2024 ANNUAL REPORT

TUI GROUP

"2024 was a successful year for TUI. We increased our revenue and earnings, strengthened our balance sheet and invested in future-proof business segments. The transformation into a marketplace for holiday experiences is our key to new markets and will promote our airline and our own products like hotels and cruises. Sustainability remains a central focus – with clear carbon reduction targets. Our success is based on the engagement of our people."

Sebastian Ebel, CEO of TUI AG

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The Annual Report of TUI Group and the financial statements of TUI AG are available in German and in English: www.tuigroup.com/en-en/investors/annual-reports

The German version is legally binding. The Company cannot be held responsible for any misunderstandings or misinterpretations arising from this translation.

The components subject to publication requirements are also published in the German company registry and also in XHTML/iXBRL format, taking into account the requirements of the European Single Format (ESEF) Regulation.

This version does not comply with the statutory XHTML/iXBRL format, taking into account the requirements of the European Single Format (ESEF) Regulation.

This report was published on 11 December 2024.

REPORT NAVIGATION

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Unless stated otherwise, all change figures refer to the corresponding period from the previous year.

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Financial Highlights[1]

TUI Group – financial highlights

€ million		**2024**	2023 adjusted	Var. %	Var. % at constant currency
Revenue		**23,167.3**	**20,665.9**	**+12.1**	**+11.3**
Underlying EBIT[2]					
Hotels & Resorts		668.4	549.5	+21.6	+25.2
Cruises		374.3	236.0	+58.6	+57.5
TUI Musement		49.2	36.0	+36.7	+53.3
Holiday Experiences		1,091.9	821.5	+32.9	+35.7
Northern Region		165.4	71.5	+131.4	+135.1
Central Region		128.1	88.1	+45.5	+44.9
Western Region		10.3	78.5	–86.9	–85.9
Markets + Airline		303.9	238.0	+27.7	+28.9
All other segments		–99.6	–82.3	–20.9	–20.4
TUI Group		**1,296.2**	**977.2**	**+32.6**	**+35.4**
Underlying EBIT TUI Group at constant currency		**1,322.8**	**977.2**	**+35.4**	
EBIT[2]		**1,275.3**	**999.3**	**+27.6**	
Underlying EBITDA		**2,119.7**	**1,775.3**	**+19.4**	
EBITDA[3]		**2,121.9**	**1,858.5**	**+14.2**	
Group profit		707.4	455.7	+55.2	
Basic earnings per share	€	1.00	0.80	+25.0	
Net capex and investment		602.2	493.7	+22.0	
Equity ratio (30 Sept)[4]	%	10.2	12.1	–1.9	
Net debt (30 Sept)		1,640.5	2,106.2	–22.1	
Employees (30 Sept)		66,845	65,413	+2.2	

Due to rounding, some of the figures may not add up precisely to the stated totals, and percentages may not precisely reflect the absolute figures. All change figures refer to the previous year, unless otherwise stated.

This Annual Report 2024 of the TUI Group was prepared for the reporting period from 1 October 2023 to 30 September 2024.

Due to the re-segmentation of an IT company from Western Region to All other segments in financial year 2024 the previous year has been adjusted.

[1] Part of the combined Management Report
[2] 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 page 30.
[3] EBITDA is defined as earnings before interest, income taxes, result of the measurement of the Group's interest hedges, goodwill impairment and amortisation and write-downs of other intangible assets, depreciation and write-downs of property, plant and equipment, investments and current assets.
[4] Equity divided by balance sheet total in %, variance is given in percentage points.

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INTERVIEW WITH SEBASTIAN EBEL

People & brand make TUI strong.

TUI can look back on a successful financial year. The company is transforming from a tour operator into a marketplace for holiday and leisure experiences. New markets, a strong brand and powerful team engagement are forging the basis for a successful future.

“We are becoming more efficient, more agile, and laying foundations for growth – with a strong focus on sales, quality and service.”

Mr Ebel, let’s talk first about last year. How did it go for TUI?
It was very successful, in a demanding market environment, especially considering the political and economic conditions – above all in Germany and in Europe. The financial year 2024 was very successful for TUI. We have reported very positive progress on revenue as well as earnings. Sustainable, profitable growth remains our aim, but that includes a healthy balance sheet structure. We are a big step closer to our target of reducing net leverage to well below 1x. We have maintained our crucial focus on free cashflow, which we are using for investments and for paying back debt. We are investing selectively in operations with a promising future, but at the same time we are strengthening our financial basis. That is in the best interests of the company, our shareholders and our employees. TUI is much more robust today.

At the start of 2024 you tackled transforming the Markets + Airline business. What exactly is the way forward for this part of the business?
We are developing our tour operator business into a fully integrated functional marketplace for holiday and leisure experiences. That gives us more scalability, greater efficiency and more profitability and in this way, we are expanding our international presence. It is also the key to many new markets and customers and should substantially boost our margins. That is why we pushed ahead so purposefully with restructuring our business in 2024. David Schelp presented his master plan and now we are implementing it. We are producing at much better cost, especially thanks to building our global production platforms. A second module in the transformation: we are developing an enlarged commercial function for our TUI Airline so that in future we have more independence in managing its performance. It will give the airline a stronger role within the Group and enable it to reach additional customers. And thirdly, we have created a new unit to take charge of our expansion into attractive new business areas and new tour operator markets. We have been very successful with TUI Poland and now we want to roll this out into other, new markets, e.g. in Eastern Europe, the Americas and later Asia. This is partly about ancillary revenues around the actual holiday, but also about products like TUI River Cruises, TUI Tours, so round trips. We see a lot of potential for that everywhere.

Will package holidays still be a focus?
For our tour operator business, package holidays remain the strategic core product. In future they will just be far more flexible and dynamic, with more options and choice for customers to make the product even more attractive. Package holidays, even if the term is a bit old hat, deliver definite value added for customers: safety, service, convenience. Besides, there is the high quality of advice they receive in the travel agencies. Even for young target groups, that is increasingly important. We recognise clear potential there. But in addition we want to offer our customers a whole range of leisure experiences. To that end we are building a scalable model and aligning our product world towards it.
This transformation enables us to enhance our market opportunities while at the same time reducing risk. We are becoming more efficient, more agile, and laying foundations for growth – with a strong focus on sales, quality and service. We set ourselves apart from the competition thanks to our own products, i. e. our own hotel brands and cruise liners. We are growing in this field. It remains a strategic priority. Our very profitable TUI hotel operators and cruise ships naturally benefit from the strength and presence of our tour operators with their access to more than 20 million customers.

What part does the TUI brand play in all this?
The TUI brand is and remains a powerful asset. In a nutshell: people & brand make TUI strong. We keep hearing that the Smile is iconic. We want our brand to be as significant as other international top brands, even beyond Europe. So we are adding more emotion to the TUI brand – in sport, for example. Like the TUI Palma Marathon. That day was a fantastic experience for thousands of customers and millions of virtual spectators on social media, as well as for hundreds of TUI employees who ran one or the other course that day as well. We have a few more plans like that. We are combining the strong brand, sport, emotion and lifestyle – via sponsoring and via tailored products and holidays.

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So let's move on to Holiday Experiences. What is happening there?

Holiday Experiences – embracing Hotels & Resorts, Cruises and TUI Musement – turned in another very strong performance last year. In terms of earnings, our hotel and cruise companies are our strongest pillar. I know the business very well, as I was responsible on the Board for building it up and expanding it. Many of the investments we made in our hotel brands like Riu, Robinson and TUI Blue and new vessels for Mein Schiff and Hapag Lloyd are now reaping rewards. Alongside traditional tour operating, TUI has developed a very profitable line of business with its own products. That is sometimes underestimated in the big corporate picture. With about 430 hotels, TUI is a force to be recognised among international hotel operators. We are well positioned here and we are looking to grow further, not least in Asia. With the hotels we are expanding based on our asset-right approach and since the pandemic we have already added another 72 new hotels to our pipeline since 2022. TUI Musement is also pushing to broaden its platform and commercialise experiences, tours and transfers. That business is growing thanks to new products and activities. Our ambition is clear: we want to be people's go-to partner for their leisure experiences, whether on holiday or at home in Hanover, Munich or Amsterdam, whenever they plan to visit a concert or a museum, or take an excursion on Mallorca. We intend to expand the range on offer considerably. But I firmly believe that our strong TUI brand is up to the job: holiday, leisure, TUI – and all with one click of the app.

In the Cruises segment, the very positive development continues. TUI Cruises is one of the most profitable major shipping companies in the world. With cutting-edge vessels, diversity, attractive itineraries and outstanding service. We are continuing to invest, with the arrival of Mein Schiff 7 in June 2024 and two more newbuilds in the next two years. Every new liner brings us more differentiation thanks to innovative products and sustainability features. Mein Schiff is in a class all of its own when it comes to innovation, quality and service. And in our Marella fleet in the UK we have also been carrying out modernisations for our customers. The bulk of our revenue is made with our package cruises, and that fits perfectly with our integrated business model.

TUI wants to grow beyond Europe. How do you intend to do that?

We are seeing global growth in demand. We will go about that by drawing on and expanding our strong position in terms of brand, sales channels, products and destination presence. A concrete example is the expansion in Eastern Europe that I mentioned – we have just launched in Czechia, other markets in Eastern Europe will follow – and at TUI Iberia our digital platform recently went live for customers from Southern Europe and Latin America. In the Hotels business we have been operating globally for a long time, primarily with our own hotels in Europe, in the Caribbean, in Asia and in Africa. China and other Asian countries are just entering the equation with the first TUI Blue hotels. In the long term, we will drive global growth through our platforms.

Sustainability is still an important topic. How is TUI dealing with it?

Sustainability has been crucial to TUI for many years. And in a holistic sense, which means the environment plus social sustainability plus living conditions locally in destination countries. Ultimately we can only build a future-proof business model if we do it in a sustainable manner involving all our partners and if they can benefit, especially the countries and local communities where our holiday-makers visit. We engage in open dialogue on topics like over-tourism in our destinations, on regulatory conditions and on opportunities for more protection of the environment and climate. Our targets for ecological sustainability were formulated together with the Science Based Targets initiative and we are fully focussed on implementing those targets and our sustainability agenda.

What does that mean specifically?

I am sure that we can meet many climate targets faster than we currently imagine. The public debate is often about costs, but we should all be talking more about the benefits. There is more to it than the responsibility we have. Many investments in sustainability pay off, so they make economic sense too. Often we only look at the purchase price, but not enough at the production costs. If we bear both in mind, the business case looks different. I can see a shift in mindset – at TUI we are making

"The TUI brand is and remains a powerful asset. In a nutshell: people & brand make TUI strong."

good progress because we want active change. In the segment Hotels & Resorts we want to almost halve our carbon footprint by 2030 and achieve net zero in 10 years at the latest. That is happening thanks to solar panels on hotel roofs, plant and equipment that consumes less energy, and technical efficiency gains. On our ships, the levers are things like green on-shore power during port calls and alternative fuels at sea, like those that will feed Mein Schiff 7.

How important are TUI's people to the company's success?
They are the heart of TUI. They represent the brand, the quality and the spirit of TUI. That calls for extremely good teamwork, a willingness to change and the desire to grow together, to win. We keep a close watch on how our almost 67,000 employees feel, what they think, where there is room for improvement. I was pleased to note that last year we saw a big leap in our Engagement score to 80 points, 8 points more than last year. And on the Group Executive Committee, too, a strong management team has come together and we are all pulling in the same direction. That visibly motivates the workforce as well and generates security and clarity. We are also making sure that all our colleagues embrace digital transformation, including Artificial Intelligence, as an opportunity, both for themselves and for TUI. Let me take this opportunity – also on behalf of the Group Executive Committee – to say a big thank you to all our employees at TUI, who have worked with great professionalism, passion and major commitment to achieve success for TUI in the past financial year. The energy displayed by our people is tremendous. That welds us together and generates a lot of strength.

How happy are you with the political conditions in your markets?
I believe in the opportunities that Europe has. But politics needs to free itself from the grip of those who seek to regulate more and more new things. There is a lot that is not running smoothly. The over-regulation, especially in Germany and the EU, is hindering investment and growth. The location costs are simply too high. Instead of that we need investment in digital infrastructure and a tangible elimination of bureaucracy. A moratorium on legislation is essential. The EU, in particular, should concentrate on fewer issues. What do I do in the company when I see challenges? I focus on three or four major goals, all of them with leverage. I subordinate other topics to that. After all, not everything that's important is necessarily urgent. I would say that principle works in politics too. But there needs to be a will to set priorities and exercise leadership. The same applies to financial matters and budgets. An example from our industry: all these new regulatory requirements are pushing up the price of package holidays, whether it's the German travel insurance fund or the far-reaching compensation rules for late arrival. This ought to be reviewed to ensure a level playing field for all providers. That is something politicians ought to be addressing, because a package holiday offers the best consumer protection of all. Here we need to enjoy the same terms as the purely online platforms. Anyone who offers travel should look after their customers and provide the cover they need.

Last question: What are the prospects for TUI in the coming year?
I am optimistic about the future as well. Our customers don't like to skimp on their holidays, even in times of crisis. All the same, we are well prepared because of the political and economic conditions in Europe. TUI is on the right path to becoming a global marketplace for holiday and leisure experiences. We have created the right conditions to achieve our medium-term goals: building global platforms, pushing harmonisation and rolling out our business worldwide. By growing with new products and reaching out to new customers we will gain market share, boost growth and earnings and – very important – continue to improve our cashflow. And we will be more independent from Europe as a region. At the same time, we will maintain our focus on quality, sustainability and TUI as an employer of excellence. Behind all this we have a strong TUI team, our people all over the world. And with that I go into the coming year full of confidence.

"Many investments in sustainability pay off, so they make economic sense too."

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Group Executive Committee

MATHIAS KIEP
Executive Board Member
Chief Financial Officer

SEBASTIAN EBEL
Chief Executive Officer

SYBILLE REISS
Executive Board Member
Chief People Officer & Legal/Labour Director

DAVID SCHELP
(as of 1 January 2024)
Executive Board Member
CEO Markets + Airline

PETER KRUEGER
Executive Board Member
Chief Strategy Officer & Chief Executive Officer Holiday Experiences

PETER ULWAHN
Chief Executive Officer TUI Musement

THOMAS ELLERBECK
Group Director Corporate & External Affairs & Chief Sustainability Officer

PIETER JORDAAN
Chief Information Officer (CIO)

FLORIAN LENSER
Group Director Legal, Compliance & Board Office

MARCO CIOMPERLIK
CEO TUI Airline

Please refer to our website for CVs: www.tuigroup.com/en-en/about-us/about-tui-group/management

ERIK FRIEMUTH
(until 6 December 2023)
Chief Marketing Officer & Managing Director TUI Hotels & Resorts

DAVID BURLING
(until 31 December 2023)
Executive Board Member
Chief Executive Officer Markets & Airlines

ELIE BRUYNINCKX
(until 30 September 2024)
Chief Executive Officer Western Region

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Report of the Supervisory Board

Dear Ladies and Gentlemen, dear Shareholders,

Financial year 2024 was another year of recovery and renewal for TUI. We significantly increased our earnings with a very good operational performance compared to the previous year. Our focus was on optimising balance sheet structures, improving credit metrics and implementing strategic measures and transformations.

The positive booking trend continued in this financial year, underlining the unabated demand for TUI products and the importance of holidays for our customers. Thanks to our diversified product portfolio and asset-right growth strategy, we also significantly exceeded expectations in the Holiday Experiences segment.

In financial year 2024, we simplified the listing structure of the TUI share. The Supervisory Board supported the delisting in the UK in favour of a single listing in Germany. The aim is to centralise liquidity, reduce complexity and facilitate compliance with EU requirements for ownership and control of the Group's own airlines. You, our esteemed shareholders, voted by a large majority in favour of the delisting in London, which enabled the TUI share to be included in the German Prime Standard and the MDAX of the German Stock Exchange.

We also intensively discussed the Group's refinancing strategy with the Executive Board. Key steps in this context were the successful placements of a sustainability-linked senior notes and a convertible bond. Both financial instruments extend our debt maturity profile and reduce our future interest costs. This in turn gives us greater financial flexibility, particularly in light of the ongoing transformation.

The Supervisory Board also dealt intensively with strategic issues, particularly in the context of the transformation of the Group. We discussed measures to accelerate profitable growth and to increase the agility and cost efficiency of the TUI Group. At the end of financial year 2024, the focus was on the transformation of the Markets + Airline segment, the implementation of globally uniform technology platforms and the strengthening of the commercial responsibility of the TUI airline.

Dear shareholders, in financial year 2024, you once again placed your trust in us and set an important course for the TUI Group. Without your support, the simplification of the listing structure would not have been possible. On behalf of the entire Supervisory Board, I would like to express my sincere thanks to you!

Cooperation between the Supervisory Board and the Executive Board

The Executive Board and Supervisory Board are closely guided by the principles of responsible and good corporate governance and work together in a spirit of trust in accordance with the principles set out in the Corporate Governance Report (page 134). The Supervisory Board primarily monitored the legality, regularity, expediency and economic efficiency of the work of the Executive Board and management with a key focus on the refinancing of the Group. Further details can be found in the following report.

The Executive Board informed us regularly, promptly and comprehensively through written and verbal reports during and outside of meetings. The reports included all relevant information on the development and implementation of strategic objectives, liquidity development, planning, business development and the Group's position during the year, risk management and the internal control system, compliance, the implementation of the sustainability strategy and current developments in sustainability reporting, as well as reports from the capital markets (e.g. from analysts) and the press. In financial year 2024, the focus was on the refinancing strategy for the Group, in particular the issue of a high-yield bond and the issue of a convertible bond. Discussions also focused on the personnel and Group strategy as well as the booking behavior of guests in the current macroeconomic environment. The Supervisory Board was involved in all decisions of fundamental importance to the company in good time. We passed the resolutions required by law, the articles of association or the rules of procedure after thorough consultation. To this end, we regularly prepared ourselves on the basis of documents that the Executive Board made available to the Supervisory Board and the committees in advance. The Executive Board also informed the Supervisory Board immediately of urgent matters in writing and at extraordinary meetings convened at short notice. As Chairman of the Supervisory Board, I was also regularly informed by the Executive Board about the current business situation and significant business transactions in the company outside of Supervisory Board meetings.

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1 Dr Dieter Zetsche
Chairman of the Supervisory Board

2 Frank Jakobi
Deputy Chairman

3 Ingrid-Helen Arnold

4 Sonja Austermühle

5 Christian Baier

6 Andreas Barczewski

7 Peter Bremme

8 María Garaña Corces

9 Dr Jutta A. Dönges

10 Prof. Dr Edgar Ernst

11 Wolfgang Flintermann

12 Stefan Heinemann

13 Janina Kugel

14 Coline Lucille McConville

15 Helena Murano

16 Mark Muratovic

17 Anette Strempel

18 Joan Trían Riu

19 Tanja Viehl

20 Stefan Weinhofer

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Deliberations in the Supervisory Board and its committees

Prior to the Supervisory Board meetings, the shareholder and employee representatives met in separate preparatory meetings. Members of the Executive Board also regularly took part in these meetings. Unless otherwise requested by the members of the Supervisory Board, discussions of Executive Board and Supervisory Board matters take place without the members of the Executive Board. In addition, all members of the Supervisory Board can raise the need to discuss an agenda item without the presence of the Executive Board with the Chairman of the Supervisory Board. In addition, the agenda of each meeting of the Supervisory Board provides for a separate agenda item, irrespective of the topic, for which the members of the Executive Board are not present. As part of this agenda item, members of the Supervisory Board can raise all topics that are to be discussed without the Executive Board.

In addition to the full Supervisory Board, a total of four committees were established in the past financial year: the Presiding Committee, the Audit Committee and the Nomination Committee. The Mediation Committee to be formed in accordance with Section 27 (3) of the German Codetermination Act did not have to meet. The chairmen of the committees reported regularly and in detail on the work of the committees at the ordinary Supervisory Board meetings. In connection with the issue of a high-yield bond in February 2024 and the issue of a convertible bond in July 2024, a Transaction Committee set up by the Supervisory Board, consisting of Dr Zetsche, Mr Jakobi, Prof. Dr Ernst and Mr Flintermann, met with the members present in each case. This enabled resolutions to be passed at very short notice within a framework set by the Supervisory Board, insofar as this was necessary. All documents and the minutes of the Transaction Committee meetings were always available to all members of the Supervisory Board. In addition, the meetings were reported on at the subsequent Supervisory Board meetings. No additional remuneration or attendance fees were paid for the meetings of the Transaction Committees.

