labor Director with effect from 1 July 2021. She took over the position from Dr Elke Eller, who did not renew her contract, which was scheduled to expire.

The current, complete composition of the Executive Board and Supervisory Board is published on our website, where it is permanently accessible to the public.

⇒ [www.tuigroup.com/en-en/investors/corporate-governance](http://www.tuigroup.com/en-en/investors/corporate-governance)

## Risk and Opportunity Report

Successful management of existing and emerging risks is critical to the long-term success of our business and to the achievement of our strategic objectives. Full details of our risk governance framework and principal risks can be found in the Annual Report 2020.

⇒ Details see Risk Report in our Annual Report 2020, from page 33

Actively Managed: IT Development & Strategy, Integration & Restructuring, Corporate & Social Responsibility, Information Security, Brexit

Monitored: Destination Disruption, Customer Demand, Input Cost Volatility, Cash flow, Legal & Regulatory Compliance, Health & Safety, Supplier Reliance, Talent & Leadership Development, Joint Venture Partnerships

Several principal risks materialised simultaneously as a result of the COVID-19 pandemic, which has led to travel restrictions across the world, both within the markets as well as in destination countries.

With the customer deposits received and expected for the peak season in the summer (July to October 2021), additional funds from the convertible bond placed in Q3 2021, the cash inflow from the sale of RIU Hotels S.A. and the extension of the revolving credit facilities including the further suspension of the review of financial covenants, the Executive Board believes that, despite the existing risks, the TUI Group currently has sufficient funds, and will continue to have sufficient funds in the future, resulting both from borrowing and from operating cash flows, to meet its payment obligations and to continue as a going concern. The Executive Board anticipates that as at 30 June 2021, a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern no longer exists. Therefore, as at 30 June 2021, the Executive Board no longer identifies any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Executive Board no longer considers the remaining risk with regard to a further pandemic-related change in booking behaviour as a threat to the company as a going concern. In its assessment, the Executive Board assumes that the booking figures will gradually recover in the financial year 2022 and that the booking behaviour in the financial year 2023 will largely correspond to the pre-pandemic level. The Executive Board assumes that there will be no further long-term closures and lockdowns that could affect travel behaviour. Nevertheless, customer bookings may deteriorate due to new travel restrictions, insufficient vaccination coverage against the COVID-19 virus in individual countries, and virus variants for which there is insufficient vaccination protection, thereby affecting the Company's performance.

During this period of reduced travel compared to pre-pandemic levels, the Executive Board continues to monitor the key risks, particularly heightened risks such as customer demand and those that impact the financial profile (i.e. cost volatility and cashflow) of the Group.

# UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## Unaudited condensed consolidated income statement of TUI Group for the period from 1 Oct 2020 to 30 Jun 2021

€ million	Notes	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue	(1)	649.7	71.8	1,365.9	6,710.4
Cost of sales	(2)	1,124.2	1,009.0	2,642.4	7,968.7
<b>Gross loss</b>		<b>- 474.5</b>	<b>- 937.3</b>	<b>- 1,276.4</b>	<b>- 1,258.3</b>
Administrative expenses	(2)	216.5	202.7	604.2	731.1
Other income	(3)	10.1	4.5	20.9	97.6
Other expenses	(4)	1.0	14.9	9.2	18.6
Impairment of goodwill	(9)	-	67.7	-	67.7
Impairment (+) / Reversal of impairment (-) of financial assets	(20)	- 6.8	72.1	- 35.9	95.6
Financial income	(5)	- 1.9	4.8	25.0	27.2
Financial expense	(5)	100.5	74.9	356.5	204.6
Share of result of investments accounted for using the equity method	(6)	- 69.4	- 107.4	- 226.5	- 63.7
Impairment (+) / Reversal of impairment (-) of net investments in joint ventures and associates	(6)	-	51.2	- 0.5	53.0
<b>Earnings before income taxes</b>		<b>- 846.9</b>	<b>- 1,518.8</b>	<b>- 2,390.7</b>	<b>- 2,367.7</b>
Income taxes (expense +), income (-)	(7)	92.9	- 9.1	47.3	- 43.1
<b>Group loss</b>		<b>- 939.8</b>	<b>- 1,509.6</b>	<b>- 2,438.0</b>	<b>- 2,324.7</b>
Group loss attributable to shareholders of TUI AG		- 934.8	- 1,481.4	- 2,409.6	- 2,342.8
Group loss / profit attributable to non-controlling interest	(8)	- 5.0	- 28.2	- 28.4	18.1

## Earnings per share

€	Q3 2021	Q3 2020	9M 2021	9M 2020
Basic and diluted loss / earnings per share	- 0.85	- 2.51	- 2.66	- 3.98

Unaudited condensed consolidated statement of comprehensive income of TUI Group for the period from  
1 Oct 2020 to 30 Jun 2021

€ million	Q3 2021	Q3 2020	9M 2021	9M 2020
<b>Group loss</b>	<b>- 939.8</b>	<b>- 1,509.6</b>	<b>- 2,438.0</b>	<b>- 2,324.7</b>
Remeasurement of defined benefit obligations and related fund assets	- 124.5	- 389.8	- 268.8	68.3
Other comprehensive income of investments accounted for using the equity method that will not be reclassified	9.4	0.7	39.3	- 44.1
Fair value gain/loss on investments in equity instruments designated as at FVTOCI	0.2	- 17.3	- 0.3	- 25.6
Income tax related to items that will not be reclassified (expense (-), income (+))	85.1	104.3	118.0	1.2
<b>Items that will not be reclassified to profit or loss</b>	<b>- 29.8</b>	<b>- 302.1</b>	<b>- 111.8</b>	<b>- 0.2</b>
Foreign exchange differences	- 15.1	- 18.9	48.0	- 140.3
Cash flow hedges	39.0	166.8	92.9	- 277.6
Other comprehensive income of investments accounted for using the equity method that may be reclassified	1.2	10.7	- 22.1	5.7
Income tax related to items that may be reclassified (expense (-), income (+))	- 6.7	- 28.5	- 28.8	78.1
<b>Items that may be reclassified to profit or loss</b>	<b>18.4</b>	<b>130.1</b>	<b>90.0</b>	<b>- 334.1</b>
<b>Other comprehensive income</b>	<b>- 11.4</b>	<b>- 172.0</b>	<b>- 21.8</b>	<b>- 334.3</b>
<b>Total comprehensive income</b>	<b>- 951.2</b>	<b>- 1,681.6</b>	<b>- 2,459.8</b>	<b>- 2,659.0</b>
attributable to shareholders of TUI AG	- 945.4	- 1,650.5	- 2,443.6	- 2,634.6
attributable to non-controlling interest	- 5.8	- 31.1	- 16.2	- 24.4

**Unaudited condensed consolidated statement of financial position of TUI Group as at 30 Jun 2021**

€ million	Notes	30 Jun 2021	30 Sep 2020
<b>Assets</b>			
Goodwill	(9)	2,999.0	2,914.5
Other intangible assets		542.7	553.5
Property, plant and equipment	(10)	3,278.9	3,462.5
Right-of-use assets	(11)	3,094.3	3,227.9
Investments in joint ventures and associates		646.2	1,186.7
Trade and other receivables	(12) (20)	206.3	402.4
Derivative financial instruments	(20)	7.7	7.4
Other financial assets	(20)	8.2	10.6
Touristic payments on account		112.4	149.9
Other non-financial assets		230.5	423.2
Income tax assets		9.6	9.6
Deferred tax assets		178.3	299.6
<b>Non-current assets</b>		<b>11,314.2</b>	<b>12,647.8</b>
Inventories		54.2	73.2
Trade and other receivables	(12) (20)	476.6	486.3
Derivative financial instruments	(20)	44.6	88.9
Other financial assets	(20)	13.6	14.9
Touristic payments on account		635.4	555.5
Other non-financial assets		135.2	113.4
Income tax assets		45.9	70.9
Cash and cash equivalents	(20)	1,524.4	1,233.1
Assets held for sale	(13)	391.7	57.2
<b>Current assets</b>		<b>3,321.7</b>	<b>2,693.4</b>
<b>Total assets</b>		<b>14,635.9</b>	<b>15,341.1</b>

**Unaudited condensed consolidated statement of financial position of TUI Group as at 30 Jun 2021**

€ million	Notes	30 Jun 2021	30 Sep 2020
<b>Equity and liabilities</b>			
Subscribed capital		1,099.4	1,509.4
Capital reserves		5,253.5	4,211.0
Revenue reserves		- 8,618.8	- 6,168.8
Silent participation		1,091.0	-
<b>Equity before non-controlling interest</b>		<b>- 1,174.9</b>	<b>- 448.4</b>
Non-controlling interest		650.2	666.5
<b>Equity</b>	(19)	<b>- 524.7</b>	<b>218.1</b>
Pension provisions and similar obligations	(14)	988.2	983.6
Other provisions		701.9	912.1
<b>Non-current provisions</b>		<b>1,690.1</b>	<b>1,895.7</b>
Financial liabilities	(15), (20)	4,304.0	3,691.7
Lease liabilities	(16)	2,644.6	2,712.6
Derivative financial instruments	(20)	15.0	44.0
Other financial liabilities	(17), (20)	5.6	7.2
Other non-financial liabilities		197.7	198.4
Income tax liabilities		56.7	61.3
Deferred tax liabilities		63.4	192.7
<b>Non-current liabilities</b>		<b>7,287.1</b>	<b>6,908.1</b>
<b>Non-current provisions and liabilities</b>		<b>8,977.2</b>	<b>8,803.7</b>
Pension provisions and similar obligations	(14)	29.1	31.4
Other provisions		478.1	390.3
<b>Current provisions</b>		<b>507.3</b>	<b>421.6</b>
Financial liabilities	(15), (20)	274.9	577.3
Lease liabilities	(16)	663.2	687.3
Trade payables	(20)	1,316.3	1,611.5
Derivative financial instruments	(20)	26.8	274.8
Other financial liabilities	(17), (20)	325.9	422.0
Touristic advance payments received	(18)	2,587.4	1,770.1
Other non-financial liabilities		466.0	447.8
Income tax liabilities		15.7	82.4
<b>Current liabilities</b>		<b>5,676.2</b>	<b>5,873.2</b>
Liabilities related to assets held for sale		-	24.5
<b>Current provisions and liabilities</b>		<b>6,183.5</b>	<b>6,319.3</b>
<b>Total equity, liabilities and provisions</b>		<b>14,635.9</b>	<b>15,341.1</b>

**Unaudited condensed consolidated statement of changes in Group equity of TUI Group for the period from 1 Oct 2020 to 30 Jun 2021**