As in previous years, a consistently high attendance rate was recorded in financial year 2024. The average attendance rate at the Supervisory Board meetings was 97.5% (previous year 96.0%) and 100.0% (previous year 97.2%) in the committees. The vast majority of members of the Supervisory Board attended all meetings of the Supervisory Board in financial year 2024 and, in accordance with their respective membership, all meetings of its committees. Members who were unable to attend meetings generally participated in the resolutions by means of voting messages. The timely advance distribution of documents to prepare for meetings by the Executive Board and the almost complete absence of table presentations made it much easier for Supervisory Board members to prepare for meetings. For organizational reasons, some Supervisory Board and committee meetings were also held as video conferences in order to ensure the availability of Supervisory Board members for meetings scheduled at short notice. The exact distribution of face-to-face and video conference meetings is shown in the table below.

Attendance at meetings of Supervisory Board in 2024

	Supervisory Board meetings	Presiding committee	Audit committee	Nomination committee
Meetings total	4	5	5	2
thereof virtual	0	1	0	0
Name				
Dr Dieter Zetsche (Chairman)	4 (4)	5 (5)*	5 (5)	2 (2)*
Frank Jakobi (Deputy Chairman)	4 (4)	5 (5)	5 (5)	
Ingrid-Helen Arnold	4 (4)			
Sonja Austermühle	4 (4)			
Christian Baier	4 (4)		5 (5)	
Andreas Barczewski	4 (4)			
Peter Bremme	4 (4)	5 (5)		
Dr Jutta Dönges	3 (4)	5 (5)	5 (5)	2 (2)
Prof. Dr Edgar Ernst	4 (4)	5 (5)	5 (5)*	2 (2)
Wolfgang Flintermann	4 (4)			
Maria Garaña Corces	4 (4)			
Stefan Heinemann	4 (4)		5 (5)	
Janina Kugel	4 (4)			
Coline Lucille McConville	3 (4)			
Helena Murano	4 (4)			
Mark Muratovic	4 (4)		5 (5)	
Anette Strempel	4 (4)	5 (5)		
Joan Trían Riu	4 (4)			
Tanja Viehl	4 (4)			
Stefan Weinhofer	4 (4)		5 (5)	
Attendance at meetings in %	**97.5**	**100.0**	**100.0**	**100.0**
Attendance at Committee meetings in %	**100.0**			

(In brackets: number of meetings held)
* Chairman of Committee

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Main topics of the Supervisory Board's work

Four meetings of the Supervisory Board took place, all of which were held in person. In addition, a correspondingly established Transaction Committee of the Supervisory Board met five times and two resolutions were passed by circular resolution. The individual meetings focused on the following topics:

1. At its meeting on 5 December 2023, the Supervisory Board resolved, in agreement with Mr Burling, to terminate his appointment as a member of the Executive Board prematurely. The Supervisory Board also resolved to appoint Mr Schelp as Mr Burling's successor as a member of the Executive Board of TUI AG with effect from 1 January 2024. In addition, the Supervisory Board determined the target achievement levels for the short-term variable Executive Board remuneration for financial year 2023 and the individual performance factor as well as the long-term variable Executive Board remuneration. Other topics included the review of the appropriateness of Executive Board remuneration and pensions, the review of the appropriateness of Supervisory Board remuneration and the resolution on an amended Executive Board remuneration system for submission to the Annual General Meeting 2024 for approval. In addition, the performance criteria for individual performance, the performance of the Executive Board as a whole and the achievement of stakeholder targets and their relative weighting for financial year 2024 were defined. The agenda also included the financial statements of the Group and TUI AG, each of which was issued with an unqualified audit opinion by the auditor, and the combined management report for the Group. The Executive Board and the auditors were also present. The Audit Committee had already dealt extensively with these reports on the previous day and also had the opportunity to discuss them with the auditors without the Executive Board. The members of the Supervisory Board approved the financial statements prepared by the Executive Board and the combined management report for TUI AG and the Group. The annual financial statements 2023 were thus adopted. The Supervisory Board also approved the Report of the Supervisory Board, the Corporate Governance Report and the Remuneration Report. The declarations of compliance with the German Corporate Governance Code and, for the last time, the UK Corporate Governance Code as well as the proposal to the Annual General Meeting to appoint Deloitte GmbH Wirtschaftsprüfungsgesellschaft for the half-year and annual financial statements 2024 were also approved. The Supervisory Board also received an update on the development of the TUI share and discussed the possibility of simplifying the listing structure of the TUI share by focusing the listing on the German market. Furthermore, the Supervisory Board adopted the agenda for the Annual General Meeting on 13 February 2024 and elected the Deputy Chairman of the meeting. In addition, the Board received a personnel and social report as well as an IT update.

2. As part of a circular resolution on 21 December 2023, the Supervisory Board approved the proposal to the Annual General Meeting 2024 to resolve on a delisting from the London Stock Exchange following a discussion at the Supervisory Board meeting on 5 December 2023.

3. The meeting on 12 February 2024 included explanations of the quarterly report and quarterly financial report as well as the current booking situation. In addition, the Supervisory Board received an update on the Group's refinancing strategy and, in this context, approved the issue of a bond in principle and the establishment of a corresponding transaction committee. The Supervisory Board was also informed about the current status of preparations for the forthcoming Annual General Meeting and received an update on the project to simplify the listing structure of the TUI share. The agenda also included an update on sustainability, general succession planning and an update on the amendment of Executive Board remuneration contracts to the new remuneration system.

4. At its first meeting on 26 February 2024, the Transaction Committee approved the marketing of a high-yield bond.

5. At its second meeting on 28 February 2024, the Transaction Committee approved the final terms of a high-yield bond.

6. At the meeting on 14 May 2024, the Executive Board explained the report on the current financial year, the quarterly financial statements and the first half of 2024, which the Audit Committee had already discussed on the previous day. In addition, the Executive Board provided an update on the refinancing strategy, including the possibility of issuing a convertible bond. Other key topics at the meeting included updates on sustainability, IT security and the people strategy. The Supervisory Board also dealt with general succession planning for the Executive Board and the Supervisory Board and the draft of a training and development concept for its body. It also decided on the amendment of the Executive Board contracts to the new remuneration system and discussed the requirements for the ESG factor for the upcoming financial year 2025. The Supervisory Board also took note of the EMIR certificate.

7. As part of a circular resolution on 30 May 2024, the Supervisory Board approved in principle the issue of a new convertible bond 2024 and the possible partial repurchase of the existing convertible bond 2021 as well as the establishment of a Transaction Committee of the Supervisory Board following the discussion at the Supervisory Board meeting on 14 May 2024.

8. At its first meeting on 18 July 2024, the Transaction Committee approved the marketing of a convertible bond 2024 and the partial repurchase of the existing convertible bond 2021.

9. At its second meeting on 19 July 2024, the Transaction Committee approved the final terms of the convertible bond 2024.

10. At its third meeting on 19 July 2024, the Transaction Committee approved the acceptance of the offers to partially repurchase the convertible bond 2021.

11. At its strategy meeting on 18 September 2024, the Supervisory Board discussed the strategic direction of the Group and its divisions. Updates on the people strategy, artificial intelligence and sustainability were also on the agenda.

    On the second day of its meeting on 19 September 2024, the Supervisory Board received a report on the current financial year as part of its ordinary meeting. The Board also approved the budget for the upcoming financial year and the three-year plan. In addition to the report on security, health and safety, the Supervisory Board received an update on IT security. The Supervisory Board also discussed succession planning for the Executive Board and Supervisory Board and set the financial targets for the STI and LTI of the Executive Board as well as the performance criteria for the ESG factor of the STI for the following financial year. The Supervisory Board discussed the results of the self-assessment assessment (please see also the Corporate Governance Report from page 134) and passed a resolution on its training and development concept. Another topic was the independence of the shareholder representatives in accordance with the German Corporate Governance Code.

Presiding Committee

The Presiding Committee is responsible for Executive Board matters (including succession planning for the Executive Board, appointments, terms and conditions of employment contracts, Executive Board remuneration, proposals for the Executive Board's remuneration system). The Presiding Committee also prepares the meetings of the Supervisory Board. Five meetings were held in the reporting period. Four of these were held as face-to-face meetings, while one was held as a video conference.

The Presiding Committee, which is made up of equal numbers of members, consists of:

- Dr Dieter Zetsche (Chairman)
- Peter Bremme
- Dr Jutta Dönges
- Prof. Dr Edgar Ernst
- Frank Jakobi
- Anette Strempel

1. At its extraordinary meeting on 1 November 2023, the Presiding Committee dealt with possible changes to the Executive Board and potential succession options for the position of CEO Markets + Airline. The Presiding Committee also discussed the refined proposal for an amendment of the Executive Board remuneration system. The committee also received an update on the Supervisory Board's self-assessment, which was carried out with the support of an external consultant at a later date in financial year 2024.

2. On 4 December 2023, the Presiding Committee dealt with the mutually agreed premature termination of Mr Burling's appointment to the Executive Board of TUI AG and the appointment of Mr Schelp as his successor. In addition, the target achievement for the variable remuneration components of the Executive Board in financial year 2023 was discussed. Other items on the agenda were the review of the appropriateness of Executive Board remuneration and pensions and an amended Executive Board remuneration system for submission to the Annual General Meeting 2024 for approval. Furthermore, the Presiding Committee dealt with the determination of the targets for the performance criteria of the individual performance of the Executive Board members, the performance of the Executive Board as a whole and the achievement of stakeholder targets and their weighting in relation to each other for the financial year 2024. The review of the appropriateness of Supervisory Board remuneration was also on the agenda.

3. At its meeting on 12 February 2024, the Presiding Committee discussed the general succession planning for the Executive Board of TUI AG.

4. On 13 May 2024, the Board dealt with the general succession planning for the Executive Board and the Supervisory Board, the amendment of the Executive Board service agreements to the amended remuneration system and the specifications for the ESG factor for financial year 2025. The meeting also dealt with the draft of a training and development concept for the Supervisory Board of TUI AG.

5. On 17 September 2024, the Presiding Committee discussed the determination of the financial targets for the STI and LTI as well as the performance criteria for the ESG factor for the financial year 2025. The committee also dealt with succession planning for the Executive Board and Supervisory Board and the results of the self-assessment for the Supervisory Board. The Presiding Committee also discussed the training and development concept for the Supervisory Board. Another item on the agenda was the independence of the shareholder representatives on the Supervisory Board in accordance with the German Corporate Governance Code.

Audit Committee

The Audit Committee held five ordinary meetings in financial year 2024, all of which were held as face-to-face meetings with the option of virtual participation. Please refer to the Audit Committee's detailed report on page 19 for information on its composition and duties as well as the matters discussed and resolved.

Nomination Committee

The Nomination Committee, which is composed exclusively of shareholder representatives, nominates suitable shareholder candidates to the Supervisory Board for its election proposals to the Annual General Meeting or for appointment by the local court.

The Nomination Committee, which met twice in face-to-face meetings, consisted of the following members

- Dr Dieter Zetsche (Chairman)
- Dr Jutta Dönges
- Prof. Dr Edgar Ernst

1. At its meeting on 4 December 2023, the Nomination Committee dealt with the resolution recommendation for the nomination of Ms Arnold, Ms Garaña Corces, Ms McConville and Mr Trían Riu (shareholder representative) for election at the subsequent Annual General Meeting.

2. On 13 May 2024, the Nomination Committee dealt with succession planning for the Supervisory Board and the Audit Committee.

Corporate Governance

Following the approval of the Annual General Meeting in February 2024, the listing structure of the TUI AG share was simplified. The delisting from the London Stock Exchange was completed with effect from 21 June 2024. Inclusion in the Prime Standard of Deutsche Börse took place on 8 April 2024. Inclusion in the MDAX took place on 24 June 2024. In this context, the organization of TUI AG as a stock corporation under German law requires the Supervisory Board to deal regularly and in great detail with the principles of German corporate governance. In addition to mandatory compliance with the provisions of the German Stock Corporation Act (AktG) and the German Co-Determination Act (MitbestG), TUI AG complies with the principles and recommendations of the German Corporate Governance Code (GCGC). Until its delisting from the London Stock Exchange, TUI AG had also complied with the Listing Rules and the Disclosure and Transparency Rules of the United Kingdom and also, to the extent practicable, with the UK Corporate Governance Code (UK CGC).

For the GCGC, the basic concept of which is based, among other things, on the AktG, we were able to issue the Declaration of Conformity 2024 with the Executive Board in accordance with section 161 AktG. For further details, please refer to the Corporate Governance Report in this Annual Report (from page 134) and to the TUI AG website.

In carrying out the audit, the auditor did not identify any facts that would indicate that the declaration on the GCGC issued by the Executive Board and Supervisory Board is incorrect.

Conflicts of interest that have arisen

The Supervisory Board continuously monitored the existence of conflicts of interest in the current financial year and determined that no conflicts of interest arose in financial year 2024.

Audit of the annual and consolidated financial statements of TUI AG and the TUI Group

The Supervisory Board examined whether the annual and consolidated financial statements and the other financial reporting complied with the applicable requirements. The annual financial statements of TUI AG prepared by the Executive Board in accordance with the provisions of the German Commercial Code (HGB), the combined management report of TUI AG and the TUI Group and the consolidated financial statements for financial year 2024 prepared on the basis of the International Financial Reporting Standards (IFRS) were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover, and each received an unqualified audit opinion. The aforementioned documents, the Executive Board's proposal for the appropriation of net retained profits and the auditor's reports were submitted to all members of the Supervisory Board in good time. We discussed them in detail at the Audit Committee meeting on 9 December 2024 and at our balance sheet meeting on 10 December 2024, at which the Executive Board explained the financial statements to us in detail. At these meetings, the Chairman of the Audit Committee and the auditor reported on the results of their audits, the focus points of which had previously been determined with the Audit Committee for the reporting year. Neither the auditor nor the Audit Committee identified any weaknesses in the early risk detection and internal control system. Following our own audit of the annual financial statements, the consolidated financial statements and the combined management report, we had no reason to raise any objections and therefore concur with the Executive Board in its assessment of the position of TUI AG and the TUI Group.

On the recommendation of the Audit Committee, we approve the financial statements for financial year 2024; the annual financial statements of TUI AG are thus adopted.

Composition of the Executive Board and Supervisory Board

The composition of the Executive Board and Supervisory Board as at 30 September 2024 is shown in the overviews on pages 130 for the Supervisory Board and on page 132 for the Executive Board.

SUPERVISORY BOARD

In the following, I will give you an overview of the personnel changes on the Supervisory Board.

As proposed by the Supervisory Board, Ms Arnold, Ms Garaña Corces, Ms McConville and Mr Trían Riu were re-elected by the Annual General Meeting 2024.

PRESIDING COMMITTEE

There were no changes in the composition of TUI AG's Presiding Committee in financial year 2024.

AUDIT COMMITTEE

There were no changes in the composition of TUI AG's Audit Committee in financial year 2024.

NOMINATION COMMITTEE

There were no changes in the composition of TUI AG's Nomination Committee in financial year 2024.

EXECUTIVE BOARD

Mr Burling, CEO Markets & Airlines, has decided to leave the Group with effect from the end of 5 January 2024. Mr Burling worked for the Group for 34 years and has been a member of the Executive Board of TUI AG since 2015. In this role, he was responsible for the Group's tour operators and airlines. As his successor, Mr Schelp was appointed as a member of the Executive Board of TUI AG as from 1 January 2024. Mr Schelp already held various management positions for the TUI Group from 2002 to 2022.

Thanks to

The Supervisory Board would also like to take this opportunity to thank all employees for their tireless efforts in financial year 2024. Their commitment forms the basis for the Group's success and will continue to make a significant contribution to the success of the TUI Group's transformation in the future.

Hanover, 10 December 2024

For the Supervisory Board

Dr Dieter Zetsche
Chairman of the Supervisory Board

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Report of the Audit Committee

Dear Shareholders,

The Audit Committee has the task of supporting the Supervisory Board in the performance of its supervisory function. In doing so, it deals with the audit of the accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements and compliance. The accounting process includes, in particular, the consolidated financial statements and the group management report including Non-Financial Group Declaration, financial information during the year and the individual financial statements according to the German Commercial Code (HGB). In the completed financial year, it was dealt in particular with issues relating to TUI Group's accounting and financial reporting, as required by law, the German Corporate Governance Code (GCGC) and the rules of procedure of the Supervisory Board.

Furthermore, the Audit Committee is responsible for the selection of the external auditor, whereby it also reviews the qualification as well as the independence of the auditor. The selected auditor is then proposed by the Supervisory Board to the General Meeting for appointment. After the appointment by the General Meeting, the Supervisory Board formally commissions the external auditor to audit the annual financial statements and the consolidated financial statements. The auditor is also commissioned to review the half-yearly financial report as well as any additional interim financial information that meets the requirements for the half-yearly financial report. The Audit Committee has agreed with the auditor that the auditor shall inform the committee without delay of all findings and events of significance for the committee's tasks that come to the auditor's attention during the performance of the audit. Furthermore, the Audit Committee has agreed with the auditor that the auditor will inform the committee and make a note in the audit report if, during the performance of the audit, the auditor discovers facts that show a misstatement in the declaration on the GCGC issued by the Executive Board and the Supervisory Board. In addition, the Audit Committee regularly assesses the quality of the audit.

PROF. DR EDGAR ERNST
Chairman of the Audit Committee

The Audit Committee, which has equal representation, currently consists of the following eight members of the Supervisory Board:

- Prof. Dr Edgar Ernst (Chairman)
- Christian Baier
- Dr Jutta Dönges
- Stefan Heinemann
- Frank Jakobi
- Mark Muratovic
- Stefan Weinhofer
- Dr Dieter Zetsche

Through the appointment of financial experts, the Audit Committee has expertise in the areas of accounting and auditing. The expertise in the field of accounting consists of special knowledge and experience in the application of accounting principles and internal control and risk management systems; the expertise in the field of auditing consists of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit. The Chairman of the Audit Committee, Prof. Dr Edgar Ernst, is an expert in both areas. In addition, Mr Christian Baier and Dr Jutta Dönges fulfil the requirements of a financial expert within the meaning of the GCGC. The relevant members of the Audit Committee are also named in the Corporate Governance Report starting on page 134, where more detailed information on their expertise in the aforementioned areas is also provided. In summary, it should be noted here that the members of the Audit Committee all have competences relevant to the sector in which the company operates.

With regard to the Chairman of the Audit Committee, Prof. Dr Edgar Ernst, the Supervisory Board is of the opinion that he is independent of the Company and the Executive Board (for the independence of the other members of the Audit Committee, see page 139).

The Audit Committee regularly meets six times a year. The meeting dates and agendas are based in particular on the reporting cycle of the Group and the agendas of the Supervisory Board. In addition, there may be other topic-related meetings.

In addition to the members of the Audit Committee, the meetings were also attended by the Chairman of the Executive Board and the Chief Financial Officer, as well as the heads of Group Financial Accounting & Reporting, Group Audit, Risk & Control, Group Legal, Compliance & Board Office, Group Treasury, Group Controlling, Group Corporate Finance & Group Investor Relations.

The auditors were invited to attend the meetings to discuss relevant issues. Other members of TUI Group's senior management as well as TUI Group executives with operational responsibility or external consultants were invited as required.

In addition to the meetings of the Audit Committee, the Chairman of the Audit Committee also held individual discussions with the Executive Board, division heads or the responsible partners of the auditor if this appeared necessary to go into more detail on individual topics and issues. The Chairman of the Audit Committee reported on the main results of these discussions at the following meeting of the Audit Committee.

The Chairman of the Audit Committee reports on the work and proposals of the Audit Committee as well as on the content of individual discussions in the respective subsequent Supervisory Board meeting.

The members attended the meetings of the Audit Committee as shown in the table on page 13. The format of the respective meeting is also shown there.

Informative value of financial reporting and monitoring of the accounting process

The preparation of the annual financial statements and annual report of a German public limited company is the sole responsibility of the Executive Board. According to § 243 (2) HGB, the annual financial statements must be clear and concise and provide a realistic overview of the company's economic situation. Against this background, the Audit Committee is convinced – although the assessment was not delegated to the Audit Committee – that the submitted annual report meets the legal requirements.