	Subscribed capital	Capital reserves	Revenue reserves	Silent participation	Equity before non-controlling interest	Non-controlling interest	Total
<b>€ million</b>							
<b>Balance as at 30 Sep 2020</b>	<b>1,509.4</b>	<b>4,211.0</b>	<b>- 6,168.8</b>	<b>-</b>	<b>- 448.4</b>	<b>666.5</b>	<b>218.1</b>
Dividends	-	-	-	-	-	- 0.1	- 0.1
Share-based payment schemes	-	-	0.7	-	0.7	-	0.7
Issuance of convertible bonds	-	95.7	-	-	95.7	-	95.7
Capital increase	509.0	27.7	-	1,091.0	1,627.7	-	1,627.7
Capital reduction	- 919.0	919.0	-	-	-	-	-
Other	-	-	- 6.9	-	- 6.9	-	- 6.9
<b>Group loss</b>	<b>-</b>	<b>-</b>	<b>- 2,409.6</b>	<b>-</b>	<b>- 2,409.6</b>	<b>- 28.4</b>	<b>- 2,438.0</b>
Foreign exchange differences	-	-	35.7	-	35.7	12.2	47.9
Financial assets at FVTOCI	-	-	- 0.3	-	- 0.3	-	- 0.3
Cash Flow Hedges	-	-	92.9	-	92.9	-	92.9
Remeasurements of defined benefit obligations and related fund assets	-	-	- 268.8	-	- 268.8	-	- 268.8
Other comprehensive income of investments accounted for using the equity method	-	-	17.2	-	17.2	-	17.2
Taxes attributable to other comprehensive income	-	-	89.2	-	89.2	-	89.2
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>- 34.1</b>	<b>-</b>	<b>- 34.1</b>	<b>12.2</b>	<b>- 21.9</b>
Total comprehensive income	-	-	- 2,443.7	-	- 2,443.7	- 16.2	- 2,459.9
<b>Balance as at 30 Jun 2021</b>	<b>1,099.4</b>	<b>5,253.5</b>	<b>- 8,618.8</b>	<b>1,091.0</b>	<b>- 1,174.9</b>	<b>650.2</b>	<b>- 524.7</b>

**Unaudited condensed consolidated statement of changes in Group equity of TUI Group for the period from 1 Oct 2019 to 30 Jun 2020**

	Subscribed capital	Capital reserves	Revenue reserves	Silent participation	Equity before non-controlling interest	Non-controlling interest	Total
<b>€ million</b>							
<b>Balance as at 30 Sep 2019 (adjusted)</b>	<b>1,505.8</b>	<b>4,207.5</b>	<b>- 2,259.2</b>	<b>-</b>	<b>3,454.2</b>	<b>711.4</b>	<b>4,165.6</b>
Adoption of IFRS 16	-	-	- 13.7	-	- 13.7	-	- 13.7
<b>Balance as at 1 Oct 2019</b>	<b>1,505.8</b>	<b>4,207.5</b>	<b>- 2,272.9</b>	<b>-</b>	<b>3,440.5</b>	<b>711.4</b>	<b>4,151.9</b>
Dividends	-	-	- 318.1	-	- 318.1	- 0.2	- 318.3
Share-based payment schemes	-	-	3.4	-	3.4	-	3.4
Effects on the acquisition of non-controlling interest	-	-	- 0.3	-	- 0.3	- 1.3	- 1.6
<b>Group loss</b>	<b>-</b>	<b>-</b>	<b>- 2,342.8</b>	<b>-</b>	<b>- 2,342.8</b>	<b>18.1</b>	<b>- 2,324.7</b>
Foreign exchange differences	-	-	- 97.7	-	- 97.7	- 42.5	- 140.2
Financial assets at FVTOCI	-	-	- 25.6	-	- 25.6	-	- 25.6
Cash Flow Hedges	-	-	- 277.6	-	- 277.6	-	- 277.6
Remeasurements of defined benefit obligations and related fund assets	-	-	68.3	-	68.3	-	68.3
Other comprehensive income of investments accounted for using the equity method	-	-	- 38.4	-	- 38.4	-	- 38.4
Taxes attributable to other comprehensive income	-	-	79.3	-	79.3	-	79.3
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>- 291.7</b>	<b>-</b>	<b>- 291.7</b>	<b>- 42.5</b>	<b>- 334.2</b>
Total comprehensive income	-	-	- 2,634.5	-	- 2,634.5	- 24.4	- 2,658.9
<b>Balance as at 30 Jun 2020</b>	<b>1,505.8</b>	<b>4,207.5</b>	<b>- 5,222.4</b>	<b>-</b>	<b>490.9</b>	<b>685.5</b>	<b>1,176.5</b>

**Unaudited condensed consolidated cash flow statement of TUI Group for the period from  
1 Oct 2020 to 30 Jun 2021**

<b>€ million</b>	Notes	<b>9M 2021</b>	9M 2020
Group loss		- 2,438.0	- 2,324.7
Depreciation, amortisation and impairment (+) / write-backs (-)		723.7	1,212.1
Other non-cash expenses (+) / income (-)		190.0	161.1
Interest expenses		352.3	188.7
Dividends from joint ventures and associates		13.4	7.0
Profit (-) / loss (+) from disposals of non-current assets		- 5.9	- 82.6
Increase (-) / decrease (+) in inventories		6.0	19.7
Increase (-) / decrease (+) in receivables and other assets		224.9	504.1
Increase (+) / decrease (-) in provisions		- 230.2	- 9.2
Increase (+) / decrease (-) in liabilities (excl. financial liabilities)		74.4	- 1,635.2
<b>Cash outflow from operating activities</b>	<b>(23)</b>	<b>- 1,089.4</b>	<b>- 1,959.0</b>
Payments received from disposals of property, plant and equipment and intangible assets		294.6	106.3
Payments received from disposals of consolidated companies (less disposals of cash and cash equivalents due to divestments)		51.3	342.1
Payments received from the disposals of other non-current assets		23.5	84.3
Payments made for investments in property, plant and equipment and intangible assets		- 220.6	- 442.6
Payments made for investments in consolidated companies (less cash and cash equivalents received due to acquisitions)		- 1.9	- 41.3
Payments made for investments in other non-current assets		- 21.5	- 88.6
<b>Cash inflow / cash outflow from investing activities</b>	<b>(23)</b>	<b>125.4</b>	<b>- 39.9</b>
Payments received from capital increases*		1,722.9	-
Payments made for acquisition of own shares		-	- 1.0
Payments made for interest increase in consolidated companies		-	- 1.6
Dividend payments			
TUI AG		-	- 318.1
subsidiaries to non-controlling interest		-	- 0.6
Payments received from the raising of financial liabilities		711.7	3,335.0
Payments made for redemption of loans and financial liabilities		- 452.7	- 77.5
Payments made for principal of lease liabilities		- 454.0	- 476.9
Interest paid		- 299.6	- 155.4
<b>Cash inflow from financing activities</b>	<b>(23)</b>	<b>1,228.3</b>	<b>2,303.9</b>
<b>Net change in cash and cash equivalents</b>		<b>264.3</b>	<b>305.0</b>
<b>Development of cash and cash equivalents</b>	<b>(23)</b>		
<b>Cash and cash equivalents at beginning of period</b>		<b>1,233.1</b>	<b>1,747.6</b>
Change in cash and cash equivalents due to exchange rate fluctuations		27.0	- 9.1
Net change in cash and cash equivalents		264.3	305.0
<b>Cash and cash equivalents at end of period</b>		<b>1,524.4</b>	<b>2,043.6</b>
of which included in the balance sheet as assets held for sale		-	55.6

\* This line comprises the payments received from the capital increase, the silent participations and the convertible bond.

# NOTES

## General

The TUI Group and its major subsidiaries and shareholdings operate in tourism. TUI AG, based in Hanover and Berlin, Germany, is TUI Group's parent company and a listed corporation under German law. The shares in TUI AG are traded on the London Stock Exchange and the Hanover and Frankfurt Stock Exchanges. In this document, the term "TUI Group" represents the consolidated group of TUI AG and its direct and indirect investments. Additionally, the unaudited condensed consolidated interim financial statements of TUI Group are referred to as "Interim Financial Statements", the unaudited condensed consolidated income statement of TUI Group is referred to as "income statement", the unaudited condensed consolidated statement of financial position of TUI Group is referred to as "statement of financial position", the unaudited condensed consolidated statement of comprehensive income of TUI Group is referred to as "statement of comprehensive income" and the unaudited condensed consolidated statement of changes in TUI Group equity is referred to as "statement of changes in equity".

The Interim Financial Statements cover the period from 1 October 2020 to 30 June 2021. The Interim Financial Statements are prepared in euros. Unless stated otherwise, all amounts are stated in million euros (€m).

The Interim Financial Statements were approved for publication by the Executive Board of TUI AG on 11 August 2021.

## Accounting principles

### Declaration of compliance

The consolidated interim financial report for the period ended 30 June 2021 comprise the Interim Financial Statements and the Interim Management Report in accordance with section 115 of the German Securities Trading Act (WpHG).

The Interim Financial Statements were prepared in conformity with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the relevant Interpretations of the IFRS Interpretation Committee (IFRS IC) for interim financial reporting applicable in the European Union.

In accordance with IAS 34, the Interim Financial Statements are published in a condensed form compared with the consolidated annual financial statements and should therefore be read in combination with TUI Group's consolidated financial statements for financial year 2020. The Interim Financial Statements were reviewed by the Group's auditor.

### Going concern reporting in accordance with the UK Corporate Governance Code

The TUI Group covers its day-to-day working capital requirements through cash on hand, balances and borrowings from banks. The TUI Group's net debt (financial debt plus lease liabilities less cash and cash equivalents and less short-term interest-bearing cash investments) as of 30 June 2021 was €6.3bn.

### Net debt

	30 June 2021	30 Sep 2020	Var. %
Financial debt	4,578.9	4,269.0	+ 7.3
Lease liabilities	3,307.8	3,399.9	- 2.7
Cash and cash equivalents	1,524.4	1,233.1	+ 23.6
Short-term interest-bearing investments	13.6	14.9	- 8.7
<b>Net debt</b>	<b>6,348.7</b>	<b>6,420.9</b>	<b>- 1.1</b>

The global travel restrictions to contain COVID-19 had a strong negative impact on the Group's earnings and liquidity development from the end of March 2020. To cover the resulting liquidity requirements, the Group also received

financing measures in two steps from the Federal Republic of Germany in FY 2020, in particular in the form of a credit line from KfW totalling €2.85bn and an option bond from the Economic Stabilization Fund (WSF) in the amount of €150m with initial option rights to around 58.7m shares. The option bond was issued to the Economic Stabilization Fund on 1 October 2020. In the second quarter of FY 2021, TUI secured further funds from a further financing package of €1.8bn agreed with Unifirm Ltd, a banking consortium and KfW as well as the WSF.

The preconditions for all components of the third financing package were created at the Extraordinary General Meeting of TUI AG on 5 January 2021. This included in particular the resolution to reduce the capital stock from €2.56 per share to €1.00 per share and the subsequent capital increase of around €509m.