In order to also satisfy the committee of the informative value of the annual financial statements and the interim reporting, the committee was informed in detail by the Executive Board about the business development and the financial situation of the Group in the four Audit Committee meetings, which took place immediately before the publication of the respective financial report. The corresponding reports were discussed. If the auditor had conducted an audit or review, the auditors reported on the results of the audit at these meetings in detail on important aspects of the financial statements and on the results of the audit or the auditor's review. According to the GCGC, discussions should take place in the absence of the Executive Board on a regular basis. In the past financial year, the Audit Committee was also regularly given this opportunity. This applies in particular to the audit of the financial statements. In the past financial year, the Audit Committee also discussed with the auditor the assessment of the audit risk, the audit strategy and audit planning as well as the audit results. In addition, the Chairman of the Audit Committee regularly discussed the progress of the audit with the auditor and reported to the Audit Committee on each occasion.

In order to monitor accounting, the Audit Committee dealt intensively with individual aspects. As in previous years, the economic development of TUI AG was a key topic at our meetings. In particular, the Executive Board reported in detail on the measures taken to refinance the company and the development of the rating. In addition, the Audit Committee was continuously informed about the delisting from the London Stock Exchange and the listing in the Prime Standard of the Frankfurt Stock Exchange as well as the corresponding implications for the TUI Group.

In addition, the committee considered the accounting treatment of significant balance sheet items, in particular goodwill, specific provisions as well as the development of TUI AG's equity.

In consultation with the auditor, the committee assured that the assumptions and estimates underlying the accounting were appropriate. Furthermore, material aspects arising from the operational business were acknowledged by the Audit Committee.

The key financial figures were also discussed for each quarterly report, each quarterly interim statement and the annual financial statements.

The report of the Chairman of the Audit Committee on the monitoring of transactions with related parties within the business year was also discussed. Since none of the transactions – neither on an individual nor on a cumulative basis – exceeded the defined threshold value in the reporting year, a control of the monitored individual matters was carried out.

Since the introduction of mandatory Non-Financial Group Declaration in the management report, the Supervisory Board has been responsible for reviewing the content of these disclosures. The Supervisory Board decided to seek support of the auditor, Deloitte, in reviewing the disclosures. Accordingly, we have been informed of the results of the auditor's review and are of the opinion that the information published in the Non-Financial Group Declaration is appropriate and adequate. In the past financial year, the Audit Committee was also regularly informed about the requirements, the process and the current status of the implementation of future sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) on the basis of the European Sustainability Reporting Standards (ESRS).

In its assessment of all aspects of accounting and financial reporting discussed, the Audit Committee agrees with the assessment of the Executive Board and the auditor.

On 22 August 2023, TUI AG received a notice from the German supervisory authority BaFin ordering a random audit of the annual report as at 30 September 2022. The audit covered the reporting on the macroeconomic environment, the consideration of climate-related risks, the provisions for maintenance in connection with aircraft rental agreements and selected disclosures in the notes. The questionnaires received from BaFin were answered by TUI AG in a timely manner. In a letter dated 10 January 2024, BaFin informed the Executive Board of TUI AG of the conclusion of the procedure and the result of the audit. Accordingly, the audit did not reveal any violations of statutory regulations, including generally accepted accounting principles or other accounting standards permitted by law (IFRS), with regard to the audit areas examined.

Effectiveness of the control and risk management system

The Audit Committee is guided in its legal obligation to deal with the effectiveness of the internal control and risk management system by the conviction that a stable and effective internal control system is indispensable to ensure economic success in the long term. To fulfil its monitoring task, the Audit Committee is regularly informed about the degree of maturity of the implemented controls and also about the further development of the internal control system.

The Group has continuously developed its internal control system on the basis of the COSO concept. The main financial controls are carried out and confirmed by local management. This process is continuously monitored by the established central function. In the largest source markets, the UK and Germany, further internal controls are also reviewed.

In addition, the auditor also reports on any weaknesses in the Group's accounting-related control system that it identifies, and management follows up on their timely elimination.

As described in the risk report from page 34 onwards, the Audit Committee receives regular reports on the effectiveness of the risk management system, which includes the early risk detection system required by law. The Group Risk Oversight Committee that has been set up is of crucial importance within the group. The Audit Committee is convinced that an adequate risk management system is in place.

The internal audit department ensures the independent monitoring of the implemented processes and systems as well as selected projects and reports directly to the Audit Committee at each regular meeting. During the reporting period, the Audit Committee was not informed of any audit findings that indicated material weaknesses in the internal control system or the risk management system. In addition, regular discussions take place between the Chairman of the Audit Committee and the Director Group Audit for closer coordination. The annual audit planning is carried out in an agile manner. The Audit Committee has received detailed reports on the methodology and has taken note of and approved it, together with the audits for the coming financial year that have already been determined in this context. The Audit Committee believes that the regular coordination ensures the effectiveness of the internal audit. Furthermore, an auditing firm was commissioned in the financial year to carry out an independent analysis of the internal audit system with a focus on the six minimum standards in accordance with IDW Auditing Standard 983 and DIIR Auditing Standard No. 3, including an analysis of the self-assessment carried out. The auditing firm has confirmed that, with regard to the six minimum standards for the internal audit system, including the area of fraud management, which is part of the group audit, there is a high level of maturity that fully meets the minimum standards.

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The Audit Committee was also regularly informed about current key areas and developments in the field of data protection during its meetings in this financial year. Based on this report, the Audit Committee is convinced that the measures taken throughout the Group for this purpose are designed to meet the requirements of the EU GDPR. In addition, the committee was informed about key aspects of IT security and also discussed the German Supply Chain Obligations Act (LkSG) and its impact on the TUI Group.

Whistleblowing systems for employees in the event of compliance violations

A standardised whistleblowing system has been set up in TUI Group through which employees can draw attention to possible breaches of compliance guidelines.

As part of the reporting on the legal compliance system, the key findings from the whistleblower system in the past financial year were presented.

Review of the independence and objectivity of the auditor

For financial year 2024, the Audit Committee recommended to the Supervisory Board that Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte) be proposed to the Annual General Meeting as auditors. Following the appointment of Deloitte as auditors by the Annual General Meeting in February 2024, the Supervisory Board commissioned Deloitte to audit the 2024 financial statements.

The Audit Committee had Deloitte explain to it in advance the audit plan for the annual financial statements as at 30 September 2024. This plan includes the main focal points of the audit and the group of companies to be audited from the Group's perspective. The Audit Committee is convinced that this plan ensures that the audit adequately takes into account the identifiable risks. It also considers the independence and objectivity of the auditor to be a given and regularly also assesses the quality of the audit as part of a structured survey.

Based on regular reporting by the auditor, the committee was convinced of the effectiveness of the external audit and decided to recommend to the Supervisory Board that Deloitte be proposed to the Annual General Meeting as auditor again for financial year 2025. Deloitte was selected as auditor in a public tender process in financial year 2016 and has been appointed as auditor without interruption since the first election by the Annual General Meeting in 2017.

In order to ensure the independence of the auditor, all engagements for the provision of non-audit services by the auditor must be submitted to the Audit Committee for approval before the engagement is awarded. The Audit Committee makes use of the possibility to delegate the approval to the company depending on the size of the order. The chairperson of the Audit Committee is only involved in the decision if a fixed cost limit is exceeded. If the auditor provided services to the group outside of the audit, the nature and amount of these services were explained to the Audit Committee. This procedure is in line with the company's existing policy on the approval of non-audit services, which takes into account the requirements of the regulations of the Audit Reform Act (AReG) on prohibited non-audit services and on limitations on the amount of non-audit services. Worldwide, the non-audit services amounted to € 2.5 m. The audit fee received by the auditor, excluding voluntary audits, amounted to € 9.4 m. The corresponding non-audit services accounted for approximately 26% of Deloitte's audit fees.

Hanover, 9 December 2024

Prof. Dr Edgar Ernst
Chairman of the Audit Committee

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COMBINED MANAGEMENT REPORT*

*The present combined Management Report has been drawn up for both the TUI Group and TUI AG. It was prepared in accordance with sections 289, 289 (a), 315, 315 (a), 315 (b), 315 (c) and 315 (d) of the German Commercial Code (HGB).

The combined Management Report also includes the Statement on Corporate Governance and the Financial Highlights.

TUI Group Strategy

Tourism – growth sector driven by strong fundamentals

The travel and tourism market is a significant contributor to the global economy[1], growing above global GDP levels pre-pandemic[2]. The sector is expected to deliver its highest ever global economic contribution in 2024[3]. Demand for tourism is driven by strong fundamental trends – people living longer, healthier lives; the growth of middle classes across the globe, which increases disposable income; and the desire for experiences, of which travel plays a significant part. This demand has proved highly resilient – after the disruption of COVID-19 and resulting travel restrictions, international arrivals were almost back to 2019 levels in 2024 (January – July)[4]. At TUI, we experienced a strong uplift in bookings for our destinations on the easing of government travel restrictions during the pandemic. In financial year 2024, Markets + Airline had 20 million customers, 7% ahead of financial year 2023 levels. Therefore, we expect leisure tourism to continue to be an attractive growth market over the long-term.

The industry still faces some key challenges. Geopolitical events, cost inflation (driven by higher energy costs and labour supply shortages), higher interest rates and foreign exchange fluctuations still persist, impacting supplier cost bases, as well as putting a squeeze on household income and hence consumer sentiment. In turn, this reinforces customer needs for brands which they can depend on, and which deliver choice and flexibility in configuring the right product for them. TUI's focus on delivering quality to our customers while increasing choice and flexibility, both in terms of our product offer, and by increasing the flexibility of flight and hotel sourcing, mean that we can deliver growth by offering value and choice, without additional risk capacity.

Climate change is a pressing global challenge. There is an urgency to act and for everyone to play a role in the transition to a low carbon economy. TUI has committed to Science Based Targets, in order to signficantly reduce carbon emissions in our airline, hotels and cruise business by 2030, with a further commitment to reach net-zero by 2050 at the latest. In addition, our Sustainability Agenda sets out our wider commitments to sustainability, in terms of People, Planet and Progress.

Also see Nonfinancial Group declaration, page 76

TUI's business model – integration & differentiation

TUI is a leisure experiences group covering the entire holiday journey, serving millions of customers, operating 125 aircraft, 433 hotels (including our concept hotels) and 17 cruise ships[5], as well as a sizeable experiences, transfers and tours business. The group is structured into two divisions – Holiday Experiences and Markets + Airline.

Holiday Experiences delivers differentiated content in hotels, cruises, experiences, transfers and tours:

- Our hotel portfolio consists of own and differentiated leisure brands covering the luxury (The Mora, Royalton), global (Riu, Robinson, TUI Blue, TUI Magic Life), regional (Atlantica, Grupotel, Iberotel, Akra) and price-conscious (TUI Suneo, AQI) segments. The portfolio is well-diversified in terms of product offer, customer segments, destination mix and ownership models, and benefits from multi-channel and multi-source market distribution via Markets + Airline, direct to customer, and via third parties such as Online Travel Agents (OTAs) and tour operators mainly outside our own source markets.
- Our three cruise brands (Mein Schiff, Hapag-Lloyd Cruises, Marella) cover the cruises sector from premium all-inclusive to luxury to expeditions, with leading positions in the German-speaking and UK markets[6], benefitting from multi-channel distribution via Markets + Airline, direct to customer and via third party intermediaries.
- TUI Musement is one of the largest[7] digital providers in the online intermediary market for tours and activities, including experiences (excursions, activities and tickets) and tours (multi-day tours), connecting our own and third party product portfolio in destinations with Markets + Airline customers, direct to customer and via third parties; as well as providing transfers and customer support in the destination.

[1] Based on WTTC Economic Impact Research 2023 – Travel & Tourism sector contributed 10.4% to global GDP in 2019; this decreased to 5.3% in 2020, 6.1% in 2021 and 7.6% in 2022, due to government restrictions on mobility. However, Travel & Tourism GDP climbed back to 88% of 2019 levels in 2023.
[2] Based on UNWTO international travel arrivals CAGR versus global GDP CAGR for 2015 to 2019
[3] Based on WTTC press release, April 2024
[4] Based on UNWTO, World Tourism Barometer, September 2024
[5] As at 30 September 2024, including concept hotels in third party properties
[6] As measured by capacities
[7] As measured by market share, Skift State of Travel 2024

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FINANCIAL YEAR 2024

COMBINED MANAGEMENT REPORT

Markets + Airline distributes and fulfills package holidays, components and ancillaries to a large customer base in more than a dozen source markets. TUI is (according to consumer surveys for unaided brand awareness and consideration) a leading tourism brand[8]. We differentiate ourselves from the competition (such as tour operators, OTAs, hotels and airlines) based on our products, services and customer experience. By covering the whole customer journey, TUI holds multiple digital and physical touchpoints with its customers, and therefore delivers a strong blend of digital and human interaction. This enables TUI to follow a customer centric approach, aiming to create long-term relationships with its customers.

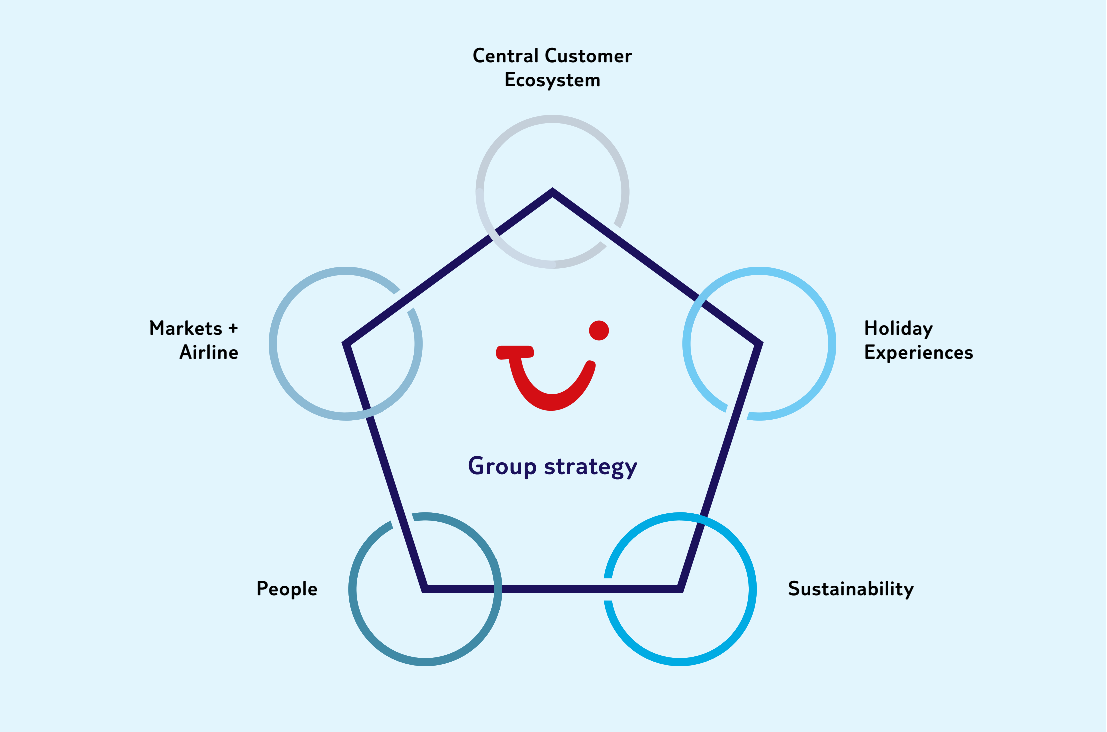
As a vertically integrated group, it is also important to leverage cross-sell and upsell potential across all divisions, and the power of our brand in order to reduce cost of sales. Our Central Customer Ecosystem creates the basis of this, covering all aspects of marketing, sales and service.

TUI's strategy for profitable growth

TUI is committed to delivering profitable growth. We have already laid the foundations for this, and delivery is underway.

Our strategy is defined across both of our business divisions, embedded onto one central customer ecosystem, underpinned by our Sustainability Agenda and by our people. The framework for implementation can be visualized with our 'strategy diamond', based on five key elements – Holiday Experiences, Markets + Airline, Central Customer Ecosystem, Sustainability and People.

Strategy implementation – our strategy diamond



[8] As measured by brand consideration in TUI brand performance tracking, completed by Metrixlab

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HOLIDAY EXPERIENCES

Our Holiday Experiences strategy focusses on asset-right, profitable growth in differentiated content, serving global demand.

In Hotels & Resorts, product growth is delivered by expanding our portfolio in new and existing destinations. Since financial year 2022 we have added 72 new hotels (including concept hotels) to our pipeline. Growth in hotels is based on an asset-right and scaleable approach – through our joint ventures, the TUI Global Hotel Fund, launched by TUI and partners, and management and franchise contracts. We leverage our vertically integrated model, by jointly developing clusters such as Cape Verde and Zanzibar. In doing so, we aim to capture end-to-end profitability, drive product differentiation and economies of scale, and create a first-mover advantage. We also drive differentiation through our brand strategy, targeting distinct customer segments, through product innovation, and through our investments and efforts in ESG (Environmental, Social, Governance). We have continued to develop and enhance our own global distribution and marketing platform, with a focus on global distribution alongside our existing source markets, as a basis to attract third party hoteliers for management and franchise contracts, and to drive more customers into our Central Customer Ecosystem across the globe.

Product growth in Cruises is driven by investment into new-build ships by our TUI Cruises JV, with the launch of Mein Schiff 7 in 2024 and two further launches over the next two years. Each ship delivers successively more differentiation, with new product and sustainability features. Further product features have also been added to our Marella fleet, and we continue to invest in and execute ESG initiatives in all three fleets in order to deliver our sustainability goals. We believe our differentiation in Cruises is a strong driver of our high rates of customer satisfaction and NPS (Net Promoter Score). We are also continuing to enhance our distribution platform for both TUI Cruises and Marella, with further app development to move from service to sales and deliver a more integrated customer experience, as well as exploring new source market opportunities.

In TUI Musement, we are progressing the platforming and commercialization of Experiences, Tours and Transfers. We have a common platform strategy for all three businesses, focused on scalability, digitalisation and dynamic production, enabling profitable growth and global expansion. Own products are a key differentiator and driver of profitable growth. In financial year 2024, sales from our portfolio of own experiences, including our flagship TUI Collection products, increased by 12% to 5.3 m. We are expanding our product portfolio in our source markets (for the inbound and local market) as well as sun and beach destinations, which supports the expansion of our Central Customer Ecosystem, by providing further cross-sell and up-sell opportunities, as well as attracting new customers into the ecosystem. Digitalisation and dynamic production enable us to offer choice, flexibility, personalization and seamless customer experience, as well as scalability and efficiency.

MARKETS + AIRLINE

Our Markets + Airline strategy is focused on strengthening and leveraging our capabilities (including brand and distribution, differentiated and exclusive product, quality and service) and market positions, with growth delivered from new products and new customers, based on scaleable common platforms. Product growth is based on an expanded offer of accommodation only, flight only and ancillaries, as well as increasing the volume and proportion of dynamic packaging and supply, to deliver choice, flexibility and hence growth, without increasing risk capacity. In financial year 2024, dynamic package customer volumes grew by 17% to 3.0 m. Customer growth is driven by the increase in choice and flexibility, as we enlarge our appeal across more customer segments, supported by our brand and marketing strategy, and initiatives such as the 2023 relaunch of First Choice in the UK which targets new, especially younger, customers. And our strong focus on customer experience means that we achieved another year of NPS and customer satisfaction growth, to 52 and 8.5 respectively in financial year 2024.

In September 2024 we announced the acceleration of our Markets + Airline transformation, to ensure that we deliver our growth targets, through the implementation of a new set-up. This consists of three main focus areas: (1) A new operating model for the tour operator, creating a fully integrated functional Marketplace for the core business, enabling global scalability at speed, aiming at more efficiency and profitability; (2) A separate unit for Expansion Businesses, which will focus on new product categories and markets; (3) An enlarged commercial function for TUI Airline, in order to take advantage of commercial opportunities, whilst aligning operations with the needs of the regions and delivering value for TUI Group.

CENTRAL CUSTOMER ECOSYSTEM

As well as growing customer volumes, our marketing and distribution strategy focuses on maximizing customer lifetime value, leveraging the synergies between both of our business divisions, lowering our cost of distribution. As the basis for this, we will continue to strengthen and leverage the TUI brand in existing and untapped customer segments and broaden our brand image for our growth products (such as cities, tours, accommodation only and experiences). We continue to enhance our app with a focus on native bookflows, targeting further growth in the proportion of digital sales made in-app. In financial year 2024, the share of app sales grew to 7.3% (previous year 5.2%). Our customer relationship management strategy is focused on growing the marketing base through improved permission capture, extension of automated marketing to all products and channels, and growing revenue by improved cross-channel marketing. We also continue to streamline the digital customer experience via the operation of a single customer account and implementing a common payment process. All of this facilitates a full product suite offering and cross-selling, and increases the number of holiday and experience touchpoints we have with the customer, whilst at the same time reducing our cost of sales.

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Sustainability agenda 'People, Planet, Progress'

As an industry leading Group, we want to set the standard for sustainability in the market. We believe that sustainable transformation should not be viewed solely as a cost factor, but that sustainability pays off – for society, for the environment, and for economic development. Our strategy is therefore underpinned by clear science-based goals and targets on sustainability. TUI's Sustainability Agenda consists of three building blocks – People, Planet and Progress.

PEOPLE

- We will ensure that local people and communities benefit from tourism and the local supply chain.
- We will empower a generation of sustainability changemakers. TUI Care Foundation will drive positive social and environmental impacts in tourism communities around the world.

PLANET

- In 2023, our emission reduction targets were recognised by the Science Based Targets initiative (SBTi). TUI commits to implementing these targets in line with the latest climate science findings.
- We will achieve net-zero emissions across our operations and supply chain by 2050 at the latest. We will change the way we use natural resources and become a circular business.

PROGRESS

- Together with our partners, we will co-create the next-generation sustainable business model for the tourism industry through our Destination Co-Lab Rhodes.
- We will enable our customers to make sustainable holiday choices in every stage of the customer journey.

We already operate one of Europe's most carbon-efficient airlines and we aim to continuously improve our environmental performance. We will build on the progress we have already made and reduce emissions further through our commitment to science-based targets and our emission reduction roadmap.

In 2024, relative carbon emissions of our airlines decreased by 0.7%. This improvement was primarily driven by higher load factors versus 2023, as well as our re-fleeting programme, with older aircraft being replaced by new, more carbon-efficient aircraft. In 2024, we still operated 19 Boeing 787 aircraft. In the period under review, our Boeing 737 Max fleet grew from 37 to 42 aircraft.

Further information from page 82 onwards

People strategy – digital, engaging, inclusive

Our employees make a key contribution to TUI's success. To secure this success in the long run, we focused in the financial year under review on pressing ahead with the initiatives defined in our People Strategy.

The vision outlined in our People Strategy is to be Digital, Engaging and Inclusive.

To implement our vision, our People Strategy focuses on the following key areas of action:

1. Simplification, Harmonisation, Focus
2. Digital Transformation
3. Enable Growth
4. Positive Employee Experience
5. Diversity, Equality & Inclusion
6. Enable Best Performance

In this way, we are aiming to create a framework that enables our employees to deliver their best performance and work together successfully as a team.

Further information from page 87 onwards

TUI – strategic execution & delivery of profitable growth

The execution of our growth strategy has contributed to delivery of an underlying EBIT of € 1.3 bn in FY 2024, up 33% on prior year, and driven by all segments. TUI has left behind the effects of the pandemic and, in our view, is firmly positioned for the next growth phase, driven by growth in differentiated product, increased customer choice and flexibility, strong focus on operational efficiency and maximizing business synergies, and the implementation of scaleable platforms to enable global expansion.

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Group structure

TUI GROUP

HOLIDAY EXPERIENCES	MARKETS + AIRLINE	ALL OTHER SEGMENTS
Hotels & Resorts Cruises TUI Musement	Northern Region Central Region Western Region	

TUI AG parent company

TUI AG is TUI Group's parent company headquartered in Hanover. It holds direct or, via its affiliates, indirect interests in the principal Group companies conducting the Group's operating business in individual countries. Overall, TUI AG's group of consolidated companies comprised 252 direct and indirect subsidiaries at the balance sheet date. A further 17 affiliated companies and 25 joint ventures were included in TUI AG's consolidated financial statements on the basis of at equity measurement.

For details on principles and methods underlying the consolidated financial statements and TUI Group shareholders, see page 180 and 271.

ORGANISATION AND MANAGEMENT

TUI AG is a stock corporation under German law, whose basic principle is two-tiered management by two boards, the Executive Board and the Supervisory Board. The Executive and Supervisory Boards cooperate closely in governing and monitoring the Company. The Executive Board is responsible for the overall management of the Company.

The appointment and removal of Board members are based on Sections 84 et seq. of the German Stock Corporation Act in combination with Section 31 of the German Co-Determination Act. Amendments to the Articles of Association are effected on the basis of the provisions of Sections 179 et seq. of the German Stock Corporation Act in combination with Section 24 of TUI AG's Articles of Association if appplicable.

EXECUTIVE BOARD AND GROUP EXECUTIVE COMMITTEE

As at the balance sheet date, the Executive Board of TUI AG consisted of the CEO and four other Board members.

For details on Executive Board members, see page 132.

The Executive Board is the Company's central decision-making body. In addition, there is the Group Executive Committee (GEC), which as of 30 September 2024 consisted of eleven members, including five Executive Board members, and is chaired by the Chairman of the Executive Board. As a rule, the Group Executive Committee participates in all Board meetings, with the exception of items dealing with personnel matters relating to the composition of the Senior Leadership Team. The GEC was set up to enhance informed, effective decision-making and to create a flat hierarchy and strong execution environment. It reflects a culture of openness and information sharing.

For further details, also see: www.tuigroup.com/en-en/investors/corporate-governance

TUI Group reporting structure

TUI Group is a global integrated tourism group. As at 30 September 2024, its core businesses, Holiday Experiences and Markets + Airline, were clustered into the segments Hotels & Resorts, Cruises and TUI Musement as well as three regions: Northern, Central and Western Region. TUI Group also comprises All other segments. The Group's reporting structure thus remained unchanged year-on-year in the reporting period. Due to the re-segmentation of an IT company from Western Region to All other segments in financial year 2024 the previous period has been adjusted.

HOLIDAY EXPERIENCES

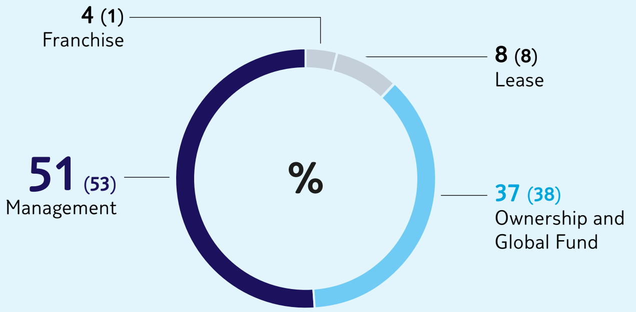
Holiday Experiences comprises our hotel, cruise and destination activities.

HOTELS & RESORTS

The Hotels & Resorts segment comprises TUI Group's diversified portfolio of Group hotel brands and hotel companies. The segment includes hotels majority-owned by TUI, joint ventures with local partners, stakes in companies giving TUI significant influence, and hotels operated under management contracts.

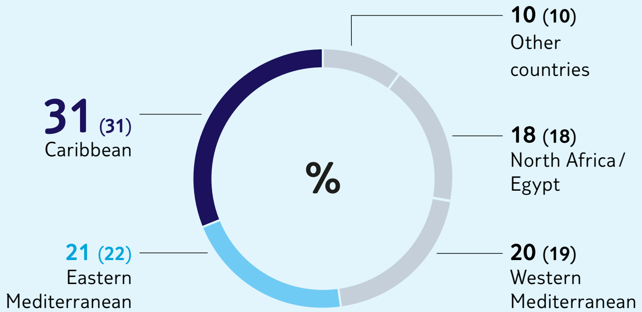
In financial year 2024, Hotels & Resorts comprised a total of 365 hotels with 286,048 beds. 339 hotels, i. e. the majority, are in the four- or five-star categories. 51% were operated under management contracts, 37% were owned by one of the hotel companies, 8% were leased and 4% of the hotels were managed under franchise agreements.

Hotels & Resorts financing structure in %



In brackets: previous year

Hotels & Resorts beds per region in %



Hotels & Resorts portfolio

Hotel brand	3 stars	4 stars	5 stars	Total hotels	Beds	Main sites
Riu	2	43	51	96	105,480	Spain, Mexico, Caribbean, Cape Verde, Portugal, Morocco
Robinson	1	15	8	24	15,390	Spain, Greece, Türkiye, Austria, Maledives
Blue Diamond	2	12	22	36	35,458	Cuba, Dom. Rep., Jamaica, Mexico, Saint Lucia
Others	18	114	74	209	129,720	Spain, Greece, Türkiye, Egypt
Total	**23**	**184**	**155**	**365**	**286,048**	

As at 30 September 2024

Riu is the largest hotel group in the portfolio of Hotels & Resorts in terms of the number of hotels. The Mallorca-based enterprise primarily operates four- and five-star hotels in Spain, Mexico and the Caribbean. Its three product lines Riu Classic Hotels, Riu Plaza Hotels (city hotels) and Riu Palace Hotels (premium segment) target different customer groups.

Robinson operates mainly four- and five-star club hotels and is a leading German provider of club holidays in terms of the number of resorts. Most of its clubs are located in Spain, Greece, Türkiye, the Maldives and Austria.

Blue Diamond is a hotel chain in the Caribbean. The Hotels & Resorts segment comprises 36 resorts in the Caribbean and Mexico. These also include hotels of the Royalton brand. This brand is also is one of the twelve core brands of the TUI Group, covering all areas of the leisure hotel market from price-conscious to luxury.

The portfolio also includes TUI Blue, TUI Magic Life, TUI Suneo as well as the new brand The Mora, which are reported in the others hotels. The Mora brand is designed for a new target group that is looking for modern, contemporary luxury and a high flexibility in holiday arrangements. In 2024, the first hotel under the new brand opened in Zanzibar, Tanzania.

TUI Blue, present in more than 20 countries, is TUI Group's global hotel brand and targeting an international audience. In financial year 2024, TUI Blue continued its expansion into Asia, opening hotels in Vietnam, Malaysia and China.

TUI Magic Life is an all-inclusive brand, targeting an international audience seeking club holidays with different profiles in beachfront locations.

TUI Suneo offers value for money hotels.

Our hotels operated by third-party hoteliers include a total of 68 hotels belonging to our international concept brands. This brings the total number of TUI Group portfolio hotels to 433.

CRUISES

The Cruises segment comprises the joint venture TUI Cruises, which operates cruise ships under the brands Mein Schiff and Hapag-Lloyd Cruises, and Marella Cruises. With their combined fleet of 17 vessels as at the reporting date, the three cruise lines offer different service concepts to serve different target groups.

Cruise fleet by ownership structure

	Owned	Leases	Total
TUI Cruises (Joint Venture)	12	0	12
Mein Schiff	7	0	7
Hapag-Lloyd Cruises	5	0	5
Marella Cruises	3	2	5
Total	**15**	**2**	**17**

As at 30 September 2024

TUI Cruises is a joint venture in which TUI AG and the US shipping company Royal Caribbean Cruises Ltd. each hold a 50% stake. With its seven 'Mein Schiff' vessels, TUI Cruises is top-ranked in the German-speaking market for cruises. The Insight Guides (formerly Berlitz Cruise Guide), an international reference for cruise ship ratings, ranked the TUI Cruises ships into high positions in the four-stars category. After Mein Schiff 7 was put into service in July 2024, the commissioning of two further new builds is planned for the coming years, which should bring the fleet to a total of nine ships. After the pandemic years, TUI Cruises is thus continuing its growth as planned.

The traditional Hapag-Lloyd Cruises brand, which is also part of TUI Cruises, is a leading provider of luxury and expedition cruises in German-speaking markets. At the reporting date, the fleet comprised two luxury liners and three expedition cruise ships. They are the only ships worldwide to have each been awarded a five-star rating by Insight Guides. This makes Hapag-Lloyd Cruises the winner of the title of best fleet worldwide.

With a fleet of five ships, Marella Cruises offers voyages in different segments, including family and city cruises, in the British market.

TUI MUSEMENT

The TUI Musement segment delivers local services at our holiday destinations around the world. To do this TUI is present in numerous holiday destinations with its own staff. TUI Musement's business model for the distribution of experiences (excursions, activities and tickets), transers and multi-day tours is based on an online platform open to customers and suppliers. Experiences are either developed by TUI or sourced locally. The products are sold to customers worldwide via TUI websites and apps, as well as through local teams and B2B partners.

TUI Musement serves three customer groups:

- TUI customers: Providing services to our guests in the destination via service and operation teams and tour guides as well as via the TUI Digital Assistant App and the TUI Experience Center.
- Strategic B2B customers: Digital and on-site services for partners from various sectors of the travel industry, such as airlines, cruise lines, ground transport, OTAs and tour operators.
- B2C Open Market clients: Global distribution of experiences and tours for travellers.

MARKETS + AIRLINE

Our Markets + Airline business comprises three regions: **Northern Region** (tour operators and airline in the UK, Ireland and the Nordics), **Central Region** (tour operators and airline in Germany and tour operators in Austria, Poland and Switzerland) and **Western Region** (tour operators and airline in Belgium and the Netherlands as well as tour operators in France).

Each of the three regions has well-positioned sales and marketing structures offering our customers attractive holiday experiences. Our sales activities are based on both online and offline channels. The travel agencies include Group-owned agencies as well as joint ventures and agencies operated by third parties. In order to offer our customers a wide choice of accommodation, our source market organisations can draw on a substantial portfolio of TUI hotels. They also have access to third-party bed capacity, some of which has been contractually committed.

Our own flying capacity continues to play a key role in our business model. Thanks to a combination of Group-owned and third-party capacity, we offer tailored travel programmes for each individual source market region and can respond flexibly to changes in customer preferences. Balanced management of flight and hotel capacity enables us to develop destinations and optimise the margins of both service providers.

ALL OTHER SEGMENTS

'All other segments' includes amongst others the corporate centre functions of TUI AG and the interim holdings, the Group's real estate companies and the Group's key tourism functions.

Research and development

As a tourism service provider, the TUI Group does not engage in research and development activities comparable with manufacturing companies. This sub-report is therefore omitted.

Value-oriented Group management

Management system and key performance indicators

A standardised management system has been created to implement value-driven management across the Group as a whole and in its individual business segments. The value-oriented management system is an integral part of consistent Group-wide controlling and planning processes.

Our key financial performance indicators for tracking our earnings position are revenue and underlying EBIT. Accordingly, underlying EBIT represents the segment indicator as defined by IFRS 8.

We define the EBIT in underlying EBIT as earnings before interest, taxes and expenses for the measurement of the Group's interest hedges. EBIT by definition includes amortisation // impairment of goodwill.

Underlying EBIT has been adjusted for income and expense items which, due to their level and frequency, impact or distort the assessment of operating profitability in the segments and the Group. These one-off items include gains on disposal of investments, major gains and losses from the disposal of assets, and major restructuring and integration expenses. The indicator is additionally adjusted for all effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments. The reconciliation to underlying EBIT also adjusts for goodwill impairments.

To track the Group's financial position in financial year 2024, we identified net capital expenditure and financial investments as well as TUI Group's net financial position as key performance indicators. In addition, we monitor the Group's leverage ratio as a further indicator of financial stability.

Key management variables used for regular value analysis are Return On Invested Capital (ROIC) and Economic Value Added. ROIC is compared with the weighted average cost of capital before tax (WACC).

We regard specific carbon emissions (in g CO_2 / rpk) from our aircraft fleet as a key non-financial performance indicator.

To track business performance in our segments in the course of the year, we also monitor other non-financial performance indicators, such as the customer numbers in tour operation, capacity or passenger days, occupancy and average prices in Hotels & Resorts and Cruises.

Information on operating performance indicators is provided in the sections on 'Segmental performance' (page 62), the Non-financial declaration (page 76) and in the Report on Expected Developments (page 50).

Cost of capital

The cost of capital is calculated as the weighted average cost of equity and debt (WACC). While the cost of equity reflects the return expected by investors from TUI shares, the cost of debt is based on the average borrowing costs for TUI Group. The cost of capital always shows pre-tax costs, i.e. costs before corporate and investor taxes. The expected return determined in this way corresponds to the same tax level as the underlying EBIT included in ROIC. For financial year 2024, we apply a cost of capital of TUI Group of 10.87% (previous year 11.76%).

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ROIC and Economic Value Added

ROIC is calculated as the ratio of underlying earnings before interest and taxes (underlying EBIT) to average invested interest-bearing capital (invested capital).

Given its definition, this performance indicator is not influenced by any tax or financial factors and has been adjusted for one-off effects. From a Group perspective, invested capital is derived from liabilities, comprising equity (including non-controlling interests) and the balance of interest-bearing liabilities and interest-bearing assets with an adjustment for the seasonality of the Group's net financial position. The cumulative amortisations of purchase price allocations are then added to the invested capital.

Apart from ROIC as a relative performance indicator, Economic Value Added is used as an absolute value-oriented performance indicator. Economic Value Added is calculated as the product of ROIC less associated pre-tax capital costs (WACC) multiplied by interest-bearing invested capital.

In the year under review, TUI Group's ROIC amounted to 24.88% (previous year 19.10%). Taking into account the Group's weighted average cost of capital of 10.87%, this resulted in an Economic Value Added of € 729.9 m (previous year € 375.6 m).

Invested Capital

€ million	Notes	2024	2023
Equity		**1,774.3**	**1,947.2**
Subscribed capital	(24)	507.4	507.4
Capital reserves	(25)	7,980.4	9,090.1
Revenue reserves	(26)	– 7,531.5	– 8,474.6
Non-controlling interest	(28)	817.9	824.3
plus interest bearing financial liability items		**5,665.9**	**4,922.5**
Pension provisions and similar obligations	(29)	664.3	670.4
Non-current financial liabilities	(31), (39)	1,543.6	1,198.5
Current financial liabilities	(31), (39)	358.8	98.5
Derivative financial instruments	(39)	459.4	37.0
Lease liabilities (IFRS 16)	(31), (39)	2,639.7	2,918.1
less financial assets		**2,482.1**	**1,926.4**
Derivative financial instruments	(39)	30.8	268.4
Cash and cash equivalents	(22), (39)	2,848.2	2,060.3
Other financial assets		103.1	97.7
Seasonal adjustment[1]		– 500.0	– 500.0
less overfunded pension plans		**75.4**	**98.5**
Invested Capital before addition of effects from purchase price allocation		**4,882.8**	**4,844.7**
Invested Capital excluding purchase price allocation prior year		4,844.7	4,733.7
Ø Invested capital before addition of effects from purchase price allocation[2]		**4,863.7**	**4,789.2**
Invested Capital before addition of effects from purchase price allocation		**4,882.8**	**4,844.7**
plus effects from purchase price allocation		355.2	336.4
Invested Capital		**5,237.9**	**5,181.1**
Invested Capital prior year		5,181.1	5,049.1
Ø Invested Capital[2]		**5,209.5**	**5,115.1**

[1] Adjustment to net debt to reflect a seasonal average cash balance
[2] Average value based at beginning and year-end

ROIC

€ million		2024	2023
Underlying EBIT		**1,296.2**	**977.2**
Ø Invested Capital*		**5,209.5**	**5,115.1**
ROIC	**%**	**24.88**	**19.10**
Weighted average cost of capital (WACC)	%	10.87	11.76
Value added		**729.9**	**375.6**

* Average value based on balance at beginning and year-end

Group performance indicators used in the Executive Board remuneration system

STI-RELEVANT EBIT AT CONSTANT CURRENCY

Group earnings before interest and taxes (EBIT) on a constant currency basis, weighted at 75%, are used to determine annual variable remuneration (STI) for the Executive Board. EBIT is quantified on a constant currency basis in order to avoid any distortion caused by currency-driven translation effects when measuring actual management performance.