The WSF and TUI AG subsequently signed the agreement on two silent participations totalling €1.091bn. The WSF measures comprise a silent participation convertible into shares in TUI of €420m (Silent Participation I) and a second silent participation (Silent Participation II) of €671m. As of 30 June 2021, silent participation I and II were fully paid in. In the IFRS consolidated financial statements, the silent participations are shown as equity due to their nature and are therefore not included in the Group's net debt. As part of the third financing package, KfW also participated in an additional loan facility together with private banks in the amount of €200m.

TUI AG successfully completed its capital increase on 28 January 2021. The gross issue proceeds amounted to around €568m. The Group's share capital increased nominally by just under €509m to around €1.099bn.

TUI used the funds from the capital increase to repay the outstanding senior bond (October 2016 - October 2021) of €300m ahead of schedule on 23 February 2021, in accordance with the terms and conditions of the bond. In accordance with the agreement on the loans granted by KfW under the three financing packages, the early redemption of the senior bond extended their maturities until July 2022.

On 16 April 2021, TUI AG issued a convertible bond with a total nominal amount of €400m, which was increased by a total nominal amount of almost €190m in July 2021. TUI received a total of more than €600m from the overall issue of the convertible bond. Provided the convertible bond has not been converted, redeemed or repurchased and retired ahead of schedule, it will be redeemed at its nominal amount on 16 April 2028. Investors have the option to convert the convertible bond into registered shares of TUI. TUI intends to use the proceeds from the overall issuance of the convertible bonds to refinance and to reduce drawings on the KfW facilities and to repay these facilities later.

On 27 May 2021, TUI AG agreed to sell its 49% stake in RIU Hotels S.A. to a company of the Riu Group owned by Carmen and Luis Riu. The transaction was completed on 31 July 2021 and resulted in a net cash inflow of €541.4m, which will be used to reduce the Group's debt. Further purchase price payments will be made in FY 2023 and 2024 if RIU Hotels S.A. achieves agreed earnings targets.

Already in H1 2021, cash inflows were also generated from the sale and leaseback of aircraft and spare parts.

On 27 July 2021, TUI agreed with the bank consortium and KfW on an extension of TUI AG's revolving credit facility ("RCF") and KfW credit line (both tranches) totalling €4.7bn to summer 2024. TUI Group's revolving credit facilities currently amount to €4.8bn. For regulatory reasons due to Brexit, the credit line of a British bank (around €80m cash and €25m guarantee line) cannot be extended beyond summer 2022, so that thereafter the credit lines will total €4.7bn until 2024.

The TUI Group's current credit facilities comprise the following

- €1.75bn credit line from 20 private banks (incl. €215m guarantee line)
- €1.8bn KfW from 1<sup>st</sup> financing package
- €1.05bn KfW from 2<sup>nd</sup> financing package
- €0.2bn KfW and private banks from 3<sup>rd</sup> financing package.

TUI AG's RCF and KfW credit line are subject to compliance with certain financial target values (covenants) for debt coverage and interest coverage, the review of which is carried out based on the last four reported quarters at the end of the financial year or the half-year of a financial year. Against the backdrop of the ongoing pressures from the

COVID-19 pandemic, the review is currently suspended. On 9 June 2021 and again when the credit lines were extended, TUI AG's creditor banks agreed to a further suspension of the review of these covenants until the end of March 2022, so that the review will now only be resumed in September 2022. In addition, higher limits will be applied at the first two cut-off dates before normalised limits have to be complied with from September 2023.

Currently, the TUI Group continues to be affected by the negative financial impact of the COVID 19 pandemic. In Q3 2021, the lifting of travel restrictions led to an increase in bookings for the current summer season, in particular in Germany, Belgium, the Netherlands and Poland, while the English market showed a weaker development due to the later lifting of travel restrictions. At the time of preparing this report (11 August 2021), around 4.2m customers had booked travel from our 2021 summer programme, an increase of 1.5m bookings since our H1 2021 update. Adjusting for the latest changes in travel restrictions imposed across our markets, we have flexed our capacity plan assumption for our peak summer season (July to October 2021) to around 60% of Summer 2019 volume.

Due to ongoing changes in travel restrictions, it remains impossible to predict when we will be able to fully resume our travel programme. In particular, it is not possible at this time to reliably predict how quickly vaccination against the COVID-19 virus can be completed in each country, whether new variants of the virus will emerge, and when medications will be available to treat COVID-19 disease. However, it is now foreseeable that sufficient vaccines will be available in our key source markets and destinations to ensure a further recovery in travel in the FY 2022.

With the customer deposits received and expected for the peak season in the summer (July to October 2021), additional funds from the convertible bond placed in Q3 2021, the cash inflow from the sale of RIU Hotels S.A. and the extension of the revolving credit facilities including the further suspension of the review of financial covenants, the Executive Board believes that, despite the existing risks, the TUI Group currently has sufficient funds, and will continue to have sufficient funds in the future, resulting both from borrowing and from operating cash flows, to meet its payment obligations and to continue as a going concern. The Executive Board anticipates that as at 30 June 2021, a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern no longer exists. Therefore, as at 30 June 2021, the Executive Board no longer identifies any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Executive Board no longer considers the remaining risk with regard to a further pandemic-related change in booking behaviour as a threat to the company as a going concern. In its assessment, the Executive Board assumes that the booking figures will gradually recover in the financial year 2022 and that the booking behaviour in the financial year 2023 will largely correspond to the pre-pandemic level. The Executive Board assumes that there will be no further long-term closures and lockdowns that could affect travel behaviour. Nevertheless, customer bookings may deteriorate due to new travel restrictions, insufficient vaccination coverage against the COVID-19 virus in individual countries, and virus variants for which there is insufficient vaccination protection, thereby affecting the Company's performance.

In accordance with Regulation 30 of the UK Corporate Governance Code, the Executive Board confirms that, in its opinion, it is appropriate to prepare the Interim Financial Statements on a going concern basis.

#### Accounting and measurement methods

The preparation of the Interim Financial Statements requires management to make estimates and judgements that affect the reported values of assets, liabilities and contingent liabilities at the balance sheet date and the reported values of revenues and expenses during the reporting period.

At the end of the financial year 2020 TUI assumed that the travel activities could be resumed in the first half of the financial year 2021. Due to the later resumption of the travel business in comparison to the assumptions made at the financial year end 2020, there are indications that certain assets of TUI Group companies may be impaired. Accordingly, the assets of TUI Group, in particular the business entities carrying goodwill, as well as property, plant and equipment and shareholdings were tested for impairment as of 30 June 2021.

The impairment test required estimates and judgement regarding the underlying assumptions, in particular the weighted average cost of capital after income tax (WACC) used as a discounting basis, the growth rate in perpetuity and the forecasts for future cash flows including the underlying budget assumptions based on corporate planning. Changes in these assumptions may have a substantial impact on the recoverable amount and the level of a potential impairment.

The basic assumption of corporate planning is still that the travel activity can be resumed in the summer of the financial year 2021. After a further recovery in financial year 2022 it is our unchanged expectation, that the Group's business will recover at the latest in the financial year 2023 to the level of the years before the outbreak of the COVID-19-pandemic. In comparison to the assumptions at financial year end 2020 it is now expected that level of travel activity in the summer will be lower especially as there was nearly no business from 1 October 2020 to spring 2021.

For information on the calculation of the weighted average cost of capital and growth rate, please refer to the section "Goodwill".

The accounting and measurement methods adopted in the preparation of the Interim Financial Statements as at 30 June 2021 are materially consistent with those followed in preparing the annual consolidated financial statements for the financial year ended 30 September 2020, except for the initial application of new or amended standards, as outlined below.

The income taxes were recorded based on the best estimate of the weighted average tax rate that is expected for the whole financial year.

### Newly applied standards

Since the beginning of financial year 2021, TUI Group has initially applied the following standards and interpretations, amended or newly issued by the IASB and endorsed by the EU, on a mandatory basis:

#### New applied standards in financial year 2021

Standard	Applicable from	Amendments	Impact on financial statements
<b>Amendments to IAS 1 &amp; IAS 8</b> Definition of Materiality	1 Jan 2020	Materiality is a key concept in preparing financial statements according to IFRS. The amendments refine the definition of 'material' and clarify how to apply materiality. The amendments also align the definition of 'material' and ensure consistency in the application of that concept across all IFRS Standards.	No impact.
<b>Framework</b> Amendments to References to the Conceptual Framework in IFRS Standards	1 Jan 2020	The revised Conceptual Framework includes revised definitions of an asset and a liability, and new guidance on measurement and derecognition, presentation and disclosure. References to the Conceptual Framework in existing Standards are updated. The revised Conceptual Framework is not subject to the Endorsement Process.	No impact.
<b>Amendments to IFRS 3</b> Definition of a business	1 Jan 2020	The amendments to IFRS 3 clarify the definition of a business and make it easier for entities to determine whether an acquisition transaction results in recognition of a group of assets or a business.	The assessment process used to determine whether an acquisition of a subsidiary falls into the scope of IFRS 3 was revised in the reporting period. As a result, accounting for acquisitions of hotel companies, in particular, will now be assessed on this revised basis.
<b>Amendments to IFRS 9, IAS 39 and IFRS 7</b> Interest Rate Benchmark Reform (Phase 1)	1 Jan 2020	The amendments relate to the provision of relief from potential consequences arising from the reform of interbank offered rates (IBORs) such as LIBOR on companies' financial reporting. They are intended to secure the continuation of hedging relationships despite the replacement of current interest rates with alternative rates. Entities also must disclose the extent to which their hedges are affected by the interest rate benchmark reform.	Not material.
<b>Amendments to IFRS 16</b> COVID-19-Related Rent Concessions	1 Jun 2020	The amendments published by the IASB on 28 May 2020 provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. Lessees applying the exemption must account for the rent concessions as if they were not lease modifications. The amendments are available for rent concessions reducing lease payments due on or before 30 June 2021.	No impact. TUI does not apply the new practical expedient.

## Group of consolidated companies

The Interim Financial Statements include all material subsidiaries over which TUI AG has control. Control requires TUI AG to have decision-making power over the relevant activities, be exposed to variable returns or have entitlements regarding the returns, and can affect the level of those variable returns through its decision-making power.

The Interim Financial Statements as of 30 June 2021 comprised a total of 275 subsidiaries of TUI AG.

### Development of the group of consolidated companies\* and the Group companies measured at equity

	Consolidated subsidiaries	Associates	Joint ventures
<b>Balance at 30 Sep 2020</b>	<b>277</b>	<b>19</b>	<b>30</b>
Additions	8	-	-
Incorporation	2	-	-
Expansion of business operations	1	-	-
Added to group of consolidated companies due to further acquisition of shares	5	-	-
Disposals	10	2	1
Liquidation	2	-	-
Sale	3	2	1
Merger	5	-	-
Change in ownership stake	-**	1	- 1
<b>Balance at 30 Jun 2021</b>	<b>275</b>	<b>18</b>	<b>28</b>

\* excl. TUI AG

\*\* Addition 1 / disposal -1

## Acquisitions – Divestments

### Acquisitions in the period under review

In 9M 2021, companies were acquired for a total consideration of €10.0m, comprised of deferred purchase price payments worth €3.4m, settled purchase price payments worth €4.9m and cash consideration worth €1.7m.

### Summary presentation of acquisitions

Name and headquarters of the acquired company	Business activity	Acquirer	Date of acquisition	Acquired share %	Consideration transferred in € million
Karisma Hotels Adriatic d.o.o.za trgovinu i usluge, Zagreb, Croatia (subgroup)	Accommodation Service	TUI Travel Overseas Holding Limited	23.2.2021	67%	10.0
<b>Total</b>					<b>10.0</b>

The acquisition of the interests in Karisma Hotels Adriatic d.o.o.za trgovinu i usluge, Zagreb, Croatia, resulted in an increase of the 33% stake previously held by TUI Group to 100%. Following the application of the fair value concentration test, this acquisition is not recognised in accordance with IFRS 3. Accordingly, the purchase price is allocated to the individual acquired assets and liabilities, based on their fair value at the acquisition date.

## Condensed statement of financial position as at the date of acquisition

€ million	Karisma Hotels Adriatic d.o.o.za trgovinu i usluge (subgroup)
<b>Assets</b>	
Non-current assets	44.0
Current assets	5.1
<b>Equity and liabilities</b>	
Provisions	0.9
Liabilities	38.2

No acquisitions were made after the reporting date.

### Acquisitions of the prior financial year

The purchase price allocation for the companies acquired in financial year 2020 had already been finalised in the prior year.

### Divestments

In March 2019, TUI Group sold its stake in the Corsair S.A. airline to Diamondale Ltd. and acquired a 27% stake in Diamondale Ltd. for €1. Since then, the investment has been carried as a TUI Group associate with a carrying amount of €1. On 30 December 2020, TUI Group sold the investment in Corsair S.A. As part of that transaction, on 29 December 2020, a 75% stake in the aircraft asset company MSN 1359 GmbH was sold to Corsair S.A. for €1. Following the divestment of the stake in MSN 1359 GmbH, previously recognised as a fully consolidated subsidiary, TUI Aviation GmbH has retained a 25% stake, recognised as an associate accounted for using the equity method. The divestment of the stake generated a loss of €3.3m, carried in Other expenses.

On 10 May 2021, the stake in the fully consolidated hotel company Entreprises Hotelières et Touristiques Paladien Lena Mary S.A. in the Western Region segment was sold for a purchase price of €6.1m. The divestment generated a gain of €2.3m, carried in Other income.

In May 2021, the disposal group Tenuta di Castelfalfi S.p.A. in the Hotels & Resorts segment was reclassified to assets held for sale due to the Group's intention to sell the entity. On occasion of the reclassification, the disposal group was written down by €4.0m to its selling price less costs to sell. The impairment is shown in the cost of sales. On 30 June 2021, the transaction was completed at a preliminary purchase price less costs to sell of €18.3m, generating a preliminary loss on disposal of €0.4m, carried in Other expenses.

## Condensed balance sheet of divestments

€ million	MSN 1359 GmbH 29 Dec 2020	Tenuta di Castelfalfi S.p.A. (Subgroup) 30 Jun 2021
<b>Assets</b>		
Property, plant and equipment and intangible assets	24.5	13.3
Other non-current assets	-	0.1
Trade receivables	1.7	0.9
Other current assets	-	16.7
Cash and cash equivalents	2.0	0.7
	<b>28.2</b>	<b>31.7</b>
<b>Provisions and liabilities</b>		
Non-current liabilities	19.3	0.3
Current provisions	-	1.0
Trade payables	-	3.6
Other current liabilities	5.6	8.1
	<b>24.9</b>	<b>13.0</b>

## Notes to the unaudited condensed consolidated income statement of TUI Group

The development of TUI Group's revenue and earnings in the first nine months of the financial year 2021 was still materially impacted by the suspension of most of our tour operation, aviation, hotel and cruise operations as a result of the global travel restrictions in order to contain the spread of COVID-19. TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months, however this period the impact is less evident due to the COVID-19 pandemic.

### (1) Revenue

In the first nine months of the financial year 2021, consolidated revenue decreased by 79.6% year-on-year to €1.4bn. The decline was driven by the travel restrictions due to COVID-19.

#### External revenue allocated by destinations for the period from 1 Oct 2020 to 30 Jun 2021

	Spain (incl. Canary Is-lands)	Other Euro- pean desti- nations	Caribbean, Mexico, USA & Canada	North Africa & Turkey	Rest of Af- rica, Ind. Ocean, Asia	Other countries	9M 2021 Revenues from con- tracts with customers	Other	9M 2021 Total
<b>€ million</b>									
Hotels & Resorts	61.0	20.2	55.1	6.1	15.0	0.5	157.9	-	157.9
Cruises	0.3	2.4	-	-	-	-	2.7	-	2.7
TUI Musement	5.8	14.2	7.5	4.1	5.4	0.5	37.5	-	37.5
<b>Holiday experiences</b>	<b>67.1</b>	<b>36.8</b>	<b>62.6</b>	<b>10.2</b>	<b>20.4</b>	<b>1.0</b>	<b>198.1</b>	-	<b>198.2</b>
Northern Region	17.9	124.7	55.8	2.8	12.4	0.5	214.1	1.0	215.1
Central Region	210.8	288.0	40.9	73.6	87.8	6.3	707.4	0.3	707.7
Western Region	73.3	96.8	38.6	11.5	1.8	0.1	222.1	0.5	222.6
<b>Markets &amp; Airlines</b>	<b>302.0</b>	<b>509.5</b>	<b>135.3</b>	<b>87.9</b>	<b>102.0</b>	<b>6.9</b>	<b>1,143.6</b>	<b>1.8</b>	<b>1,145.5</b>
All other segments	0.6	5.3	0.7	0.1	13.9	1.9	22.5	-	22.3
<b>Total</b>	<b>369.7</b>	<b>551.6</b>	<b>198.6</b>	<b>98.2</b>	<b>136.3</b>	<b>9.8</b>	<b>1,364.2</b>	<b>1.8</b>	<b>1,365.9</b>

#### External revenue allocated by destinations for the period from 1 Oct 2019 to 30 Jun 2020

	Spain (incl. Canary Is-lands)	Other Euro- pean desti- nations	Caribbean, Mexico, USA & Canada	North Africa & Turkey	Rest of Af- rica, Ind. Ocean, Asia	Other countries	9M 2020 Revenues from con- tracts with customers	Other	9M 2020 Total
<b>€ million</b>									
Hotels & Resorts	117.2	24.3	64.3	17.9	68.3	12.7	304.7	-	304.7
Cruises	101.1	129.0	96.6	0.2	60.7	96.0	483.6	-	483.6
TUI Musement	55.9	78.0	47.3	9.7	71.5	31.7	294.1	-	294.2
<b>Holiday experiences</b>	<b>274.2</b>	<b>231.3</b>	<b>208.2</b>	<b>27.8</b>	<b>200.5</b>	<b>140.4</b>	<b>1,082.4</b>	-	<b>1,082.5</b>
Northern Region	851.6	278.0	519.9	118.1	381.8	43.4	2,192.8	9.4	2,202.2
Central Region	697.7	470.9	179.2	392.3	485.5	7.2	2,232.8	11.2	2,244.0
Western Region	274.5	112.4	282.2	175.8	210.0	24.0	1,078.9	16.7	1,095.5
<b>Markets &amp; Airlines</b>	<b>1,823.8</b>	<b>861.3</b>	<b>981.3</b>	<b>686.2</b>	<b>1,077.3</b>	<b>74.6</b>	<b>5,504.5</b>	<b>37.3</b>	<b>5,541.7</b>
All other segments	2.6	23.0	4.9	2.2	40.6	12.9	86.2	-	86.2
<b>Total</b>	<b>2,100.6</b>	<b>1,115.6</b>	<b>1,194.4</b>	<b>716.2</b>	<b>1,318.4</b>	<b>227.9</b>	<b>6,673.1</b>	<b>37.3</b>	<b>6,710.4</b>

### (2) Cost of sales and administrative expenses

Cost of sales relates to the expenses incurred in the provision of tourism services. In addition to the expenses for staff costs, depreciation, amortisation, rental and leasing, it includes all costs incurred by TUI Group in connection with the procurement and delivery of airline services, hotel accommodation and cruises and distribution costs.

Due to the suspension of business operations as a result of COVID-19, the cost of sales declined by 66.8% to €2.6bn in 9M 2021.

## Government Grants

€ million	9M 2021	9M 2020
Cost of Sales	125.2	57.9
Administrative expenses	53.5	28.9
<b>Total</b>	<b>178.7</b>	<b>86.8</b>

The government grants reported under cost of sales and administrative expenses include in particular grants for wages and salaries as well as social security contributions directly reimbursed to the relevant company.

Administrative expenses comprise all expenses incurred in connection with the performance of administrative functions and break down as follows:

### Administrative expenses

€ million	9M 2021	9M 2020
Staff costs	398.6	500.2
Rental and leasing expenses	11.8	18.2
Depreciation, amortisation and impairment	88.8	75.1
Others	105.1	137.6
<b>Total</b>	<b>604.2</b>	<b>731.1</b>

The cost of sales and administrative expenses include the following expenses for staff and depreciation/amortisation:

### Staff costs

€ million	9M 2021	9M 2020
Wages and salaries	952.9	1,425.2
Social security contributions, pension costs and benefits	222.7	294.3
<b>Total</b>	<b>1,175.6</b>	<b>1,719.5</b>

### Depreciation/amortisation/impairment

€ million	9M 2021	9M 2020
Depreciation and amortisation of other intangible assets, property, plant and equipment and right-of-use assets	659.0	803.6
Impairment of other intangible assets, property, plant and equipment and right-of-use assets	77.4	339.8
<b>Total</b>	<b>736.4</b>	<b>1,143.4</b>

The decrease in depreciation and amortisation is attributable to revaluations and modifications of right of use assets and impairments in the prior year. In addition changes in the exchange rates caused a decline in depreciations and amortisations. €45.9m of the impairments losses (9M 2020 €75.0m) correspond to right-of-use assets, €31.3m (9M 2020 €255.5m) relate to property, plant and equipment, and €0.3m (9M 2020 €9.3m) to other intangible assets. €50.0m (9M 2020 €336.3m) of the impairments charges were presented within cost of sales. In addition reversals of impairment losses of €12.6m were recognized in cost of sales in 9M 2021.

### (3) Other income

In 9M 2021 Other income mainly results from the sale of aircraft assets and the disposal of TUI Group companies. In the prior year, this item had primarily included income from the sale of TUI Group companies.