Group earnings before interest (including the result of the measurement of the Group's interest hedges) and taxes on a constant currency basis developed as follows in the financial year under review:

Reconciliation EBIT

€ million	2024
EBIT	**1,275.3**
FX effects from translation to budget rates	–9.0
EBIT at budget rates	**1,266.3**

STI-RELEVANT TOTAL CASH FLOW

The second Group key figure taken into account in the Short Term Incentive – STI in accordance with the remuneration system is the cash flow figure 'total cash flow before dividends', which is included in the calculation with a weighting of 25%. For these purposes, total cash flow before dividends is generally calculated using a simplified approach based on the management cash flow statement. The TUI Group's EBIT is also generally adjusted for currency effects for this purpose.

The total cash flow in the financial year 2024 in the amount of € 775.1 m corresponds to the change in cash and cash equivalents. The total cash flow before dividend (€ 920.9 m) is derived from the total cash flow (€ 775.1 m) before dividends from subsidiaries to non-controlling interests (€ 145.8 m) less / plus the following group (re-)financing measures: The net cash inflow from changes in equity (€ 100.6 m) in connection with the issue of the convertible bonds 2024 and the partial repurchase of the convertible bonds 2021 as well as the net cash inflow from the issue of two new bonds (€ 864.0 m) were deducted. The payments for the early cancellation of the convertible bonds with a volume of 80% (€ 477.9 m) and payments made for the non-budgeted acquisitions of short-term money market funds (€ 2.0 m) were taken into account as increasing factors. This results in a total cash flow before dividends and excluding one-off effects from capital measures of € 436.2 m.

The repayment of loans received in the Western region to support the business during the COVID pandemic (€ 35.8 m), which was not included in the plan, the lower than planned borrowing of funds to finance the contribution to Pep Toni Hotels S.A. (€ 60.6 m) and the debt capital raised at group level (€ 60.0 m), which was used to finance hotel projects instead of property-related loans, were taken into account with an increasing effect. The group (re-)financing measures thus total € 156.4 m, which results in a total cash flow before dividends of € 592.6 m that is relevant for the STI compensation system.

LTI-RELEVANT EARNINGS PER SHARE

Since the beginning of the 2024 financial year, the average development of earnings per share from continuing operations (LTI-relevant EPS) has been taken into account when calculating the long-term remuneration of active members of the Management Board (Long Term Incentive – LTI). The performance target reported EPS is defined as the reported non-diluted earnings per share from continuing operations recognised in the approved and audited consolidated financial statements of TUI Group.

Earnings per share from continuing operations (LTI-relevant EPS, non-diluted earnings per share) developed as follows in the financial year under review:

Earnings per share

		2024	2023
Group profit for the year attributable to shareholders of TUI AG	€ million	507.1	305.8
Weighted average number of shares		507,431,033	384,257,173
Basic earnings per share	€	**1.00**	**0.80**

Diluted earnings per share

		2024	2023
Group profit for the year attributable to shareholders of TUI AG	€ million	507.1	305.8
Adjusted Group profit for the year attributable to shareholders of TUI AG	€ million	509.9	305.8
Weighted average number of shares		507,431,033	384,257,173
Weighted average number of shares (diluted)*		516,717,520	384,257,173
Diluted earnings per share*	€	**0.99**	**0.80**

* Previous year adjusted

For the purpose of determining the long-term compensation for members of the Management Board who left before or during the 2024 financial year, the average development of the basic pro forma adjusted earnings per share from continuing operations in accordance with the compensation system agreed with these members of the Management Board will continue to be taken into account.

The basic pro forma adjusted earnings per share developed as follows in the period under review:

Pro forma underlying earnings per shares TUI Group

€ million	2024	2023 adjusted
Underlying EBIT	**1,296.2**	**977.2**
less: Net interest expense	– 413.8	– 448.2
Underlying profit before tax	**882.4**	**529.1**
Income taxes (18% assumed tax rate)	158.8	95.2
Underlying Group profit	**723.6**	**433.8**
Minority interest	200.3	149.9
Underlying Group profit attributable to TUI shareholders of TUI AG	**523.3**	**283.9**
Numbers of shares at FY end (in million)	507.4	384.3
Underlying earnings per share (€)	**1.03**	**0.74**

Earnings per share for the 2023 financial year have been adjusted for the effect of the 10:1 capital reduction carried out in February 2023 and the effect of the bonus component of subscription rights issued as part of the capital increase in March 2023.

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Risk Report

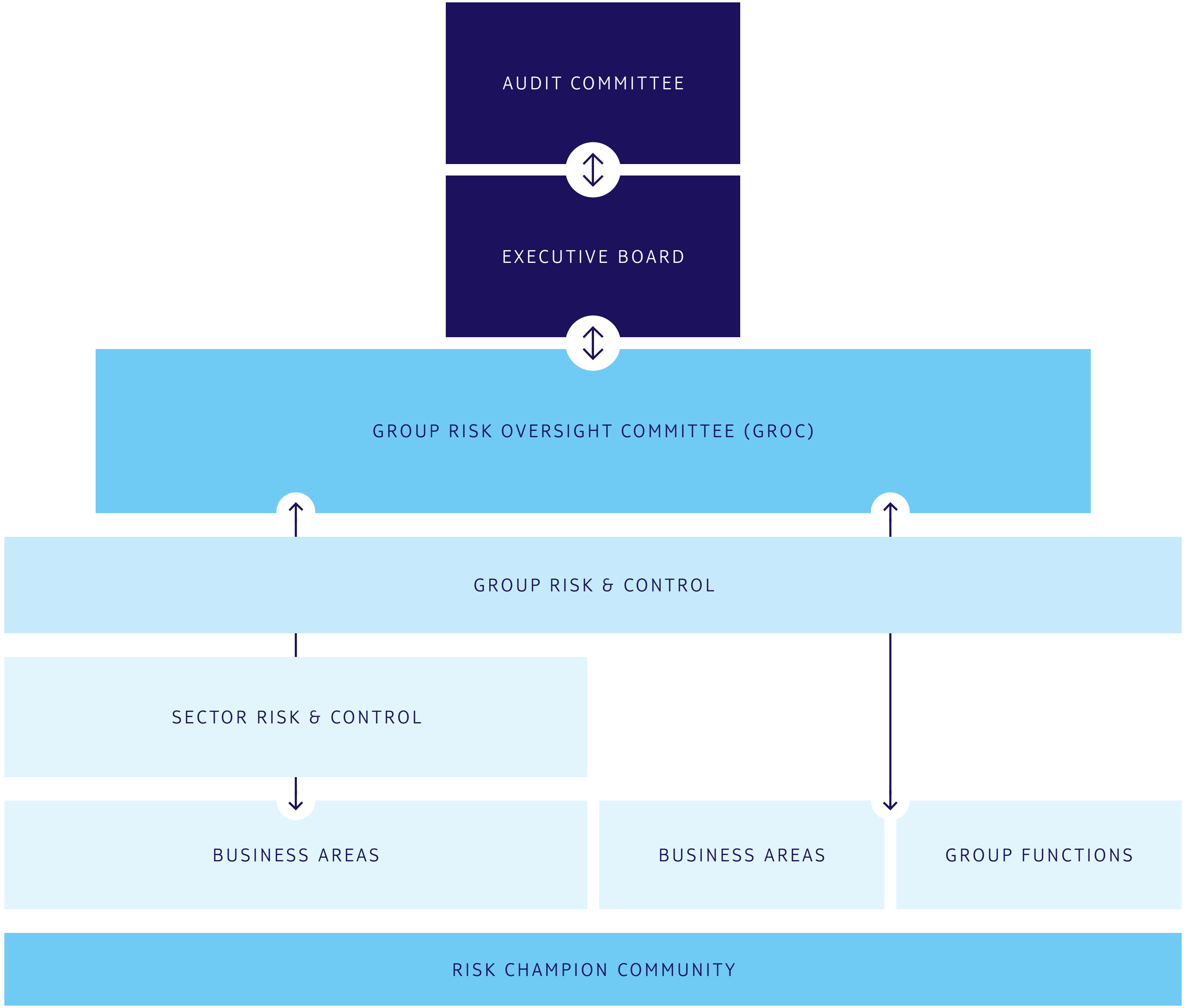
Successful management of existing and emerging risks is critical to the long-term success of our business and to the achievement of our strategic objectives. In order to seize market opportunities and leverage the potential for success, risk must be taken to a reasonable degree. Risk management is therefore an integral component of the Group's Corporate Governance.

At TUI, managing risk is not limited to identifying only those developments that could jeopardise the companies continued existence, it also includes the active management of all other material risks. Risk management is limited to risks only, short-term opportunities are managed in the controlling process, whereas Group Strategy continuously identifies and monitors mid to long-term opportunities. Legal risks are reported in a separate legal risk report.

Risk Governance

The chart below outlines the Risk Governance at TUI and the roles and responsibilities throughout the Group:

TUI risk management governance



Oversee & review
- *Oversee adequacy and effectiveness of the risk management system*
- *Acknowledge the risk appetite*

Direct & assure
- *Overall responsibility for risk management*
- *Determine strategic approach to risk*
- *Approve risk policy including risk appetite and set tone at the top*
- *Agree how principal risks are managed, mitigated and monitored*
- *Review the effectiveness of the risk management system*

Review & communicate
- *Formulate risk strategy and policy*
- *Discuss and propose risk appetite*
- *Summarise and assess principal risks*
- *Ensure effective monitoring*
- *Report back to Executive Board*

Coordinate, support & report in Group

Coordinate, support & report in sector

Identify, assess & manage
- *Understand key risks*
- *Review key risks and mitigation*
- *Manage and monitor risks*
- *Report on risk status*

AUDIT COMMITTEE – OVERSEE & REVIEW

The Audit Committee, as a subcommittee of the Supervisory Board, is overseeing the appropriateness and effectiveness of the risk management system. The Head of the Group Risk team reports a minimum of once a year on topics which have been discussed in the Group Risk Oversight Committee, as well as the principal risks and their changes. The Audit Committee considers the adequacy and the effectiveness of the risk management system and reviews and acknowledges the risk appetite on a principal risk level as formulated by the Executive Board.

EXECUTIVE BOARD – DIRECT & ASSURE

With oversight by the Supervisory Board, the Executive Board determines the strategic direction of the Group and agrees the nature and extent of the risks it is willing to take to achieve its strategic objectives.

Ultimate accountability for the Group's risk management rests with the Executive Board and therefore it has established and maintains a risk management system to identify, assess, manage and monitor risks which could threaten the existence of the company or have a significant impact on the achievement of its strategic objectives: these are referred to as the principal risks of the Group. This risk management system includes an internally-published risk management policy which helps to reinforce the tone set from the top on risk, by instilling an appropriate risk culture in the organisation whereby employees are expected to be risk aware, control minded and to 'do the right thing'.

The Executive Board reports to the Audit Committee of the Supervisory Board on the adherence to the German legal and listing requirements, the overall risk position of the Group, on the individual principal risks and their management, and on the performance and effectiveness of the risk management system as a whole.

GROUP RISK OVERSIGHT COMMITTEE – REVIEW & COMMUNICATE

On behalf of the Executive Board, the Group Risk Oversight Committee (the GROC), ensures on a quarterly basis that business risks are identified, assessed, managed and monitored across the businesses and functions of the Group.

The committee is chaired by the Chief Financial Officer. Senior operational and finance management as well as those central functions which are fulfilling the role as a second line are represented on the committee.

Leaders of central functions as well as senior executives from the Group's major businesses are invited on a rotational basis to present on their risk and control framework. This allows members of the GROC to ask questions on the processes in place, the risks present in each business or function, as well as any new or evolving risks which may be on their horizon. It also provides an opportunity to seek confirmation that an appropriate risk culture continues to be in place in each of the major businesses and that there are no gaps between risk management at business level and at function level.

The GROC reports bi-annually to the Executive Board to ensure that it is kept abreast of changes in the risk landscape and developments in the management of principal risks, and to facilitate regular quality discussions on risk management at the Executive Board meetings.

GROUP RISK TEAM – COORDINATE, SUPPORT & REPORT

The Group Risk team ensures that an adequate risk management system is set up and functions effectively and that the risk management policy is implemented appropriately across the Group. The team facilitates the risk management process by providing guidance, support and challenge to management whilst acting as the central point for coordinating, monitoring and reporting on risk across the Group. It also supports the GROC in fulfilling its duties and reporting to both the Executive and Supervisory Board. Additionally, Group Risk is responsible for the risk and control software that underpins the Group's risk reporting and risk management process.

SECTOR RISK & CONTROL – COORDINATE, SUPPORT & REPORT

Sector risk and control teams work as the connecting element between businesses and the Group. They facilitate the risk management process in their respective areas by providing guidance, support and reporting. They challenge management in identifying and assessing risks, hence ensuring proper sector governance.

BUSINESSES & FUNCTIONS – IDENTIFY, ASSESS & MANAGE

Every business and function in the Group is required to adopt the Group Risk Management policy. They each have their own risk committee or include risk as a regular agenda item at their Board meetings to ensure that it receives the appropriate senior management attention within their business. In addition, the businesses each appoint a Risk Champion, who promotes the implementation of the risk management policy within their business and ensures its effective application. The Risk Champions are in close contact with the Group Risk team and are critical both in ensuring that the risk management system functions effectively, and in implementing a culture of continuous awareness and improvement in risk management and reporting.

Risk reporting

Although the process of risk identification, assessment and response is continuous and embedded within the day-to-day operations of the businesses and functions, it is consolidated, reported and reviewed at varying levels throughout the Group on at least a quarterly basis.

Risk identification: Management closest to the risks identify those that are relevant to the pursuit of the strategy within their business area.

A risk owner is assigned to each risk, who has the accountability and authority for ensuring that the risk is appropriately managed.

Risk assessment: The methodology used is to initially assess the gross (or inherent) risk. This is essentially the downside, being the product of the impact together with the likelihood of the risk materialising if there is no mitigation in place to manage or monitor the risk. In line with the Group budgeting horizon, risk assessment is made for a timeframe of one year with longer horizons where necessary, e.g. in the case of longer-term projects. The key benefit of assessing the gross risk is that it highlights the potential risk exposure if mitigation were to fail completely or not be in place at all. Both impact and likelihood are scored using the criteria shown below.

Impact assessment

MINOR	MODERATE	SIGNIFICANT	MAJOR	SERIOUS
Impact on	Impact on	Impact on	Impact on	Impact on
Financials (sales and / or costs) Reputation Technology reliability Compliance Health & safety standards Programme delivery	Financials (sales and / or costs) Reputation Technology reliability Compliance Health & safety standards Programme delivery	Financials (sales and / or costs) Reputation Technology reliability Compliance Health & safety standards Programme delivery	Financials (sales and / or costs) Reputation Technology reliability Compliance Health & safety standards Programme delivery	Financials (sales and / or costs) Reputation Technology reliability Compliance Health & safety standards Programme delivery

Likelihood assessment

RARE	UNLIKELY	POSSIBLE	LIKELY	ALMOST CERTAIN
< 10%	10 – < 30%	30 – < 60%	60 – < 80%	≥ 80%

The next step in the risk reporting process is to assess and document the mitigation currently in place to reduce the likelihood of the risk materialising and / or its impact if it does. Consideration of these then enables the current (or residual) risk score to be assessed, which is essentially the reasonably foreseeable scenario. The key benefit of assessing the current risk score is that it provides an understanding of the current level of risk faced today and the reliance on the mitigation in place.

Risk response: If management is comfortable that the current risk position is within the Group's appetite, the risk is accepted and monitored to ensure that it remains at an acceptable level. If management assesses that the current risk score is too high, an action plan will be drawn up with the objective of introducing new or stronger mitigation that will further reduce the impact and / or likelihood of the risk to an acceptable level. This is known as the target risk score and is the parameter by which management can ensure the risk is being managed in line with their overall risk appetite. The risk owner will normally be the individual tasked with ensuring that this action plan is implemented within an agreed timetable. Each business and function will continue to review their risk register on an ongoing basis through the mechanism appropriate for their business e. g. local Risk Committee.

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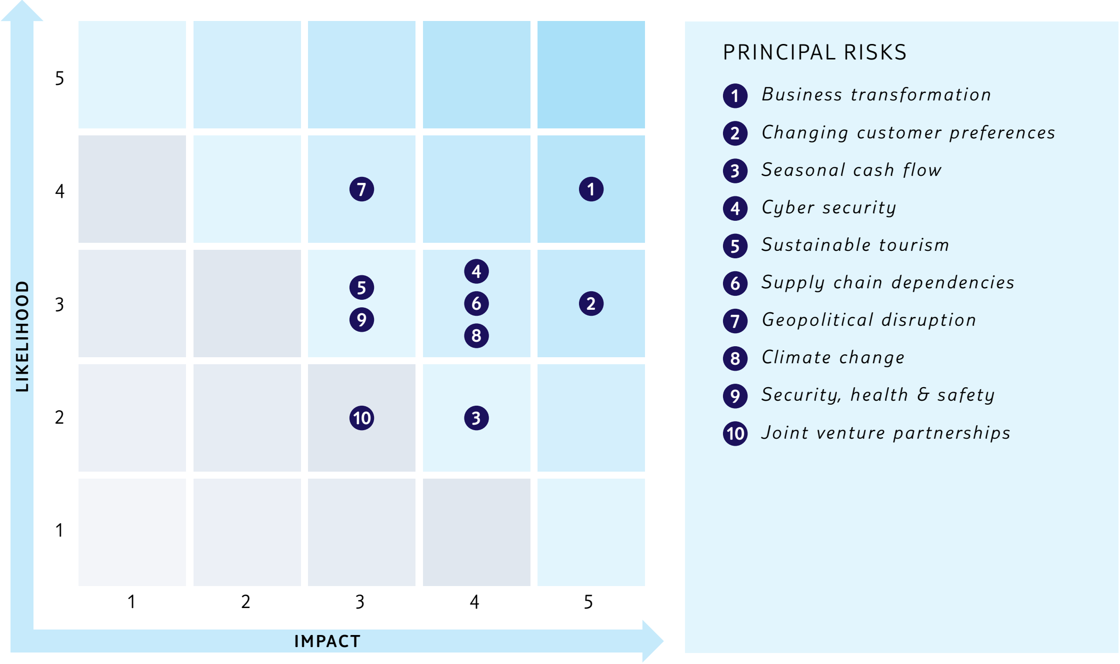
This bottom-up risk reporting is considered by the GROC alongside the Group's principal risks. New risks are added to the Group's risk register if deemed significant so that the ongoing status and the progression of key action plans can be managed in line with the Group's targets and expectations.

AD HOC RISK REPORTING

Whilst there is a formal process in place for reporting on risks on a quarterly basis, the process of risk identification, assessment and response is continuous and risks can be reported to the Executive Board outside of the quarterly process, should events dictate that this is necessary and appropriate. Ideally such ad hoc reporting is performed by the business or function which is closest to the risk, but it can be performed by the Group Risk team if necessary.

Principal risk heat map



PRINCIPAL RISKS

To keep a manageable overview of the risks reported in the process, and to understand the changes in our risk landscape, we map individual risk into clusters to identify the principal risks of the Group. Principal risks are subject to the risk appetite assessment and are reported separately in this risk report. In 2024 a thorough review of the risk landscape was carried out confirming the principal risks shown in the heat map above. The business transformation risk takes up the risk of 'lack of integration and flexibility' from the previous year and develops it further. Due to the overall improved risk situation of the group, the risks listed in the previous year, 'volatility of input cost,' 'access to EU airspace after Brexit,' 'instability to attract & retain talent,' and 'breach of regulatory requirements,' are no longer principal risks for the TUI Group. Of the remaining main risks, the seasonal cash flow-risk has significantly reduced compared to previous year, while the other risks are assessed as unchanged.

OVERSIGHT OVER OF THE RISK MANAGEMENT SYSTEM

The Audit Committee receives assurance from Group Audit over a selection of principal risks, processes and business transformation initiatives most critical to the Group's continued success.

In accordance with Section 317 (4) HGB (German Commercial Code), the external auditor of TUI AG has audited the early detection system for risks, being a part of the Risk Management System. The early detection system is required by Section 91 (2) AktG (German Stock Corporation Act) and the auditor must conclude, if the system can fulfill its duties.

Risk appetite

The Executive Board and Audit Committee, in conjunction with the Group Risk Oversight Committee has reviewed the Group's risk appetite towards principal risks across four risk types: Strategic, Operational, Financial and Compliance. Different to prior year the operational risk type has been split into strategic and operational due to the different levels of risk appetite.