### (4) Other expenses

In both the current and prior financial years, Other expenses comprise losses from the sale of TUI Group companies and the disposal of aircraft assets.

### (5) Financial income and financial expenses

The net financial result declined from €-177.4m in 9M 2020 to €-331.6m in the 9M of the current financial year. This was largely driven by an increase in interest expenses resulting from the utilisation of credit facilities to cover

payment obligations and by expenses incurred in connection with the early redemption of TUI Senior Notes bond on 23 February 2021 as well as lower income from bank balances. Financial income primarily resulted from foreign exchange gains on lease liabilities in accordance with IFRS 16.

#### (6) Share of result of investments accounted for using the equity method

##### Share of result of investments accounted for using the equity method

€ million	9M 2021	9M 2020
Hotels & Resorts	- 60.5	- 34.8
Cruises	- 141.5	- 7.8
TUI Musement	- 2.8	2.6
Holiday Experiences	- 204.8	- 40.0
Northern Region	- 22.5	- 25.7
Central Region	0.8	2.0
Western Region	-	-
Markets & Airlines	- 21.7	- 23.7
All other segments	-	-
<b>Total</b>	<b>- 226.5</b>	<b>- 63.7</b>

The result is determined by holiday cancellations, customer repatriation costs and hotel closures due to the COVID-19 pandemic. The previous year's result for cruises included a contribution to earnings from the 2019/20 winter season.

#### (7) Income taxes

The tax expense generated in the first nine months of the financial year 2021 is mainly attributable to a future tax rate increase, from 19% to 25%, in the United Kingdom which affects the valuation of deferred tax balances, however has no effect on cash taxes.

#### (8) Group loss / profit attributable to non-controlling interest

TUI Group's result attributable to non-controlling interests is substantially a loss, primarily relating to RIUSA II Group at an amount of €25.4m (9M 2020 €19.9m profit).

## Notes to the unaudited condensed consolidated statement of financial position of TUI Group

### (9) Goodwill

Goodwill increased by €84.5m due to foreign exchange translation. The breakdown of goodwill by main individual cash generating unit (CGU) at carrying amounts is as follows:

#### Goodwill per cash generating unit

€ million	30 Jun 2021	30 Sep 2020
Northern Region	1,230.4	1,162.2
Central Region	501.6	501.7
Western Region	412.2	412.3
Riu	343.1	343.1
Marella Cruises	296.6	279.3
TUI Musement	169.8	170.1
Other	45.3	45.8
<b>Total</b>	<b>2,999.0</b>	<b>2,914.5</b>

The ongoing travel restrictions and the associated effect of the COVID-19 pandemic on the recovery of the tourism business in the financial year ending 2021 constitute a triggering event for impairment testing as at 30 June 2021. Goodwill was therefore tested for impairment at the level of cash generating units (CGUs).

The discount rates are calculated as the weighted average cost of capital, taking account of country-specific risks and based on external capital market information and considering the characteristics of the CGUs. The comparatively high weighted average cost of capital reflects the current market situation and the increased amount of debt capital due to the COVID-19 pandemic.

The table below provides an overview of the parameters versus the end of the previous financial year, underlying the determination of the fair values per CGU. Given the impact of the COVID-19 pandemic and the expected regeneration in the upcoming planning periods the growth rate for revenues and the EBIT margin are not comparative in a meaningful way. The table lists the CGUs to which goodwill has been allocated.

### Parameters for calculation of the recoverable amount at 30 June 2021

	Planning period in years	Growth rate revenues in % p.a.***	EBIT-Margin in % p.a.***	Sustainable Growth rate** in %	WACC in %	Level	Carrying amount in € million	Recoverable amount in € million
Northern Region	2.25	8.5	2.7	0.5	11.75	3	1,720.2	2,106.7
Central Region	2.25	12.5	3.0	0.5	11.75	3	218.0	986.1
Western Region	2.25	3.3	4.2	0.5	11.75	3	311.5	932.7
RIU*	2.25	7.7	32.2	1.0	8.20	3	2,114.9	2,852.7
Marella Cruises*	2.25	21.0	12.1	1.0	8.96	3	847.5	1,062.2
TUI Musement	2.25	20.3	4.7	1.0	8.62	3	367.6	525.9
Other	2.25	1.7 to 5.2	15.1 to 15.8	1.0	8.20 to 8.94	3	540.6 to 633.3	657.6 to 746.1

\* Those are groups of CGUs

\*\* Growth rate of expected net cash inflows

\*\*\* Planned growth rate in revenues in % and EBIT-Margin after regeneration of the upcoming business

### Parameters for calculation of the recoverable amount at 30 September 2020

	Planning period in years	Growth rate revenues in % p.a.	EBIT-Margin in % p.a.	Sustainable Growth rate** in %	WACC in %	Level	Carrying amount in € million	Recoverable amount in € million
Northern Region	3.00	44.1	1.0	0.5	11.75	3	1,973.2	2,516.8
Central Region	3.00	28.3	-	0.5	11.75	3	167.7	808.7
Western Region	3.00	34.8	2.1	0.5	11.75	3	321.5	872.6
RIU*	3.00	27.9	26.9	1.0	7.74	3	2,010.3	2,778.4
Marella Cruises*	3.00	32.5	1.0	1.0	9.74	3	573.6	696.4
TUI Musement	3.00	40.3	- 1.8	1.0	8.39	3	352.5	453.9
Other	3.00	40,3 to 42,3	11,3 to 12,4	1.0	7,74 to 8,80	3	568.9 to 666.5	662.8 to 778.1

\* Those are groups of CGUs

\*\* Growth rate of expected net cash inflows

The goodwill impairment test conducted as at 30 June 2021 based on cash generating units did not result in the recognition of impairment losses on capitalised goodwill. Neither an increase in WACC by 100 basis points nor a reduction by 50 basis points in the growth rate after the detailed planning period would have resulted in an impairment on capitalised goodwill. The same applies to a reduction of the discounted free cash flow of 10%.

### (10) Property, plant and equipment

Compared to 30 September 2020 property, plant and equipment declined by €183.6m to €3,278.9m. A decline of €221.8m was caused by the disposal of property, plant and equipment which is mainly attributable to aircraft (€99.1m) and advance payments for future delivery of aircraft (€99.5m) and were partly due to sale and leaseback transactions. As a result of the lease transactions the new aircraft are reported as additions to right-of-use assets (for details please refer to the section 'Right-of-use-assets'). Depreciation and amortisation of €172.1m led to a further decrease in property, plant and equipment.

The decline was partly offset by additions of €191.1m, mainly attributable to additions in the segment Hotels & Resorts. The construction of two new hotels and the refurbishment of hotels in Spain, Jamaica and Zanzibar resulted in additions totalling €75.8m in the Riu Group. Furthermore, additions of property, plant and equipment of €44.0m were generated by the acquisition of Karisma (for details please refer to section 'Acquisitions in the period under review'). Other additions of €16.1m related to assets under construction and payments on account in the Cruises segment as well as additions of € 12.1m from advance payments for future delivery of aircraft.

The review of the carrying amounts of property, plant and equipment performed due to the ongoing travel restrictions resulted in total impairment charges of €31.3m, of which €28.1m were attributable to property, plant and equipment in the segment Hotels & Resorts and related to various individual items. The impairment charges of €255.5m (of which €236.6m related to third quarter) incurred in the first nine months of the previous year were attributable to ships of Marella Cruises within the segment Cruises (€119.7m, of which €101.2m incurred in the

third quarter). In addition, hotel assets totalling €96.5m in the Hotels&Resorts segment as well as an aircraft totalling €24.5m were impaired. Further impairment losses to various property, plant and equipment in the prior-year period resulted from restructuring measures.

#### (11) Right-of-use assets

Right-of-use assets declined by €133.6m to €3,094.3m compared to the end of financial year. Cumulative depreciation/amortisation amounted to €386.4m, while additions totalled €385.0m, of which €336.2m were attributable to the delivery of aircraft and aircraft spare parts. Beside the six aircraft delivered in the first half of the financial year, a further five aircraft and one engine were taken into service in the third quarter. Other additions of €20.7m relate to Right-of-use assets for hotels.

Furthermore, there were disposals of €39.8m, of which €36.5m is mainly attributable to expiring contracts for aircraft leases. Modifications and reassessment of existing lease contracts reduced the Right-of-use assets by €31.3m. The decline is mainly due to amendments in the area of hotel capacity contracts.

The review of carrying amounts led to a total impairment of €45.9m. In the third quarter, a leased office building in All other segments was impaired by €22.4m. Further impairment losses mainly include an amount of €9.9m (of which €1.8m relate to the third quarter) for travel shops in the Northern Region. In addition, several Right-of-use assets were impaired due to various individual items. In the first nine months of the previous year, the review of the carrying amounts led to an impairments of Right-of-use assets totalling €75,0m, of which all incurred in the third quarter. This mainly related to leased hotels in the segment Hotels&Resorts (€45.7m), to leased travel shops in the Northern and Western region (€17.5m) and to ship leases in the Cruises segment (€7.9m).

On the other hand, the review of the carrying amounts led to reversal of impairment losses amounting to €12.6m, which were mainly attributable to the segment Hotels & Resorts. In the first nine months of the previous year, there were no impairment reversals on right of use assets.

The corresponding liabilities are explained in the section 'Lease Liabilities'.

#### (12) Trade and other receivables

During the first quarter of financial year 2021 TUI sold other receivables to a third party and thus derecognized it as all criteria for derecognition were met. The sale resulted in a loss, which is presented as a financial expense in the income statement.

#### (13) Assets held for sale

An agreement on the sale of the joint venture RIU Hotels S.A. was concluded on 27 May 2021. The transaction was completed at 31 July 2021. Accordingly, the carrying amount of the shareholding of €379.3m, recognised in Hotels & Resorts, was classified as held for sale. The purchase price initially amounts to €541.4m. Due to an earn-out clause, it may increase by an additional €127.4m, payable upon RIU Hotels S.A. delivering its operating budgets for financial years 2022 and 2023. The goal of the transaction is to decouple growth in hotels from real estate investments in the context of delivering the asset-right strategy. The transaction is expected to generate a positive result. The proceeds will be used to reduce TUI Group's debt.

In addition, an aircraft engine was reclassified to assets held for sale within the Markets & Airlines segment.

In the course of the current financial year, further assets were reclassified to assets held for sale and disposal groups as well as the related liabilities, which resulted in disposals through divestments made in the first nine months of the current financial year. All assets and disposal groups classified as held for sale as at 30 September 2020 and the related liabilities were sold in the first nine months of financial year 2021. Please refer in particular to the section 'Divestments'.

## Assets held for sale

€ million	30 Jun 2021	30 Sep 2020
Aircraft	-	42.4
Investments accounted for using the equity method	379.3	13.1
Other assets	12.4	1.7
<b>Total</b>	<b>391.7</b>	<b>57.2</b>

### (14) Pension provisions and similar obligations

The pension provisions for unfunded plans and plans with underfunding increased by €2.3m to €1,017.3m compared to the end of the financial year.

The overfunding of funded pension plans reported in other non-financial assets decreased by €184.8m to €178.5m compared to 30 September 2020.

In the third quarter, the Trustees of the UK pension plans acquired insurance policies providing a reimbursement by insurers of the payments to be made for parts of the existing obligations. The insurer did not assume the obligation to fulfill the pension commitment in this transaction. Accordingly, the insured parts of the pension plan continue to be recognised in the balance sheet.

In order to settle the insurance premium, existing assets of the plan were sold. The difference in the valuation of an insurance policy compared to the assets sold resulted in a decrease in plan assets of €174.2m, which was recognised directly in equity as a remeasurement effect.

### (15) Financial liabilities

Non-current financial liabilities rose by €612.2m to €4,304.0m as against 30 September 2020. This increase was primarily attributable to an increase in liabilities to banks of €412.1m and from the placement of a convertible bond in April 2021 with a carrying amount of €334.8m for the debt component. These increases are partially offset by other declines in liabilities from bonds of €180.5m. This reflects the fact that TUI AG issued a warrant bond totalling €150.0m on 1 October 2020 in the framework of the financing package from the German government, exclusively subscribed to by the WSF. While the bond component of the warrant bond is shown under financial liabilities, the warrants are recognised in equity. Meanwhile, TUI Senior Notes bond issued on 26 October 2016 with a nominal amount of €300.0m was redeemed early on 23 February 2021.

The main financing instrument is a syndicated revolving credit facility (RCF) totalling €4.6bn between TUI AG and the existing banking syndicate or KfW, respectively, which has joined the banking syndicate.

In addition, there is a separate syndicated revolving credit facility of €200.0m.

As at 30 June 2021, the amounts drawn under the revolving credit facilities totalled €3,188.1m.

As at 30 June 2021, current financial liabilities declined by €302.4m to €274.9m from €577.3m as at 30 September 2020. The decrease results from a reduction in current liabilities to banks.

For more details on the terms and conditions of the credit lines provided by KfW and the placement of the convertible bond in April 2021, please refer to the section "Going Concern Reporting in accordance with the UK Corporate Governance Code".

### (16) Lease liabilities

Compared to 30 September 2020 the lease liabilities decreased by €92.1m to €3,307.8m. This decrease was due to repayments of €554.8m. Furthermore, modifications and reassessments of existing lease contracts reduced the lease liabilities by €52.8m. This decline is mainly due to contract amendments in the area of hotel and hotel capacity contracts. Offsetting effects were caused by the addition of new lease contracts of €409.9m mainly relating to new aircraft, and to interest charges of €112.7m.

### (17) Other financial liabilities

The other financial liabilities include touristic advance payments received for tours canceled because of COVID-19 restrictions of €222.2m (as at 30 September 2020 €351.0m), for which immediate cash refund options exist and which have to be repaid shortly if the customer opts for payment. Please see the following section for more details.

### (18) Touristic advance payments received

Apart from the immediate cash refund option in certain jurisdictions, TUI Group offers its customers voucher/refund credits for trips canceled because of the COVID-19 crisis. If these voucher/refund credits are not used for future bookings within a specified period, the customer is entitled to a refund of the voucher value. The entitlement to a refund of the voucher value represents a financial liability. Due to the high level of uncertainty regarding the further development of the COVID-19 crisis and customer behavior, it is not possible for TUI Group to reliably estimate the extent of utilization of the voucher/refund credits for future bookings. As at 30 June 2021 the touristic advance payments received include €70.7m (as at 30 September 2020 €184.8m) of advance payments for cancelled trips for which customers have received voucher/refund credits which may have to be refunded after a certain period of time.

### (19) Changes in equity

Overall, equity decreased by €742.8m to €-524.7m when compared to 30 September 2020.

In January 2021 TUI AG carried out a recapitalisation.

In connection with this recapitalisation, TUI Group's subscribed capital was reduced first. On a constant number of €590.4m shares the nominal value per share of 2.56 € was reduced to 1.00 €. In effect the subscribed capital was reduced by €919.0m. Subsequently a capital increase by cash contributions was carried out which led to an increase in subscribed capital in the amount of the nominal value of 1.00 € per share, i.e. an increase of the subscribed capital of €509.0m.

The above-named reduction of subscribed capital increased the capital reserve by €919.0m. Furthermore the capital reserve was increased by the share premium of the capital increase of €58.8m. The expenses of capital procurement incurred for the capital increase and the silent participation were offset against capital reserves in the amount of €31.0m. Furthermore in October 2020 a corporate bond with option rights was issued to WSF. The value of option rights increased the capital reserve by €34.5m.

In addition, an unsecured, unsubordinated convertible bond in the amount of €400,0m was issued in the third quarter of the financial year 2021. The value of the conversion rights from this bond increased the capital reserve by €62.5m. Ancillary costs of issuing the convertible bond in the amount of €1.3m were offset against the capital reserve.

In the first nine months of the financial year 2021, two silent participations were issued to the WSF. In accordance with IAS 32 both silent participations are disclosed in equity. The first silent participation in the amount of €420.0m was fully paid. It is convertible at any time, in whole or in part, into shares in TUI AG at a conversion price of €1.00, provided that the participation of the WSF resulting from the conversion does not exceed 25% plus 1 share in TUI's share capital. The second silent participation is non-convertible. It amounts to €671.0m and was fully paid in.

In the first nine months of the financial year 2021, TUI AG paid no dividend (previous year €318.1m).

TUI Group's loss in the first nine months of the financial year 2021 is attributable to the COVID-19 crisis.

The proportion of gains and losses from hedging instruments for effective hedging of future cash flows includes an amount of €92.9m (pre-tax) carried under other comprehensive income in equity outside profit and loss (previous year €-277.6m).

The revaluation of pension obligations is also recognised in under other comprehensive income directly in equity without effect on profit and loss.

## (20) Financial instruments

## Carrying amounts and fair values according to classes and measurement categories according to IFRS 9 as at 30 Jun 2021

€ million	Carrying amount	Category according to IFRS 9				Fair value of financial instruments
		At amortised cost	Fair value with no effect on profit and loss without recycling	Fair value with no effect on profit and loss with recycling	Fair value through profit and loss	
<b>Assets</b>						
Trade receivables and other receivables	-	-	-	-	-	-
thereof instruments within the scope of IFRS 9	672.2	672.2	-	-	-	671.6
thereof instruments within the scope of IFRS 16	10.7	-	-	-	-	10.8
Derivative financial instruments						
Hedging transactions	1.0	-	-	1.0	-	1.0
Other derivative financial instruments	51.3	-	-	-	51.3	51.3
Other financial assets	21.8	13.6	6.1	-	2.1	21.8
Cash and cash equivalents	1,524.4	1,524.4	-	-	-	1,524.4
<b>Liabilities</b>						
Financial liabilities	4,578.9	4,578.9	-	-	-	4,581.7
Trade payables	1,316.3	1,316.3	-	-	-	1,316.3
Derivative financial instruments						
Hedging transactions	6.7	-	-	6.7	-	6.7
Other derivative financial instruments	35.1	-	-	-	35.1	35.1
Other financial liabilities	331.5	331.5	-	-	-	331.5

## Carrying amounts and fair values according to classes and measurement categories according to IFRS 9 as at 30 Sep 2020

€ million	Carrying amount	Category according to IFRS 9				Fair value of financial instruments
		At amortised cost	Fair value with no effect on profit and loss without recycling	Fair value with no effect on profit and loss with recycling	Fair value through profit and loss	
<b>Assets</b>						
Trade receivables and other receivables	-	-	-	-	-	-
thereof instruments within the scope of IFRS 9	875.2	875.2	-	-	-	847.1
thereof instruments within the scope of IFRS 16	13.5	-	-	-	-	39.2
Derivative financial instruments						
Hedging transactions	22.3	-	-	22.3	-	22.3
Other derivative financial instruments	74.0	-	-	-	74.0	74.0
Other financial assets	25.5	14.9	8.5	-	2.1	25.5
Cash and cash equivalents	1,233.1	1,233.1	-	-	-	1,233.1
<b>Liabilities</b>						
Financial liabilities	4,269.0	4,291.4	-	-	-	4,022.8
Trade payables	1,611.5	1,611.5	-	-	-	1,611.5
Derivative financial instruments						
Hedging transactions	61.3	-	-	61.3	-	61.3
Other derivative financial instruments	257.5	-	-	-	257.5	257.5
Other financial liabilities	429.2	431.3	-	-	-	430.8

The amounts shown in the previous table as at 30 September 2020 in the column "Carrying amount" (as shown in the balance sheet) may differ from those in the other columns of a given row, as these columns include all financial instruments. This means that these columns include financial instruments that are part of the disposal groups in accordance with IFRS 5. Further details on this can be found in the 2020 Annual Report.

The fair values of financial liabilities were determined, taking into account yield curves and the respective credit risk premium (credit spread).

The fair values of non-current trade receivables and other receivables correspond to the present values of the cash flows associated with the assets, taking account of current interest parameters which reflect market and counterparty-related changes in terms and expectations. In the case of cash and cash equivalents, current trade receivables, other current receivables, other financial assets, current trade payables and other financial liabilities, the carrying amount approximates the fair value due to the short remaining term.

The current market conditions arising from the COVID-19 pandemic have been taken into account for all financial instruments for which fair values have been calculated by adjusting the underlying parameters.

The COVID-19 pandemic significantly impacted business operations and the existing hedging strategy for currency risks and fuel price risks. It led to a temporary suspension of all travel operations and flight bans. As a result, the occurrence of numerous hedged underlying transactions can no longer be assessed as highly likely, causing a rapid decline in fuel price and foreign currency hedge requirements and therefore requiring the prospective termination of these hedges.

For the hedges affected, occurrence of the underlying transactions can no longer be expected for a future point in time, either, so that all accrued amounts from the change in the value of the hedging instruments were reclassified from cash flow hedge reserve (OCI) to the cost of sales in the income statement. Accordingly, reclassifications of €-28.3m from fuel price hedges and €-9.1m from foreign currency hedges were made as at 30 June 2021. All future changes in the value of these de-designated hedges are taken to the cost of sales in the income statement through profit and loss and recognised as other derivative financial instruments from the date of the termination of the cash flow hedge accounting. As at 30 June 2021, the fair value of these reclassified fuel price hedges totalled €5.6m at a nominal volume of €35.0m, while the fair value of the reclassified foreign currency hedges totalled €-1.7m at a nominal volume of €343.5m.

Furthermore, the strong increase in TUI's credit risk had a direct impact on the retrospective hedge effectiveness testing. As a result, additional fuel price, interest rate and foreign currency hedges had to be terminated as they no longer met the effectiveness requirements of IAS 39 and were outside the admissible 80-125% effectiveness bandwidth.