→ *In the heat map diagram on this page, the assessment criteria used are shown on page 37.*

If the risk details in the subsequent tables do not suggest otherwise, the risks shown below relate to all segments of the Group and may evolve over time due to the dynamic nature of our business.

Risk-bearing capacity / overall assessment

At least once a year, the Group determines its risk-bearing capacity, defined as the cash low-point. The financial impact of individual principal risks and combined risk scenarios is then calculated and compared with the risk-bearing capacity. The analysis indicates that neither individual principal risks nor the considered scenarios pose a threat to the Group's existence.

Principal risks

Nature of risk	Mitigating factors
1. BUSINESS TRANSFORMATION	
The business of this transformation is focused on achieving our objectives in terms of acquiring new customers and establishing new products through a scalable business model with a competitive cost structure and an engaging customer experience. Our focus in implementing these projects is on further developing our business operations and improving the customer experience by providing attractive, intuitive and consistent customer services. • The Group recognises that there is a risk of ineffective execution, arising from various factors including the lacking prioritisation of those initiatives with the greatest impact for TUI and a lack of resource to deliver on time. Failure to deliver a successful transformation, particularly in the Markets + Airline business can impact our competitiveness and our ability to provide a superior customer experience as well as to deliver on quality and operational efficiency.	• Regular updates on and discussion of strategic topics and initiatives at the GEC, Executive Board and Supervisory Board • Allocation of resource to strategic initiatives, including product owners, project teams and budget • Approval of business cases relating to strategic initiatives by the appropriate body (in accordance with the Group's Investment Approvals Policy) • Strategic initiatives and KPIs incorporated into Budget and 3YP process • Project reporting tool and reporting of strategic KPIs in monthly Operating and Financial review ensures enhanced visibility of the progress of major projects as a matter of routine. • Centralised management structures to oversee the Markets + Airline businesses

Nature of risk	Mitigating factors

2. CHANGING CUSTOMER PREFERENCES

Nature of risk

While we've observed a continued demand in travel and tourism over recent years, we recognise that travel spending is discretionary, and customers have a variety of travel options and offerings to choose from. The wide range of choices and transparency provided by online platforms results in price-sensitive demand and creates a competitive market environment. Modern technology enables travellers to independently book and mix various components of their holiday trips, often at prices that fluctuate based on current costs and demand.

For TUI, there is a risk that we do not effectively communicate the benefits of pre-packaged holiday trips to our customers and that we may fail to expand our offerings to include individual components and flexible pricing options.

Additionally, failure to respond quickly to shifts in market trends and changing customer preferences could result in our loss of competitiveness and a reduction in demand for our products. To secure competitive prices and flexible offerings, we pre-contract a specified number of guaranteed beds and flight seats before the season begins. Additionally, we operate our own fleet and hotels. This approach, known as 'risk capacity," means we assume the risk of unfilled capacity if market demand falls short of expectations.

Mitigating factors

- Our market position as a globally operating tourism group, our brand and our integrated business model enables us to respond robustly to competitive threats.
- The Group is characterised by the continuous development of new holiday experiences, developing new concepts and services which match the needs and preferences of our customers. Our strong and lasting relationships with our key hotel partners further reinforces our ability to develop new concepts exclusive to the Group.
- The traditional package tour is becoming more diverse by combining low-cost flights with currently available hotels, even at short notice. This also creates new offers, such as city breaks. In the industry we call this process dynamic packaging. In addition, we also offer individual travel products separately, i. e. accommodation, flights, rental cars, insurance and TUI Musement products which are services ranging from excursions at the holiday destination to visits to museums in the city.
- Leveraging our scale to keep costs down and prices competitive
- The multitude of source markets, which react to external shocks to varying degrees, can lead to a balancing effect.
- Promoting the benefits of travelling with a globally operating tour operator to increase customer confidence and peace of mind.
- With our asset right strategy in our hotels business, we aim a mix of owned, leased or other partnership arrangements to manage the investment into the holiday destinations. This secures capacity whilst limitings the financial investment.
- Evaluation of the current and future leisure experiences market landscape, based on analysis of consumer needs, development of supply, emerging trends, innovation, considerations of sustainability and resource availability

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Nature of risk	Mitigating factors
3. SEASONAL CASHFLOW	
Tourism is inherently seasonal with the majority of business undertaken and profits earned in the European summer months. Cash flows are similarly seasonal, peaking in early summer as advance payments and final balances are received from customers, and dipping in winter as liabilities are settled with many suppliers after the summer season. ('The touristic swing'). There is the risk that if we do not adequately manage cash balances through the winter low period this could impact on the Group's liquidity and ability to settle liabilities as they fall due whilst ensuring that financial covenants are maintained.	• The Executive Board has continued to place significant focus on the review of the Group's cash flow position. • With the further positive development of cash and cash equivalents in 2024, the Executive Board believes that, despite the existing risks, the TUI Group currently has and will continue to have sufficient funds resulting both from the borrowing and from operating cash flows to meet its payment obligations and to continue as a going concern. • Our focus on holiday experiences is helping to reduce the seasonality risk, as hotels, cruises and destination experiences have a more evenly distributed profit and cash profile across the year. • As our business is spread across a number of markets, there are some counter-cyclical features e. g. winter is a more important season for the Nordic and Canadian market. Some brands, such as the UK ski brand Crystal Ski, have a different seasonality profile which helps to counter-balance the overall profile. • The business regularly produces both short term and long term cash forecasts during the year, which the Treasury department use to manage cash resources effectively. We continue to maintain high-quality relationships with the Group's key financiers. 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. As of 30 September 2024, TUI complied with the financial covenants.

Nature of risk	Mitigating factors
4. CYBER SECURITY	
Our responsibility is to protect the confidentiality, integrity and availability of the data we process for our customers, employees, and businesses. This is an evolving risk due to increasing digitalisation, our supply chain, emerging technologies such as generative AI, growing global state-run or private cyber-crime activity and more regulation (e. g. EU GDPR, EU AI Act, EU NIS2 Directive). Our consolidation under the TUI brand and increasing dependence on digital sales and customer care increases our exposure and the potential worst-case impact of a successful cyber-attack and / or data breach. If we do not ensure we have the appropriate level of security controls in place across the Group, this could have a significant negative impact on our key stakeholders, associated reputational damage and potential for financial implications.	• Continued commitment from the Executive Board in support of key initiatives to ensure existing and future IT systems are secure by design, protected against denial-of-service attacks that could impact system availability, exposure to vulnerability is managed and user access is monitored. We consider security first in everything we do. • TUI's Information Security Management System ensures a coordinated, standards based, proactive approach to the identification and management of information security risk across the Group. • We keep people safe in the digital world. Our colleagues are made aware of information security risks through appropriate training and awareness campaigns. TUI is investing in modern authentication and protecting the digital identities of our customers and colleagues. • Security is integrated into our software development and release processes. • Our security risk assessment methodology, controls, policy, and guidelines have been updated to include provisions for the assessment and secure use of Generative AI. • We continue to increase the maturity and coverage of our Security Operations Centre and platform to anticipate, detect and respond to cyber-attacks and information security incidents. • Continuous improvement through lessons learned from real or simulated cyber incidents

Nature of risk	Mitigating factors
5. SUSTAINABLE TOURISM	
For the Group, economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our Company. This is the way we create the conditions for long-term economic success and assume responsibility for sustainable transformation in the tourism sector. Our focus is to reduce the environmental impact of our operations and promote responsible social policies and outcomes both directly through our own business and indirectly via our influence over our supply chain partners. There is a risk that TUI and our suppliers may not succeed in driving social and environmental improvements across our operations, potentially failing to uphold our corporate and social responsibility standards and failing to influence some destinations to manage tourism more sustainably. If we do not maximise our positive impact on destinations and minimise the negative impact to the extent that our stakeholders expect, this could result in a decline in stakeholder confidence, reputational damage and reduction in demand for our products and services.	• The TUI Sustainability Agenda purpose is to set and drive industry standards, ambitious goals and develop transformation roadmaps for all parts of the business. This means to actively engage colleagues, partners and customers, bringing sustainability to life in a tangible and emotional way. • The Group Sustainability department sets clear goals, priorities, and the framework to deliver the Sustainability Agenda. • Operating one of the most carbon efficient airlines in Europe with continued investment in new, more efficient aircraft and cruise ships. • Our ambition is to achieve net-zero emissions across our operations and supply chain by 2050 at the latest. • Science-based targets have been set for our airline, hotel and cruise operations by 2030, validated by the Science Based Targets initiative (SBTi). • Development and implementation of emission reduction roadmaps for airlines, cruises and hotels to significantly reduce emissions • Adhering to increasingly supply chain focused regulations (e. g. German Supply Chain Act, EU Supply chain due diligence regulation 2025) rolling out new processes and structure with a strong focus on procurement. • Implemented environmental management systems covering TUI airline and TUI Cruise business having achieved ISO 14001 certification. • Driving up social and environmental standards through accommodation suppliers achieving certifications recognised by the Global Sustainable Tourism Council (GSTC) and applying the GSTC Criteria to TUI experiences. • Enabling customers to make more sustainable holiday choices

Nature of risk	Mitigating factors
6. SUPPLY CHAIN DEPENDENCIES	
Holiday and travel service providers face an inherent risk of failure among their main suppliers, particularly for hotels, aircraft and cruise ships. This risk is increased by the industry practice of making prepayments to hoteliers to secure hotel room capacity for the season and in areas where a product or service is purchased from a single supplier. There is a risk that we would be unable to continue our core operations if a key service from our main suppliers were to fail.	• Using reputable and financially stable suppliers, particularly in areas where a single supplier is used to provide a service • Regular monitoring of supplier performance against agreed terms and conditions. In service meetings, we discuss current challenges with suppliers, enabling us to react operationally as needed. • Strong working relationships with all key suppliers • Owned and joint venture partner hotels form a substantial part of our program which reduces our inherent risk in this area. • A robust prepayment authorisation process is established and embedded to both limit the level of prepayments made and ensure that they are only paid to trusted, credit-worthy counterparties. • Monitoring customer experience to identify areas of dissatisfaction and collaborating with relevant suppliers to enhance the overall experience
7. GEOPOLITICAL DISRUPTION	
Providers of package holiday and leisure experiences are exposed to the inherent risk of external events in operational areas. This can include natural disasters such as hurricanes and wildfires like those experienced over recent years, outbreaks of disease, pandemics, or geopolitical events such as terrorism or political unrest. There is the risk that if such an event occurs, we could potentially suffer operational disruption and additional costs. We may be required to repatriate our customers and / or need to provide additional support. These events could also lead to a significant decline in demand to the affected destinations over an extended period.	• Within our Group Security, Health, Safety & Crisis (SHSC) centre of excellence we have a Crisis Management Planning and Coordination function, providing centralised frameworks, personnel reporting structures, incident management systems and crisis communication plans for use in the local delivery of any response. • Our well-established crisis management procedures and emergency response and business continuity plans are activated when an event of this nature occurs which focus on the welfare of our customers. • Due to our presence in key holiday destinations, in the event of a local event occurring, we can offer alternative options to our customers and remix our destination portfolio away from the affected area in future seasons if necessary.

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FINANCIAL YEAR 2024

COMBINED MANAGEMENT REPORT

Nature of risk	Mitigating factors
8. CLIMATE CHANGE	
Climate change is a complex issue and there is significant uncertainty surrounding the climate system, as well as how the world will respond to mitigate the effects of climate change. However, physical and financial effects are already being felt today and are predicted to worsen, and we're seeing increasing climate action.	
Increased costs due to the introduction of new, or extension of existing, carbon pricing mechanisms (including pass-through of higher costs by suppliers), and new energy and emissions regulations Increasing regulations and restrictions targeting the airline and cruise industry, leading to reduced revenue and / or stranded assets Costly or unavailable future fuels and technologies resulting in higher costs, or preventing further decarbonisation and compliance with regulation	• TUI is committed to decarbonising its business, and has set ambitious near-term science-based emissions reduction targets with the SBTi. • To achieve these, TUI airlines procure state-of-the-art aircraft, implements operational efficiencies (including route optimisation), and will increase the use of SAF. TUI already has cooperation agreements in place to promote the production and supply of SAF. • TUI Cruises invests in energy efficiency at ship operations, fuel-saving route optimisation, shore power in ports and alternative fuels, such as sustainable biofuels, bio-LNG and green methanol. The two newbuilds coming into the fleet by 2026 will not use heavy fuel oil. Mein Schiff 7 which entered service in 2024 and runs on lower-emission marine diesel and is equipped with catalytic converters and a shore power connection. In addition, the ship is also able to run on green methanol in the future. It has a shore power connection and advanced catalytic converters that comply with the EURO 6 standard in port. • TUI Hotels & Resorts is focused on renewable energy and resource-saving operational practices to reduce hotel emissions as far as possible.
Decline of travelers due to shifts in consumer preferences and behaviour, and increasing negative public sentiment towards travel, resulting in loss of revenue Decline of overall customer demand as the price for our products will increase to reflect higher capital expenditures and operational expenses to offer carbon low products Difficulties in obtaining access to financing and increasing cost of capital due to the inability to reduce emissions in line with market expectations	• Managing both market and reputational risks depends on the successful implementation of our emissions reduction initiatives. Accordingly, we have roadmaps in place to deliver on our science-based targets. • Whilst the cost for flights is very likely to increase, all markets participants have to roll-over this 'green inflation'. With our state-of-the-art efficient fleet, it is likely that our cost increase is competitive. Further, the share of extra cost from low-carbon flying is lower in a package and hence we believe that we can effectively transfer cost additions. • TUI has set science-based emissions reduction targets for 2030 and a net zero target for 2050. TUI continues to notice a wide range of financiers due to TUI Group's financial performance and is continuing to develop relationships with new sources of finance and monitor development of the market. TUI is in a continuing education process with lessors and the financial community to maintain confidence in the strategy.

Nature of risk	Mitigating factors
Physical damage to assets and business disruption due to extreme weather-related events	• This risk is managed at the asset-level. • We manage the overarching risk through insurance and a large and regional spread hotels & resorts portfolio, diversifying the risk of asset impairment. • We hold relatively short-duration lease contracts, enabling flexibility in case of changes in insurability.
Extreme weather events disrupting transport hubs, resulting in delays and cancellations, and increased costs	• The risk of airport disruption was found to be low in the physical risk analysis. Nonetheless, TUI works closely with airports in case of disruption and will continue to evaluate the risk profile of its material airports. • Whilst docking is already considered a resilient activity, the risk is further mitigated by the flexibility to adjust cruise itineraries.
Physical damage to assets and business disruption due to longer-term shifts in climate patterns	• Whilst the scenario analysis indicate higher probability of extreme weather events, none of the locations where our hotels & resorts are located are vulnerable to a rising sea level during the time frame of our climate scenario analysis. • This risk is managed with insurance and TUI Hotels & Resorts' renewable energy strategy.
Changing weather patterns decreasing suitability for tourism and / or making source markets more attractive, impacting tourism demand	• Climate-related factors are considered in the expansion of TUI's Hotels & Resorts business segment.

9. SECURITY, HEALTH AND SAFETY

The safety and security of customers and colleagues is of paramount importance to any holiday and travel service provider. There is the risk of accidents, incidents or events occurring causing illness, injury or death to customers or colleagues whilst on a TUI holiday or whilst using a TUI operated / provided activity or service. In addition to the harm caused the affected individual(s), this could result in disruption to operational activities, reputational damage to the business and / or financial liabilities through loss of earnings, lack of demand and / or legal claims being brought by the affected parties.	• The established Group Security, Health, Safety & Crisis (Group SHSC) centre of excellence oversees safety and security risk management activities, delivering alignment and consistency across the TUI Group. • Group SHSC operational responsibilities include TUI Tour Operations, TUI Hotels & Resorts and TUI Musement (including Intercruises). Operational safety and security risk management activities for Airline and Cruise operations are managed from within the respective business units. • Data-led, risk-based Safety and Security Risk Management systems are in place and are subject to continuous review / improvement. • Safety and Security Risk Management clauses are included in supplier contracts. • Appropriate insurance policies are in place to mitigate any financial losses.

Nature of risk	Mitigating factors
10. JOINT VENTURE PARTNERSHIPS	
We use partnerships in some of our operations to participate in their expertise of the local market and, in case of consolidation at equity, to strengthen the balance sheet in line with our less capital intensive 'asset-right' strategy. Significant operations within our Hotel & Resorts and Cruises business are Joint Ventures. Whilst we do not control the operational processes, these businesses are regarded as an integral part of TUI. *For details on our strategy refer to page 23* There is the risk that if we do not maintain good relations with our key partners that the ventures' objectives may not remain consistent with that of the Group which could lead to operational difficulties and jeopardize the achievement of financial targets.	• Good working relationships exist and are maintained through ongoing communications with all of our main partners and they are fully aligned with and committed to the growth strategy of the Group. • We invite our Joint Ventures to participate in the Group functions and policies to avoid setting up separate structures and to enhance consistency.

Key features of the internal control and risk management system in relation to the (Group) accounting process (sections 289 (4) and 315 (4) of the German Commercial Code)

1. CONCEPTUAL FRAMEWORK AND GOVERNANCE

The internationally recognised framework created by COSO (Committee of Sponsoring Organizations of the Treadway Commission) forms the conceptual basis for TUI Group's accounting-related internal control system.

On the basis of section 107 (3) of the German Stock Corporation Act, the Audit Committee of the Supervisory Board of TUI AG reviews the auditing of the annual financial statements, monitoring the accounting process and the effectiveness of the internal control and risk management systems. The reliability of financial reporting and the monitoring of the financial accounting process as well as the effectiveness of the internal control and risk management systems are described in the Audit Committee Report. This also takes account of the effectiveness of the accounting-related internal control and risk management system.

Audit Committee Report, see page 11

The Group's auditors gain insight into TUI Group's established control environment and control measures. The accounting-related audits by the auditor are complemented by an assessment of selected controls. The audit of the consolidated financial statements by the Group auditor and the audit of the individual financial statements of Group companies included in the consolidated financial statements, in particular, constitute a key non-process-related monitoring measure in relation to Group accounting.

In Group accounting, the risk management system, implemented as a component of the internal control system in the form of an Enterprise Risk Management (ERM) System, also addresses the risk of misstatements in Group bookkeeping and external reporting. A more detailed explanation of the risk management system is provided in the section on Risk Governance in the Risk Report.

2. USE OF IT SYSTEMS

Bookkeeping transactions are captured in the individual financial statements of TUI AG and of the subsidiaries of TUI AG through local accounting systems, above all supplied by SAP. When preparing TUI AG's consolidated financial statements, the subsidiaries complement their individual financial statements by setting up standardised reporting packages in the Oracle Hyperion Financial Management (HFM) reporting system. HFM is used as the uniform reporting and consolidation system throughout the Group and hence no additional interfaces are involved in preparing the consolidated financial statements.

All consolidation processes used to prepare the consolidated financial statements of TUI AG, e. g. capital consolidation, the consolidation of assets and liabilities and the elimination of expenses and income and at equity measurement, are generated and fully documented in HFM. Virtually all elements of TUI AG's consolidated financial statements, including the disclosures in the Notes, are developed from and validated by the HFM consolidation system. HFM also provides various modules for evaluation purposes in order to present complementary information to explain TUI AG's consolidated financial statements.

The HFM reporting and consolidation system has an in-built workflow process whereby, when the reporting companies capture their data packages within the system, they are then locked out from making any further changes to that data. This ensures data integrity within the system. This workflow process has been checked and validated by the TUI AG Group Audit department on several occasions since the system was introduced.

At their own discretion, TUI AG's Group auditors select certain individual financial statements from the financial statements entered in the HFM reporting and consolidation system by the Group companies, which are then reviewed for the purposes of auditing the consolidated financial statements.

3. SPECIFIC RISKS RELATED TO (GROUP) ACCOUNTING

Specific risks related to (Group) accounting may arise, for example, from unusual or complex business transactions, in particular at critical times towards the end of the financial year. Business transactions not routinely processed also entail special risks. The discretion necessarily granted to employees for the recognition and measurement of assets and liabilities may result in further (Group) accounting-related risks. The outsourcing and transfer of accounting-specific tasks to service companies may also give rise to specific risks.