All future changes in the value of these de-designated fuel and foreign currency hedges are taken to the cost of sales, whilst interest rate hedges are recognised in the financial result, in the income statement through profit and loss, and recognised as other derivative financial instruments from the date of the termination of the cash flow hedge accounting. As at 30 June 2021, the fair value of these reclassified fuel price hedges totalled €29.2m at a nominal value of €277.5m, while the fair value of the interest rate hedges amounted to €-12.0m at a nominal volume of €443.0m and the fair value of foreign currency hedges totalled €-5.4m at a nominal volume of €196.3m.

### Aggregation according to measurement categories under IFRS 9 as at 30 Jun 2021

€ million	Carrying amount of financial instruments Total	Fair Value
Financial assets		
at amortised cost	2,210.2	2,209.6
at fair value – recognised directly in equity without recycling	6.1	6.1
at fair value – through profit and loss	53.4	53.4
Financial liabilities		
at amortised cost	6,226.7	6,229.5
at fair value – through profit and loss	35.1	35.1

### Aggregation according to measurement categories under IFRS 9 as at 30 Sep 2020

€ million	Carrying amount of financial instruments Total	Fair Value
Financial assets		
at amortised cost	2,123.2	2,095.0
at fair value – recognised directly in equity without recycling	8.5	8.5
at fair value – through profit and loss	76.1	76.1
Financial liabilities		
at amortised cost	6,334.1	6,065.0
at fair value – through profit and loss	257.5	257.5

#### Fair value measurement

The following table presents the fair values of the recurring, non-recurring and other financial instruments recognised at fair value in accordance with the underlying measurement levels. The individual levels have been defined as follows in line with the input factors:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: input factors for the measurement are quoted market price other than those mentioned in Level 1, directly (as market price quotation) or indirectly (derivable from market price quotation) observable in the market for the asset or liability.
- Level 3: input factors for the measurement of the asset or liability are based on non-observable market data.

### Hierarchy of financial instruments measured at fair value as at 30 Jun 2021

€ million	Total	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Other financial assets	8.2	-	-	8.2
Derivative financial instruments				
Hedging transactions	1.0	-	1.0	-
Other derivative financial instruments	51.3	-	51.3	-
<b>Liabilities</b>				
Derivative financial instruments				
Hedging transactions	6.7	-	6.7	-
Other derivative financial instruments	35.1	-	35.1	-

### Hierarchy of financial instruments measured at fair value as of 30 Sep 2020

€ million	Total	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Other financial assets	10.6	-	-	10.6
Derivative financial instruments				
Hedging transactions	22.3	-	22.3	-
Other derivative financial instruments	74.0	-	74.0	-
<b>Liabilities</b>				
Derivative financial instruments				
Hedging transactions	61.3	-	61.3	-
Other derivative financial instruments	257.5	-	257.5	-

At the end of every reporting period, TUI Group checks whether there are any reasons for reclassification to or from one of the measurement levels. Financial assets and financial liabilities are generally transferred out of Level 1 into Level 2 if the liquidity and trading activity no longer indicate an active market. The opposite situation applies to potential transfers out of Level 2 into Level 1. In the reporting period, there were no transfers between Level 1 and Level 2.

Reclassifications from Level 3 to Level 2 or Level 1 are made if observable market price quotations become available for the asset or liability concerned. TUI Group records transfers from or to Level 3 at the date of the obligating event or occasion triggering the transfer. In the period under review, there were no transfers into or out of Level 3.

#### Level 1 financial instruments

The fair value of financial instruments for which an active market is available is based on the market price quotation at the balance sheet date. An active market exists if price quotations are easily and regularly available from a stock exchange, traders, brokers, price service providers or regulatory authorities, and if these prices represent actual and regular market transactions between independent business partners. These financial instruments are categorised within Level 1. The fair values correspond to the nominal values multiplied by the price quotations at the balance sheet date. Level 1 financial instruments primarily comprise shares in listed companies classified as at fair value through OCI and bonds issued classified as financial liabilities at amortised cost.

#### Level 2 financial instruments

The fair values of financial instruments not traded in an active market, e.g. over the counter derivatives (OTC), are determined by means of valuation techniques. These valuation techniques maximise the use of observable market data and minimise the use of Group-specific assumptions. If all essential input factors for the determination of the fair value of an instrument are observable, the instrument is categorised within Level 2.

If one or several of the essential input factors are not based on observable market data, the instrument is categorised within Level 3.

The specific valuation techniques used for the measurement of financial instruments are:

- For over the counter bonds, debt components of warrant and convertible bonds, liabilities to banks, promissory notes and other non-current financial liabilities as well as for current other receivables, current financial liabilities and non-current trade and other receivables, the fair value is determined as the present value of future cash flows, taking account of observable yield curves and the respective credit spread, which depends on the credit rating.
- For over the counter derivatives, the fair value is determined by means of appropriate calculation methods, e.g. by discounting the expected future cash flows. The forward prices of forward transactions are based on the spot or cash prices, taking account of forward premiums and discounts. The fair value calculations of optional hedging instruments are determined using standard market valuation methods. The fair values determined on the basis of TUI Group's own systems are regularly compared with fair value confirmations of the external counterparties.
- Other valuation techniques, e.g. discounting future cash flows, are used for the measurement of the fair values of other financial instruments.

### Level 3 financial instruments

The following table shows the development of the values of the financial instruments measured at fair value on a recurring basis categorised within Level 3 of the measurement hierarchy.

#### Financial assets measured at fair value in Level 3

€ million	Other financial assets IFRS 9
<b>Balance as at 1 Oct 2019</b>	<b>42.9</b>
Disposals	- 3.5
consolidation	- 3.5
Total gains or losses for the period	- 28.8
recognised through profit and loss	- 1.1
recognised in other comprehensive income	- 27.7
<b>Balance as at 30 Sep 2020</b>	<b>10.6</b>
<b>Balance as at 1 Oct 2020</b>	<b>10.6</b>
Disposals	-
consolidation	-
Total gains or losses for the period	- 2.4
recognised through profit and loss	- 2.1
recognised in other comprehensive income	- 0.3
<b>Balance as at 30 Jun 2021</b>	<b>8.2</b>

### Evaluation process

The fair value of financial instruments in Level 3 has been determined by TUI Group's finance department using the discounted cash flow method. This involves the market data and parameters required for measurement being compiled or validated. Non-observable input parameters are reviewed on the basis of internally available information and updated if necessary.

In principle, the unobservable input parameters relate to the following parameters. The (estimated) EBITDA margin is in a range between -13% and 22%. The constant growth rate is 1%. The weighted average cost of capital (WACC) is in a range between 9.2% - 10.2%. With the exception of the WACC, there is a positive correlation between the input factors and the fair value.

### Effects on results

The effects of remeasuring of financial assets carried at fair value through OCI as well as the effective portions of changes in fair values of derivatives designated as cash flow hedges are listed in the statement of changes in equity.

### (21) Contingent liabilities

As at 30 June 2021, contingent liabilities amounted to €142.5m (previous year €165.6m). They are mainly attributable to the granting of guarantees for the benefit of hotel and cruises activities and are reported at an amount representing the best estimate of the expenditure required to meet the potential obligation at the balance sheet date.

### (22) Other financial commitments

#### Nominal values of other financial commitments

€ million	30 Jun 2021	30 Sep 2020
Order commitments in respect of capital expenditure	2,370.3	2,549.0
Other financial commitments	110.3	212.7
<b>Total</b>	<b>2,480.6</b>	<b>2,761.7</b>

As at 30 June 2021 order commitment in respect of capital expenditure declined by €178.7m as against 30 September 2020. New obligations for a cruise ship was more than off-set by delivery of aircraft and reduction in hotel commitments.

### (23) Note to the unaudited condensed consolidated cash flow statement of TUI Group

The unaudited condensed consolidated cash flow statement shows TUI Group including the disposal group 'Hapag-Lloyd Cruises' which was sold last year.

For the nine months period ended 30 June 2021, cash and cash equivalents rose by €291.3m to €1,524.4m.

For the 9 months period ended 30 June 2021, the cash outflow from operating activities totalled €1,089.4m (9M 2020 cash outflow of €1,959.0m). The cash outflow from operating activities included interest inflow of €3.8m (9M 2020 €23.0m) and dividends of €13.4m (9M 2020 €7.6m). Income tax payments resulted in a cash outflow of €4.3m (9M 2020 cash inflow of €59.0m).

The cash inflow from investing activities totals €125.4m (9M 2020 €-39.9m). It comprises payments for investments in property, plant and equipment and intangible assets of €220.8m. TUI Group recorded a cash inflow of €294.6m from the sale of property, plant and equipment and intangible assets. It also includes a cash inflow of €32.9m from the sale of Hapag-Lloyd Cruises which was completed in the previous year and €19.6m from the repayment of loans in connection with the sale of the shares in Togeby Holdings Limited (TUI Russia). In the third quarter, the group received further €22.0m from the sale of consolidated companies and joint ventures. An outflow of €21.0m was made for a capital increase for TUI Cruises GmbH.

The cash inflow from financing activities totalled €1,228.3m (9M 2020 cash inflow of €2,303.9m). TUI AG received €1,723.5m from various equity measures after deducting capital procurement costs, thereof €234.0m in the third quarter. €0.5m was used to purchase shares transferred to TUI Group employees in the framework of the oneShare employee share plan. TUI AG received €446.1m from taking out loans and bonds after deducting capital procurement costs. Other TUI Group companies took out loans worth €265.6m. The repayment of financial liabilities resulted in a cash outflow of €906.7m, including an amount of €300.0m for early repayment of TUI AG senior bonds and an amount of €454.0m for lease liabilities. A cash outflow of €299.6m related to interest payments.

Cash and cash equivalents also increased by €27.0m (9M 2020 €-9.1m) due to changes in exchange rates.

As at 30 June 2021, cash and cash equivalents worth €539.9m were subject to restrictions (as at 30 September 2020 €324.0m).

On 30 September 2016, TUI AG concluded an agreement on the long-term settlement of the difference between the liabilities and the fund assets of defined-benefit pension plans in the UK. An amount of €55.3m was deposited in a bank account as a security as at the balance sheet date. TUI Group can only use these funds if alternative collateral is provided.

Further, an amount of €116.5m (as at 30 September €116.5m) was deposited with a Belgian subsidiary without acknowledgement of debt by the Belgian tax authorities in financial year 2013 in respect of long-standing litigation over VAT refunds for the years 2001 to 2011.

The remaining €368.1m (as at 30 September €155.4m) subject to restrictions relate to cash and cash equivalents to be deposited due to statutory or regulatory requirements mainly in order to secure customer deposits and credit card payables.

## (24) Reporting segments

### Revenue by segment for the period from 1 Oct 2020 to 30 Jun 2021

€ million	External	Group	9M 2021 Total
Hotels & Resorts	157.9	124.3	282.2
Cruises	2.7	-	2.7
TUI Musement	37.5	13.7	51.2
Consolidation	-	- 1.4	- 1.4
<b>Holiday Experiences</b>	<b>198.2</b>	<b>136.5</b>	<b>334.7</b>
Northern Region	215.1	202.7	417.8
Central Region	707.7	62.2	769.9
Western Region	222.6	97.1	319.7
Consolidation	-	- 359.5	- 359.5
<b>Markets &amp; Airlines</b>	<b>1,145.5</b>	<b>2.4</b>	<b>1,147.9</b>
All other segments	22.3	3.6	25.9
Consolidation	-	- 142.6	- 142.6
<b>Total</b>	<b>1,365.9</b>	<b>-</b>	<b>1,365.9</b>

### Revenue by segment for the period from 1 Oct 2019 to 30 Jun 2020

€ million	External	Group	9M 2020 Total
Hotels & Resorts	304.7	286.5	591.2
Cruises	483.6	-	483.6
TUI Musement	294.2	124.1	418.3
Consolidation	-	- 3.4	- 3.4
<b>Holiday Experiences</b>	<b>1,082.5</b>	<b>407.2</b>	<b>1,489.7</b>
Northern Region	2,202.2	207.2	2,409.4
Central Region	2,244.0	97.0	2,341.0
Western Region	1,095.5	118.4	1,213.9
Consolidation	-	- 412.3	- 412.3
<b>Markets &amp; Airlines</b>	<b>5,541.7</b>	<b>10.3</b>	<b>5,552.0</b>
All other segments	86.2	4.7	90.9
Consolidation	-	- 422.2	- 422.2
<b>Total</b>	<b>6,710.4</b>	<b>-</b>	<b>6,710.4</b>

The segment data shown are based on regular internal reporting to the Executive Board. From FY 2020, the internationally more commonly used earnings measure "underlying EBIT" is used for value-based management. In FY 2020, underlying EBIT was adjusted for the earnings effect of IFRS16 ("adjusted EBIT [IAS17]") as part of internal reporting to facilitate comparability with the prior year. From the 2021 financial year, underlying EBIT (IFRS 16) is the segment performance indicator as defined by IFRS 8, the prior-year figures have been restated accordingly.

We define the EBIT in underlying EBIT as earnings before interest, income taxes and expenses from the measurement of the Group's interest rate hedging instruments. Impairment losses on goodwill are by definition included in EBIT, but are adjusted in the calculation of underlying EBIT.

For the segment performance measure, all Intra-Group leases are accounted for operating rental and leasing contracts in accordance with IAS 17.

Separately disclosed items include adjustments for income and expense items that reflect amounts and frequencies of occurrence rendering an evaluation of the operating profitability of the segments and TUI Group more difficult or

causing distortions. These items include gains and losses on disposal of financial investments, significant gains and losses from the sale of assets as well as significant restructuring and integration expenses. Any effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments are adjusted. Also, any goodwill impairments would be adjusted in the reconciliation to underlying EBIT.

In 9M 2021, underlying EBIT includes results of investments accounted for using the equity method of €-226.5m (9M 2020 €-63.7m), primarily generated within the sector Holiday Experiences.

#### Underlying EBIT by segment

€ million	9M 2021	9M 2020
Hotels & Resorts	- 268.6	- 308.0
Cruises	- 234.6	- 197.3
TUI Musement	- 96.7	- 66.5
<b>Holiday Experiences</b>	<b>- 599.9</b>	<b>- 571.9</b>
Northern Region	- 708.1	- 592.4
Central Region	- 377.4	- 398.7
Western Region	- 247.3	- 285.9
<b>Markets &amp; Airlines</b>	<b>- 1,332.8</b>	<b>- 1,277.0</b>
All other segments	- 45.9	- 118.0
<b>Total</b>	<b>- 1,978.6</b>	<b>- 1,966.9</b>

#### Impairment on other intangible assets, property, plant and equipment and right of use assets

€ million	9M 2021	9M 2020
Hotels & Resorts	29.7	149.2
Cruises	-	127.6
TUI Musement	-	2.6
<b>Holiday Experiences</b>	<b>29.7</b>	<b>279.4</b>
Northern Region	20.3	26.8
Central Region	3.3	7.0
Western Region	-	26.6
<b>Markets &amp; Airlines</b>	<b>23.6</b>	<b>60.4</b>
All other segments	24.1	-
<b>Total</b>	<b>77.4</b>	<b>339.8</b>

For further details regarding the impairments effected in 9M 2021, please refer to the section 'Property, plant and equipment' and 'Right of use assets'.

#### Reconciliation to underlying EBIT of TUI Group

€ million	9M 2021	9M 2020
<b>Earnings before income taxes</b>	<b>- 2,390.7</b>	<b>- 2,367.7</b>
plus: Net interest expense (excluding expense / income from measurement of interest hedges)	336.7	173.6
plus / less: Expense (income) from measurement of interest hedges	7.4	- 7.9
<b>EBIT</b>	<b>- 2,046.6</b>	<b>- 2,202.0</b>
<b>Adjustments:</b>		
plus: Separately disclosed items	43.5	194.9
plus: Expense from purchase price allocation	24.4	40.2
<b>Underlying EBIT</b>	<b>- 1,978.6</b>	<b>- 1,966.9</b>

Net expenses for the separately disclosed items of €43.5m in the first nine months of financial year 2021 include income of €53m from the reversal of restructuring provisions no longer required in the Central Region due to the lower than expected reduction in fleet size at TUIfly. In addition, restructuring expenses of €89m were incurred in TUI Musement (€11m), Northern Region (€12m), Central Region (€8m), Western Region (€18m) and All other segments (€40m). Furthermore, disposal results from the sale of an investment in an aircraft asset company in Northern Region (-€2m) and Central Region (-€1m), the sale of two hotel companies in Hotels & Resorts (-€5m) and in

Western Region (€2m) as well as an expense from a subsequent purchase price adjustment of €2m in All other segments were adjusted.

Net expenses for the separately disclosed items of €195m in the first nine months of the previous year included a disposal gain of €90m from the sale of the German specialist tour operators, offset by restructuring expenses of €209m, related in particular to the planned capacity reduction at TUI fly Deutschland, a restructuring of TUI France, an expansion of the existing restructuring programme at TUI Deutschland, the planned closure of 166 travel agencies in the UK, restructuring of the TUI Musement segment and the closure of TUI Italy as well as other one-off items of €8m. Furthermore, €68m impairments of goodwill related to the Northern Hotels and TUI Blue hotel companies was adjusted for.

Expenses for purchase price allocations of €24.4m (previous year €40.2m) relate in particular to the scheduled amortization of intangible assets from acquisitions made in previous years.

#### **(25) Related parties**

Apart from the subsidiaries included in the Interim Financial Statements, TUI AG, in carrying out its ordinary business activities, maintains direct and indirect relationships with related parties. All transactions with related parties were executed on an arm's length basis.

As at 30 June 2021, Unifirm Limited, Cyprus, held 32.0% of the shares in TUI AG (as at 30 September 2020 24.9%). Unifirm Limited is controlled by the family of Russian entrepreneur Alexei Mordashov, a member of TUI's Supervisory Board. DH Deutsche Holdings Limited, a company registered in Cyprus under the control of the joint venture partner Hamed El Chiaty, decreased its equity stake to below 3.0% in H1 2021. More detailed information on related parties is provided under section 24 in the Notes to the consolidated financial statements for 2020.

#### **(26) Significant transactions after the balance sheet date**

On 6 July 2021, TUI AG increased its convertible bond of €400m, which was issued in April 2021, by €189.6m. The new bonds form a single series with the existing bonds. The terms remain unchanged. The senior unsecured convertible bonds are due on 16 April 2028 and have a coupon of 5.00% p.a., payable semi-annually. The denomination of the bond was €100,000. The initial conversion price was set at an amount of €5.3631 per share.

On 27 July 2021 TUI AG agreed with the private banks and KfW to extend the maturity of €4.7bn of the revolving credit facilities until July 2024. For further details please refer to the going concern reporting.

On 31 July 2021 the disposal of the joint venture RIU Hotels S.A. was completed. For further details please refer to the section 'Assets held for sale'.

# RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting and in the accordance with (German) principles of proper accounting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

The Executive Board

Hanover, 11 August 2021

Friedrich Jousen  
David Burling  
Sebastian Ebel  
Peter Krueger  
Sybille Reiß  
Frank Rosenberger

# REVIEW REPORT

To TUI AG, Berlin/Germany and Hanover/Germany

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows as well as selected explanatory notes to the consolidated financial statements – and the interim Group management report for the period from 1 October 2020 until 30 June 2021 of TUI AG, Berlin and Hanover, which are components of the financial report pursuant to § 115 sec. 7 WpHG (Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report which has been prepared in accordance with the requirements of the WpHG applicable to interim Group management reports is the responsibility of the entity's executive board. Our responsibility is to express a conclusion on the condensed interim consolidated financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim Group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) as well as in supplementary compliance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review in compliance with professional standards such that we can preclude through critical evaluation, with limited assurance, that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim Group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports. A review is limited primarily to inquiries of personnel of the entity and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements of TUI AG, Berlin and Hanover, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hanover/Germany, 11 August 2021

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft

Christoph B. Schenk  
German Public Auditor

Dr. Hendrik Nardmann  
German Public Auditor

## Cautionary statement regarding forward-looking statements

The present Interim Report contains various statements relating to TUI Group's and TUI AG's future development. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, they are not guarantees of future performance since our assumptions involve risks and uncertainties that could cause actual results to differ materially from those anticipated. Such factors include market fluctuations, the development of world market prices for commodities and exchange rates or fundamental changes in the economic environment. TUI does not intend to and does not undertake any obligation to update any forward-looking statements in order to reflect events or developments after the date of this Report.

## Contacts

Mathias Kiep  
Group Director Controlling, Corporate Finance & Investor Relations  
Tel.: + 44 1293 645 925 /  
+ 49 511 566-1425

Nicola Gehrt  
Director, Head of Group Investor Relations  
Tel.: + 49 511 566-1435

### Contacts for analysts and investor in UK, Ireland and Americas

Hazel Chung  
Senior Investor Relations Manager  
Tel.: +44 (0)1293 645 823

### Contacts for analysts and investor in Continental Europa, Middle East and Asia

Ina Klose  
Senior Investor Relations Manager  
Tel.: +49 (0)511 566 1318

Vera Weißwange  
Junior Investor Relations Manager  
Tel.: +49 (0)511 566 1425

TUI AG  
Karl-Wiechert-Allee 4  
30625 Hanover, Germany  
Tel.: + 49 511 566-00  
[www.tuigroup.com](http://www.tuigroup.com)

This Interim Report, the presentation slides and the video webcast for 9M FY 2021 (published on 12 August 2021) are available at the following link:  
[www.tuigroup.com/en-en/investors](http://www.tuigroup.com/en-en/investors)