4. KEY REGULATION AND CONTROL ACTIVITIES TO ENSURE PROPER AND RELIABLE (GROUP) ACCOUNTING

The internal control measures aimed at securing proper and reliable (Group) accounting ensure that business transactions are fully recorded in a timely manner in accordance with legal requirements and the Articles of Association. This also should ensure that assets and liabilities are properly recognised, measured and presented in the financial statements and the consolidated financial statements. The control operations should also ensure that bookkeeping records provide reliable and comprehensive information.

Controls implemented to secure proper and reliable accounting include, for instance, analysis of facts and developments on the basis of specific indicators. Separation of administrative, execution, settlement and authorisation functions and the implementation of these functions by different persons reduces the potential for fraudulent operations. Organisational measures also aim to capture any corporate or Groupwide restructuring or changes in sector business operations rapidly and appropriately in (Group) accounting. They also should ensure, for instance, that bookkeeping transactions are correctly recognised in the period in which they occur in the event of changes in the IT systems used by the accounting departments of Group companies. The internal control system likewise should ensure that changes in the TUI Group's economic or legal environment are mapped and that new or amended accounting standards are correctly applied.

To safeguard financial processes, there is a Group-wide framework under which all major companies included in the consolidated financial statements as fully consolidated companies are required to report the nature of their controls and their implementation for financial reporting, fraud prevention and detection and effectiveness of working capital management in relation to defined risks from financial processes to the Group Risk & Controls function with system support and to assess their effectiveness on a quarterly basis. The Group Risk & Controls function reviews these reports on a sample basis and provides advice on how to improve efficiency and effectiveness. Where financial processes are carried out in the Group's own Shared Service Center, this function provides support for the further development of the process and control framework. Based on the feedback received, Internal Audit selects companies for an in-depth review of the control measures in accordance with its own risk assessment.

The TUI Group's accounting policies together with the International Financial Reporting Standards (IFRS) in compliance with EU legislation, govern the uniform accounting and measurement principles for the German and foreign companies included in TUI's consolidated financial statements. They include general accounting principles and methods, policies concerning the statement of financial position, income statement, notes, management report and cash flow statement.

The TUI Group's accounting policies also govern specific formal requirements for the consolidated financial statements. Besides defining the group of consolidated companies, they include detailed guidance on the reporting of financial information by those companies via the group reporting system HFM on a monthly, quarterly and year end basis. TUI's accounting policies also include, for instance, specific instructions on the initiating, reconciling, accounting for and settlement of transactions between group companies or determination of the fair value of certain assets, especially goodwill. At Group level, specific controls to ensure proper and reliable (Group) accounting include the analysis and, where necessary, correction of the individual financial statements submitted by the Group companies, taking account of the reports prepared by the auditors and meetings to discuss the financial statements which involve both the auditors and local management. Any further content that requires adjusting can be isolated and processed downstream. The control mechanisms already established in the HFM consolidation system minimise the risk of processing erroneous financial statements. Certain parameters are determined at Group level and have to be applied by Group companies. This includes parameters applicable to the measurement of pension provisions or other provisions and the interest rates to be applied when cash flow models are used to calculate the fair value of certain assets. The central implementation of impairment tests for goodwill recognised in the financial statements should secure the application of uniform and standardized evaluation criteria.

5. DISCLAIMER

With the organisational, control and monitoring structures established by the TUI Group, the internal control and risk management system enables company-specific facts to be captured, processed and recognised in full and properly presented in the Group's accounts.

However, it lies in the very nature of the matter that discretionary decision-making, faulty checks, criminal acts and other circumstances, in particular, cannot be ruled out and will restrict the efficiency and reliability of the internal control and risk management systems, so that even Group-wide application of the systems cannot guarantee with absolute certainty the accurate, complete and timely recording of facts in the Group's accounts.

Any statements made relate exclusively to TUI AG and to subsidiaries according to IFRS 10 included in TUI AG's consolidated financial statements.

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Overall Assessment by the Executive Board and Report on expected Developments

Actual business performance 2024 compared with our guidance

Overall, the operating and financial indicators showed a positive year-on-year development, as expected in our guidance.

In the period under review, revenue by TUI Group rose from € 20.7 bn to € 23.2 bn. The year-on-year growth of 11.3% at constant currency thus matched the increase of at least 10% assumed in our guidance.

Likewise, TUI Group's underlying EBIT rose by € 319.0 m to an operating profit of € 1,296.2 m in financial year 2024. The percentage improvement in underlying EBIT at constant currency of 35.4% was above the figure of at least 25% stated in our guidance.

The net costs of € 20.9 m adjusted in the income statement in the period under review were below the forecast range of net costs of € 25 m to € 35 m, as the restructuring expenses incurred were offset by positive gains on disposal.

Due to the substantial recovery in underlying EBIT, financial year 2024 also saw significant improvements in ROIC and Economic Value Added, surpassing expectations. In the period under review, TUI Group's ROIC stood at 24.88% (previous year 19.10%). Taking account of the Group's weighted cost of capital of 10.87% (previous year 11.76%), this resulted in positive Economic Value Added of € 729.9 m (previous year positive Economic Value Added of € 375.6 m).

In the period under review, the cash outflows from net capital expenditure on property, plant and equipment and financial investments of € 602.2 m (previous year net outflow of € 493.7 m) were slightly above the upper end of the expected range of € 475 m to € 525 m, excluding the pro-rata capital contribution to Pep Toni Hotels S.A. of € 73.5 m included in this amount but not reflected in the guidance.

In our forecast, we had anticipated a slight improvement in net debt. Net debt reported at the end of the financial year 2024 amounted to € 1.6 bn (previous year € 2.1 bn). The significant improvement was due to the development of cash flow from operating activities and the slightly lower liabilities from leases and from the financing of assets, as aircraft deliveries were delayed.

For financial year 2024, we had expected a slight reduction in specific CO_2 emissions as against financial year 2023. In the period under review, relative CO_2 emissions of our airlines declined by 0.7% from 61.1 to 60.7 kg / 100 rpk. The improvement was primarily driven by higher load factors as against 2023 and our fleet renewal programme, under which older aircraft are replaced with new, more carbon-efficient aircraft.

Projected development of global situation

Projected development of World Output

Var. %	**2025**	2024
World	**+ 3.2**	**+ 3.2**
Euro zone	+ 1.2	+ 0.8
Germany	+ 0.8	–
France	+ 1.1	+ 1.1
UK	+ 1.5	+ 1.1
US	+ 2.2	+ 2.8
Russia	+ 1.3	+ 3.6
Japan	+ 1.1	+ 0.3
China	+ 4.5	+ 4.8
India	+ 6.5	+ 7.0

Source: Projections of International Monetary Fund (IMF), World Economic Outlook, October 2024

MACROECONOMIC SITUATION AND MARKET DEVELOPMENT IN TOURISM

Several economic policy parameters and structural problems are holding back a significant increase in global economic expansion. Although prospects for private consumption have improved as real wages are no longer falling in most countries due to a decline in inflation and rising wages and salaries, this is partly at the expense of companies' margins and investment activity. A further dampening effect is caused by restrictive fiscal policies. In Europe, the economy is recording low productivity growth, with economic momentum hampered by structural factors such as a lack of skilled labour and heavy regulation. (IMF, World Economic Outlook, October 2024)

International tourism is expected to fully return to pre-pandemic levels in calendar year 2024. This reflects the gradual normalisation of tourism following an already strong performance in 2023, driven in particular by an increase in global tourism demand, increased air connectivity and the ongoing recovery of China and other key Asian markets. However, economic and geopolitical challenges continue to weigh on the ongoing recovery and growth of international tourism. According to experts, inflation in travel and tourism, particularly high transport and accommodation prices, are the main challenge the tourism sector is currently facing. Major risks for international tourism also include labour shortages, the impact of extreme weather events and uncertainty in connection with geopolitical conflicts and wars. (UNWTO World Tourism Barometer, September 2024)

EFFECTS ON TUI GROUP

As a global tourism provider, TUI Group depends on the political and legal framework and on consumer demand in the major source markets in which we operate with our hotel, cruise and tour operator brands. Our budget is based on IMF's assumptions about the future development of the global economy and takes its guidance from UNWTO's long-term forecast.

Expected development of Group earnings

TUI GROUP

The translation of the income statements of foreign subsidiaries in our consolidated financial statements is based on average monthly exchange rates. TUI Group generates a considerable proportion of consolidated revenue and substantial earnings and cash flow contributions in non-euro currencies, in particular the pound sterling, the US dollar and the Swedish krona. Taking account of the seasonality in tourism, the value of these currencies against the euro in the course of the year therefore exerts a major impact on the financial indicators displayed in TUI AG's consolidated financial statements.

Our key financial performance indicators for our earnings position in financial year 2025 are revenue and underlying EBIT.

Definition of underlying EBIT in 'Value-oriented Group management' on page 30.

Key performance indicators used for regular value analysis are Return On Invested Capital (ROIC) and Economic Value Added. ROIC for a given segment is shown against the segment-specific cost of capital.

For financial year 2025, we expect to see further growth in customer volumes.

In its business plans, Hotels & Resorts expects to deliver a slight improvement in earnings due to capacity expansion, higher average selling prices and continued high occupancy rates.

The Cruises segment expects to deliver slight growth in earnings, in particular due to the first-time operation of Mein Schiff 7 for a full year and the planned addition of Mein Schiff Relax in financial year 2025.

For TUI Musement, we expect to see a strong improvement in earnings due to the development of customer volumes in Markets + Airline and the further expansion of our offer as well as own and direct distribution.

For Markets + Airline, it is expected that customer numbers and the share of dynamic products as well as for flight-only and accomodation-only will grow, while cost increases will be offset by higher average selling prices.

Below, we present TUI Group's expected development in financial year 2025 on a constant currency basis for financial year 2024. They are subject to the known macroeconomic and geopolitical uncertainties, particularly in the Middle East.

Expected development of Group turnover and underlying EBIT

€ million	2024	2025*
Revenue	23,167	5 – 10% increase
Underlying EBIT	1,296	7 – 10% increase
Adjustments	21	approx. € 40 – 60 m costs

* Variance year-on-year assuming constant foreign exchange rates are applied to the result in the current and prior period and within the framework of the macroecnomic and geopolitical uncertainties currently known, especially around the Middle East

REVENUE

In the period under review, TUI Group revenue totalled € 23.2 bn. For financial year 2025, we expect TUI Group's revenue to increase by 5 to 10% year-on-year on a constant currency basis.

UNDERLYING EBIT

TUI Group's underlying EBIT in financial year 2024 amounted to € 1,296.2 m. For financial year 2025, we expect TUI Group's underlying EBIT to grow by 7 to 10% year-on-year on a constant currency basis.

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ADJUSTMENTS

For financial year 2025, we expect a net negative effect from adjustments in a range of € 40 m to € 60 m on a constant currency basis.

For details on objectives and strategies, see page 23 onwards; for details on risks, see Risk Report from page 34 onwards.

ROIC AND ECONOMIC VALUE ADDED

Due to the expected improvement in our operating result, ROIC and Economic Value Added are also predicted to improve slightly year-on-year, depending on how capital costs for TUI Group develop.

Expected development of financial position

To forecast TUI Group's financial position in financial year 2025, we have defined the Group's net capital expenditure and investments and its net financial position as key performance indicators.

Expected development of Group financial position

€ million	2024	**2025**
Net capex and investments	602.2	around € 620 – 680 m*
Net debt	1,640.5	slight decrease

* Subject to clarification of Boeing aircraft delivery schedule and the consequent pre-delivery payment (PDPs) schedule

NET CAPEX AND INVESTMENTS

For financial year 2025, we expect net capex and investments in a range of € 620 m to € 680 m.

NET FINANCIAL POSITION

For financial year 2025, we expect the Group's net debt to decrease slightly.

Sustainable development

CLIMATE PROTECTION AND EMISSIONS

We have identified specific carbon emissions (in g CO_2 / rpk) from our aircraft fleet as the key non-financial performance indicator. Assuming that the aircraft ordered under the fleet renewal programme are delivered as planned, we expect a slight reduction in specific CO_2 emissions in financial year 2025 compared to financial year 2024.

Overall Executive Board assessment of TUI Group's current situation and expected development

At the date of preparation of the Management Report (9 December 2024), the Executive Board assumes that customer volumes will grow year-on-year in 2025.

Overall, we therefore expect TUI Group's underlying EBIT to improve by 7 to 10% year-on-year on a constant currency basis in financial year 2025.

Outlook for TUI AG

The future business performance of TUI AG is essentially subject to the same factors as those impacting TUI Group. Due to the business ties between TUI AG and its Group companies, the outlook, opportunities and risks presented for TUI Group are largely mirrored by expectations for TUI AG. The comments made for TUI Group therefore also apply to TUI AG.

Opportunity Report

TUI Group's opportunity management follows the Group strategy. Responsibility for systematically identifying and taking up opportunities rests with the operational management of the Hotels & Resorts, Cruises and TUI Musement segments as well as our source markets. Market scenarios and critical success factors for the individual sectors are analysed and assessed in the framework of the Group-wide planning and control process. The core task of the Group's Executive Board is to secure profitable growth for TUI Group by optimising the shareholding portfolio and developing the Group structure over the long term.

OPPORTUNITIES AND RISKS ARISING FROM MACRO TRENDS

In particular, a faster normalisation of the geopolitical and economic environment would have a positive impact on TUI Group and its segments in financial year 2025.

CORPORATE STRATEGY OPPORTUNITIES

Opportunities arise from accelerating the Group's transformation into a digital platform business. We will expand accommodation-only and flight-only products and our dynamic packaging offer. We will prioritise the accelerated transformation of our Markets + Airline business announced in September 2024.

OPERATIONAL OPPORTUNITIES

We intend to operate as an asset-light organisation and see opportunities in the implementation of our asset-right strategy in our Hotels & Resorts and Cruises businesses. In addition to the targeted increase in customer volumes in Markets + Airline, we see opportunities in the planned maximisation of customer lifetime value by leveraging synergies between our two business segments while reducing our distribution costs. This approach will be based on the continued strengthening of the TUI brand in existing and new customer segments and our efforts to leverage our brand image for our growth products (e. g. city tours, hotel-only and experiences).

CLIMATE-RELATED OPPORTUNITIES

As short- to medium-term opportunities, we have identified more efficient aircraft and cruise ships as well as a shift to renewable energy sources in Hotels & Resorts as a way to reduce our operating costs in connection with CO_2 emissions. A further opportunity to enhance our competitive position will be to offer lower-emission air travel, cruises and hotel stays.

In Summer 2024, we again expanded our season for selected destinations in Türkiye and Greece, a move that was well received by our customers. In the long term, we expect to be able to extend the season more often and in a larger number of destinations. This is in line with a shift in consumer preferences away from peak seasons during which heat waves may occur to off-peak seasons during which the weather is still very favourable for travel. Thanks to our flexible business model, we are able to offer new destinations in response to changing weather conditions, e. g. more travel to destinations around the Baltic Sea. We will continue to monitor these trends and incorporate them in our strategic and operational planning.

Business Review

Macroeconomic, industry and market framework

Macroeconomic development

Development of world output

Var. %	2024*	2023
World	**+3.2**	**+3.3**
Eurozone	+0.8	+0.4
Germany	–	–0.3
France	+1.1	+1.1
UK	+1.1	+0.3
US	+2.8	+2.9
Russia	+3.6	+3.6
Japan	+0.3	+1.7
China	+4.8	+5.2
India	+7.0	+8.2

* Projection
Source: International Monetary Fund (IMF), World Economic Outlook, October 2024

In calendar year 2024, the global economy has expanded at a very moderate pace to date. After growth picked up significantly at the beginning of the year, world output has increased only moderately since then and so, according to experts, will remain stable overall compared with last year. While the emerging markets have delivered a mixed performance, economic activity in the advanced economies gained traction in the spring, but slowed down again to some extent as the year progressed. Inflation has only eased slightly overall so far in calendar year 2024 (IMF, World Economic Outlook, October 2024).

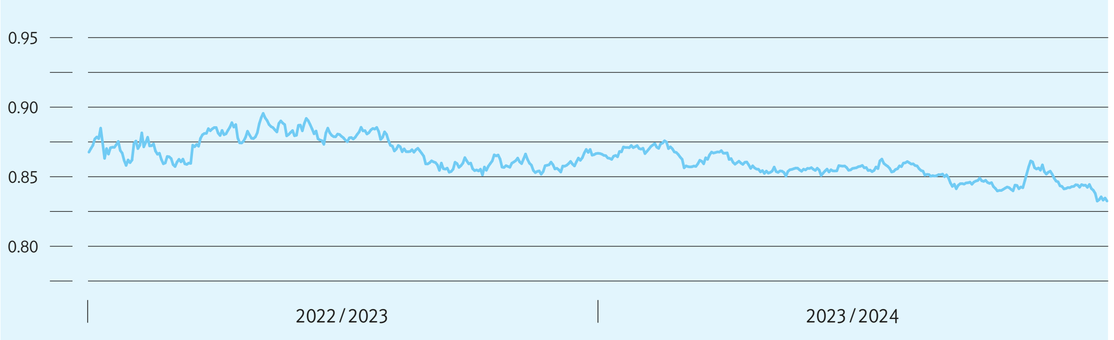
Key exchange rates and commodity prices

TUI Group companies operate on a worldwide scale. This presents financial risks for TUI Group arising from changes in exchange rates and commodity prices. The essential financial transaction risks from operations concern euros and US dollars. They mainly result from foreign exchange items in the individual Group companies, for instance jet fuel and bunker oil or ship handling, or from sourcing transactions by hotels. The parity of sterling against the euro affects the translation of results generated in the UK market in TUI's consolidated financial statements. Changes in commodity prices above all affect TUI Group when procuring fuels such as aircraft fuel and bunker oil. In Tourism, risks relating to changes in exchange rates and price risks from fuel sourcing are partly hedged by derivatives.

Information on hedging strategies and risk management as well as financial transactions and the scope of such transactions at the balance sheet date is provided in the sections 'Financial position' and 'Risk report' in the Management Report and the section 'Financial instruments' in the Notes to the consolidated financial statements.

→ *'Financial position' from page 69, 'Risk report' from page 34, and 'Financial instruments' in the Notes from page 241.*

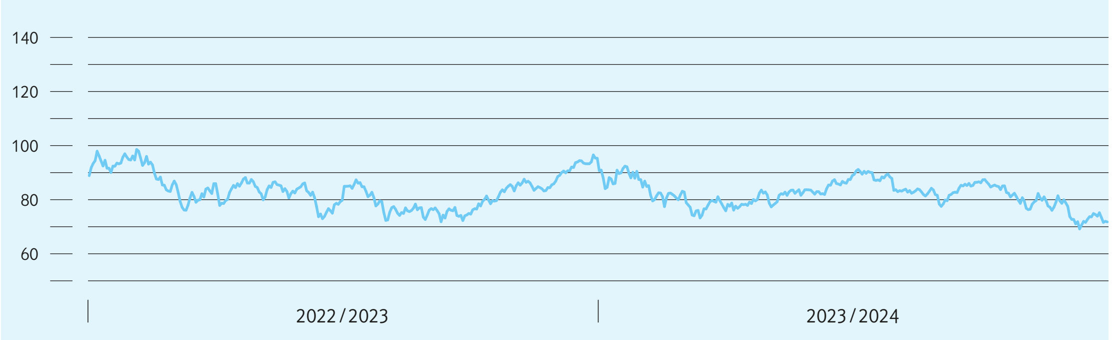
Exchange rate Sterling £ / €



Exchange rate US dollar $ / €

The exchange rate charts are presented on the basis of the indirect quotation format customary in the foreign exchange market. If the exchange rate falls, the foreign currency is appreciating against the euro. By contrast, if the exchange rate rises, the foreign currency is depreciating against the euro.

Oil price Brent ($ / Barrel)



Industry overview

TUI is a global provider of leisure experiences operating in the tourism sector. Developments in the international tourism market therefore impact all business areas of the Group.

The key indicators used to measure the size of the tourism sector include the number of international tourist arrivals. According to the United Nations World Tourism Organization (UNWTO), the number of international tourist arrivals grew by an annual average of 5% from 2009 to 2019 (UNWTO, World Tourism Barometer, January 2020). This growth was driven by a number of factors: the relatively stable global economy, a growing middle class in the emerging economies, technological progresss and an easing of visa requirements.

With the outbreak and the global spread of the COVID-19 pandemic in the first quarter of calendar year 2020, almost all activities in the sector came to a standstill. As a result, international tourist arrivals declined significantly. However, as travel restrictions eased and mobility was restored, tourism demand has rebounded. From January to July 2024, international tourist arrivals nearly equalled the 2019 reference period around the globe (UNWTO, World Tourism Barometer, September 2024).

Change of international tourist arrivals versus 2019

Var. %	2024 versus 2019*	2023 versus 2019
World	**– 4**	**– 11**
Europe	– 1	– 5
Asia and the Pacific	– 18	– 35
Americas	– 3	– 9
Africa	+ 7	– 4
Middle East	+ 26	+ 31

Source: UNWTO Tourism Dashboard and World Tourism Barometer, September 2024
* Period January till July

TRAVEL INTERMEDIARY MARKET

A travel intermediary operates between a provider of tourism services, such as an airline or a hotel, and final customers, typically delivering distribution, packaging and / or related services. Their advantage compared with direct suppliers is generally related to their distribution and (in the case of tour operators) fulfilment and service capabilities. Travel intermediaries include tour operators, travel agents, and online travel agencies (OTAs). These business models vary substantially. All may offer their customers a component product (e.g. flight, accommodation) or a package product (comprising e.g. flight, hotel and transfers), usually through a combination of offline (i.e. travel agencies) and online channels (i.e. web and app). Booking preference has shifted to online over time, a trend which was further accelerated during the pandemic.

In order to secure flight and hotel capacity in advance, a tour operator may enter into a wholesale contract with the supplier, often involving some form of commitment to a certain amount of capacity at a specified price. Where the tour operator commits to capacity, they take on the risk of filling it; in return, they can expect the supplier to offer them a favourable rate and the opportunity to secure accommodation on an exclusive basis, as well as the ability to yield the capacity. Alternatively, tour operators can dynamically access flight and hotel supply, either direct with the supplier, or via a bedbank, or via a global distribution system. This does not involve taking risk, and provides additional choice and flexibility for the customer (for example, relating to choice of departure airport, time of flights and duration of holiday). OTAs, by contrast, typically do not commit to taking capacity, nor are they as deeply involved in the fulfilment and service of the holiday. Their offering to suppliers is a digital distribution platform with broad customer reach, generally without any exclusivity of offer.

AIRLINE MARKET

The airline industry was hit particularly hard by the COVID-19 crisis, as airlines around the world had to ground their aircraft and cancel flights due to global travel bans. Despite this, air passenger traffic rebounded significantly as restrictions were lifted, and has continued to do so in 2024, with total traffic matching and surpassing 2019 numbers in February 2024 (IATA, Global Outlook for Air Transport, June 2024).

The airline industry, like many others, has been impacted by higher inflation, in particular in relation to jet fuel prices, driven up by energy shortages and the war in Ukraine, as well as rising interest rates and labour shortages. Despite the necessity of implementing price increases, demand has returned back to 2019 levels and passenger yields have increased (IATA, Global Outlook for Air Transport, June 2024).

Climate change is a further challenge facing the industry. The industry is committed to achieve net zero emissions by 2050, meaning the current reliance on carbon offsetting will need to end. It is expected that Sustainable Aviation Fuel (SAF) will become the most important means for the industry to achieve its reduction targets, however, predicted demand is far in excess of current production (McKinsey, How the industry could help scale sustainable fuel production, July 2024).

HOTEL MARKET

The COVID-19 pandemic had significant impacts on the hotel sector as travel and hotel restrictions imposed by governments in many countries resulted in the temporary closing of hotels and a significant decline in the number of bed nights. The recovery of the hotel market was initiated with the resumption of domestic travel. Following the lifting of governmental restrictions, international travel contributed to an increase in bed nights. 2023 already saw the recovery of global hotel revenues above 2019 levels, with further growth expected in 2024 and 2025 (Skift State of Travel 2024).

The hotel market comprises business and leisure hotels. Leisure hotels feature a number of characteristics distinguishing them from business hotels, including longer average lengths of stay and differences in location, room features and service offerings. From a demand perspective, the leisure hotel market in Europe comprises several smaller sub-markets catering to customers' individual needs and preferences. The sub-markets comprise premium, comfort and budget hotels as well as family / apartment hotels and club or resort hotels. Hotel companies may offer a variety of hotels for different market segments, often defined by price segment, star rating, exclusivity or available facilities.

In Europe, in particular, there are many small, often family-run hotels, which are less upscale and have fewer financial resources. Most family-owned hotels are not branded.

Given the large number of ownership and operating models for leisure hotels and the fragmented competitive landscape which, at least in Europe, is not dominated by large hotel chains, the competitive environment differs greatly between locations. Despite this strong fragmentation, a structural change can be observed in the European hotel industry, as in nearly all regions in the world. The share held by hotel chains is increasing, as well as the focus on direct distribution and customer loyalty.

Sustainability and emissions reduction is strongly in focus for the hotels sector, with many major brands committing to emissions reduction targets and other goals including to energy efficiency, water conservation and waste reduction. Inflation is another key issue for the industry, driven by rising energy costs, higher interest rates, and labour shortages. Although hotel revenue (based on the major global brands) has been increasing, driven by the post-pandemic recovery and strong pricing, hotels may need to increase their efficiency in order to remain competitive (Skift State of Travel 2023, July 2023).

CRUISE MARKET

From the end of July 2022, nearly the entire global ocean-going cruise fleet was back in operation after the pandemic-induced suspension of operation. In 2023, passenger volumes exceeed those of 2019 and global cruise capacity is forecast to grow by over 10% by 2026 (CLIA, State of the Cruise Industry 2024).

In calendar year 2023, the top five source markets were USA, Germany, United Kingdom, China and Australia. Based on passenger volume, the most popular destinations within that period were the Caribbean, Mediterranean, and Northern Europe (CLIA, State of the Cruise Industry 2024).

Similar to the airline and hotel sectors, emissions reduction and the path to net zero is strongly in focus for the cruise industry. In addition, new regulations are being introduced, with additional International Maritime Organisation (IMO) rules on carbon intensity and rating system having entered into force at the start of 2023, and the EU Emissions Trading Scheme (ETS) being phased in from 2024.

EXPERIENCES AND ATTRACTIONS MARKET

The market for experiences and attractions is a sizeable and rapidly growing tourism segment (based on TUI estimates). The market is diverse, complex and highly fragmented on the supplier side, and is predominantly operated offline. Intermediation and in-destination presence therefore play a key role, with online intermediaries continuing to dominate versus direct online distribution (Skift, The State of Travel 2024, July 2024). These factors create opportunity, and many of the largest players in travel have entered the space, either as OTA or thorugh B2B partnerships.

Our brand

Our brand with the red ‘Smile’ – the smiling logo – is one of TUI’s most important assets. The TUI Smile represents our commitment to creating moments that make our customers’ lives richer. To bring our brand to life, we use a brand model that provides a clear direction for how we want to further develop our offering and our product portfolio, what we as an organisation want to align ourselves with and how we want to be perceived.

Our vision ‘Excellence in Leisure Experiences’ is intended to make our ambitions clear to the marketplace. It extends across the entire customer journey, i.e. package holidays, components, hotels, flights, tours, experiences and car rental: we strive to live up to our claim at every point of contact with our guests, both in the physical and digital world. Our brand world emphasises this with a clear brand purpose and promise, as well as a distinct brand identity.

With the accelerated transformation of the Markets + Airline division, we want to offer a broader portfolio of products, services and destinations under our international brand in the future. The aim is to expand TUI’s global presence and brand awareness in order to sell more products to more customers in more countries worldwide. With our strong focus on the customer experience, we remained in the top spot for brand awareness and consideration, and achieved an increase in NPS (Net Promoter Score, an indicator of customer satisfaction and willingness to recommend) across all markets in financial year 2024. (Sources: As measured by brand consideration in TUI brand performance tracking, completed by Metrixlab; TUI Post Holiday CSQ data download 16 October 2024)

The vision underlying our brand extends far beyond our customer proposition. It not only encompasses all our touchpoints with our guests, but also our employees, aligning them with the same overarching goal of creating a sustainable and consistent customers journey. To achieve this, we use our customer-centric programme ‘Makers of Happy’, our values ‘Trusted’, ‘Unique’ and ‘Inspiring’ and our employee communications with the employer brand ‘Let’s TUI it’. All of this is designed to put TUI in a strong position.

Group earnings

Comments on the consolidated income statement

In the completed financial year, TUI Group's business volume was significantly ahead of financial year 2023. This was mainly due to year-on-year growth in customer volume with higher average prices, primarily in Markets + Airline. Moreover, TUI Group's performance is subject to significant seasonality as the tourism business is influenced by the winter and summer travel months.

In the financial year under review, TUI Group's underlying EBIT rose significantly by €319.0 m year-on-year to a result of €1,296.2 m. On a constant currency basis, this was an improvement of €345.6 m compared to previous year.

Consolidated Income Statement of TUI AG for the period from 1 Oct 2023 to 30 Sep 2024

€ million	2024	2023	Var. %
Revenue	**23,167.3**	**20,665.9**	**+12.1**
Cost of sales	21,221.2	19,052.9	+11.4
Gross profit	**1,946.1**	**1,613.0**	**+20.7**
Administrative expenses	1,045.8	1,015.6	+3.0
Other income	14.4	37.6	–61.8
Other expenses	17.1	32.0	–46.6
Impairment (+)/Reversals (–) of impairment of financial assets	–0.9	18.4	n.a.
Financial income	109.7	87.6	+25.2
Financial expenses	518.3	533.6	–2.9
Share of result of investments accounted for using the equity method	371.7	407.2	–8.7
Impairment (+)/Reversals (–) of impairment of net investments in joint ventures and associates	0.2	–5.4	n.a.
Earnings before income taxes	**861.4**	**551.2**	**+56.3**
Income taxes (expense (+), income (–))	154.0	95.5	+61.3
Group profit	**707.4**	**455.7**	**+55.2**
Group profit attributable to shareholders of TUI AG	507.1	305.8	+65.8
Group profit attributable to non-controlling interest	200.3	149.9	+33.6

REVENUE AND COST OF SALES

Revenue

€ million	**2024**	2023 adjusted	Var. %
Hotels & Resorts	1,152.4	1,032.5	+ 11.6
Cruises	840.1	656.0	+ 28.1
TUI Musement	931.0	770.0	+ 20.9
Holiday Experiences	2,923.5	2,458.5	+ 18.9
Northern Region	8,546.7	7,722.9	+ 10.7
Central Region	8,336.9	7,329.7	+ 13.7
Western Region	3,349.3	3,142.8	+ 6.6
Markets + Airline	20,232.9	18,195.4	+ 11.2
All other segments	10.9	11.9	– 8.7
TUI Group	**23,167.3**	**20,665.9**	**+ 12.1**
TUI Group (at constant currency)	**22,996.0**	**20,665.9**	**+ 11.3**

In financial year 2024, TUI Group's revenue increased by 12.1% to € 23.2 bn. On a constant currency basis, revenue grew by 11.3%. In the income statement revenue is presented alongside the cost of sales, which increased by 11.4% in the period under review.

GROSS PROFIT

The difference between revenue and the cost of sales increased by € 333.1 m year-on-year to a gross profit of € 1,946.1 m.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by € 30.2 m year-on-year to € 1,045.8 m (previous year € 1,015.6 m). The increase in administrative expenses was partly attributable to higher number of employees.

OTHER INCOME AND OTHER EXPENSES

In financial year 2024, other income mainly resulted from the disposal of aircraft assets, the revaluation of leases and the sale of shareholdings. In the previous year, other income likewise included gains from the disposal of aircraft assets as well as income from emission certificates.

In financial year 2024, other expenses resulted primarily from the sale of aircraft assets. In the previous year, other expenses included in particular the portion of the disposal of goodwill allocated to the Northern Region and losses from the disposal of aircraft assets.

FINANCIAL RESULT

The financial result in financial year 2024 amounted to € – 408.5 m after € – 445.9 m in the previous year. The increase in financial income of € 22.1 m to € 109.7 m (previous year € 87.6 m) mainly resulted from higher interest income from bank balances due to higher bank balances and in some instances increases in interest rates.

Financial expenses decreased by € 15.3 m to € 518.3 m (previous year € 533.6 m). The decline is mainly due to lower other interest and similar expenses and is primarily due to a lower utilisation of the revolving credit facility. The decrease is partly offset by increased interest expenses on bonds. The partial repurchase of the convertible bonds issued in financial year 2021 resulted in further interest expenses. In addition, interest expenses for the newly issued convertible bonds and the sustainability-linked senior notes issued in the same year led to a further opposing effect.

SHARE OF RESULT OF JOINT VENTURES AND ASSOCIATES

The share of result of joint ventures and associates of € 371.7 m (previous year € 407.2 m) comprises the proportionate net profit for the year of these companies.

EARNINGS BEFORE INCOME TAXES

In the period under review, earnings before income taxes totalled € 861.4 m (previous year € 551.2 m), an improvement of € 310.2 m.

GROUP PROFIT

In financial year 2024, Group profit amounted to € 707.4 m, an increase of € 251.7 m year-on-year (previous year € 455.7 m).

SHARE IN GROUP PROFIT ATTRIBUTABLE TO TUI AG SHAREHOLDERS

In financial year 2024, the share in Group profit attributable to TUI AG shareholders amounted to € 507.1 m (previous year € 305.8 m).

SHARE IN GROUP PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

In the financial year under review, the share in Group profit attributable to non-controlling interests totalled € 200.3 m (previous year € 149.9 m). It mainly related to RIUSA II Group.

EARNINGS PER SHARE

In financial year 2024, the share in Group profit attributable to TUI AG shareholders resulted in basic earnings per share of € 1.00 € (previous year € 0.80 €).

Alternative performance indicators

The Group's main financial KPI is underlying EBIT. We define the EBIT in underlying EBIT as earnings before interest, income taxes and income and expenses for the measurement of the Group's interest hedges. EBIT by definition includes goodwill impairments.

Underlying EBIT is adjusted by income and expense items impacting or distorting the assessment of the operating profitability of the segments and the Group due to their level and frequency. These items include gains on disposal from investments, major gains and losses from the sale of assets and major restructuring and integration expenses. In addition, adjustments are carried for all effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments. Adjustments made in the reconciliation to underlying EBIT include goodwill impairments.

Reconciliation to underlying EBIT of TUI Group

€ million	2024	2023	Var. %
Earnings before income taxes	**861.4**	**551.2**	**+ 56.3**
plus: Net interest expense (excluding expense / income from measurement of interest hedges)	414.9	432.6	– 4.1
plus: Expense / less income from measurement of interest hedges	– 1.0	15.6	n. a.
EBIT	**1,275.3**	**999.3**	**+ 27.6**
Adjustments:			
less: Separately disclosed items	–	– 45.8	n. a.
plus: Expense from purchase price allocation	20.9	23.7	– 11.8
Underlying EBIT	**1,296.2**	**977.2**	**+ 32.6**

TUI Group's EBIT increased by € 275.9 m to € 1,275.3 m in financial year 2024.

EBIT

€ million	2024	2023 adjusted	Var. %
Hotels & Resorts	669.6	555.5	+ 20.5
Cruises	374.3	236.0	+ 58.6
TUI Musement	43.8	23.9	+ 83.2
Holiday Experiences	1,087.6	815.5	+ 33.4
Northern Region	159.6	151.8	+ 5.1
Central Region	126.0	83.6	+ 50.8
Western Region	8.5	76.7	– 89.0
Markets + Airline	294.0	312.0	– 5.8
All other segments	– 106.4	– 128.1	+ 17.0
TUI Group	**1,275.3**	**999.3**	**+ 27.6**

TUI Group's operating EBIT adjusted for one-off effects (underlying EBIT) improved by € 319.0 m to € 1,296.2 m in financial year 2024.

Underlying EBIT

€ million	2024	2023 adjusted	Var. %
Hotels & Resorts	668.4	549.5	+ 21.6
Cruises	374.3	236.0	+ 58.6
TUI Musement	49.2	36.0	+ 36.7
Holiday Experiences	1,091.9	821.5	+ 32.9
Northern Region	165.4	71.5	+ 131.4
Central Region	128.1	88.1	+ 45.5
Western Region	10.3	78.5	– 86.9
Markets + Airline	303.9	238.0	+ 27.7
All other segments	– 99.6	– 82.3	– 20.9
TUI Group	**1,296.2**	**977.2**	**+ 32.6**
TUI Group (at constant currency)	**1,322.8**	**977.2**	**+ 35.4**

In financial year 2024, one-off effects resulted in net expenses of € 0.0 m (previous year € – 45.8 m). For details, please refer to the Notes to the segment data.

For one-off effects, please see page 199.

Other segment indicators

Reconciliation to underlying EBITDA

€ million	2024	2023	Var. %
EBIT	**1,275.3**	**999.3**	**+ 27.6**
Amortisation and impairment (+) / reversals (–) of other intangible assets and depreciation and impairment (+) / reversals (–) of property, plants and equipment and right-of-use assets	846.6	859.1	– 1.5
EBITDA	**2,121.9**	**1,858.5**	**+ 14.2**
Adjustments	– 2.2	– 83.2	+ 97.3
EBITDA (underlying)	**2,119.7**	**1,775.3**	**+ 19.4**

EBITDA

€ million	2024	2023 adjusted	Var. %
Hotels & Resorts	844.5	740.4	+ 14.1
Cruises	459.8	301.5	+ 52.5
TUI Musement	79.8	59.2	+ 34.8
Holiday Experiences	1,384.1	1,101.1	+ 25.7
Northern Region	467.3	447.8	+ 4.4
Central Region	228.0	180.8	+ 26.1
Western Region	143.9	207.2	– 30.6
Markets + Airline	839.4	835.9	+ 0.4
All other segments	– 101.6	– 78.5	– 29.4
TUI Group	**2,121.9**	**1,858.5**	**+ 14.2**

Underlying EBITDA

€ million	2024	2023 adjusted	Var. %
Hotels & Resorts	843.4	734.4	+ 14.8
Cruises	459.8	301.5	+ 52.5
TUI Musement	79.5	62.9	+ 26.4
Holiday Experiences	1,382.6	1,098.7	+ 25.8
Northern Region	461.7	356.0	+ 29.7
Central Region	229.3	184.2	+ 24.5
Western Region	143.0	206.2	– 30.6
Markets + Airline	834.1	746.6	+ 11.7
All other segments	– 97.0	– 70.1	– 38.4
TUI Group	**2,119.7**	**1,775.3**	**+ 19.4**

Segmental performance

Holiday Experiences

Holiday Experiences

€ million	2024	2023	Var. %
Revenue	2,923.5	2,458.5	+18.9
Underlying EBIT	1,091.9	821.5	+32.9
Underlying EBIT (at constant currency)	1,115.0	821.5	+35.7

Hotels & Resorts

€ million	2024	2023	Var. %
Total revenue[1]	2,089.5	1,855.3	+12.6
Revenue	1,152.4	1,032.5	+11.6
Underlying EBIT	668.4	549.5	+21.6
Underlying EBIT (at constant currency)	688.2	549.5	+25.2
Available bed nights[2] (in '000)	**39,657**	**38,521**	**+2.9**
Riu	14,570	13,751	+6.0
Robinson	3,487	3,749	–7.0
Blue Diamond	6,190	6,036	+2.5
Occupancy[3] (in %, variance in % points)	**82**	**82**	**–**
Riu	91	90	+1
Robinson	74	71	+3
Blue Diamond	83	83	–
Average daily rate[4] (in €)	**93**	**87**	**+7.1**
Riu	84	78	+8.5
Robinson	112	106	+6.2
Blue Diamond	162	152	+6.5

Revenue includes fully consolidated companies, all other KPIs incl. companies measured at equity.
1 Total revenue includes intra-Group revenue.
2 Number of hotel days open multiplied by beds available (Group owned and leased hotels)
3 Occupied beds divided by available beds (Group owned and leased hotels)
4 Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)

Our Hotels & Resorts segment consists of a diversified hotel portfolio of well recognised own and differentiated leisure brands. This segment's results showcased further progress on an already strong operational performance in the previous year, achieving a record* underlying EBIT of € 668.4 m (previous year € 549.5 m), up € 119.0 m year-on-year. Results were driven by an improved operational performance across our key brands and in particular Riu, supported foremost by higher bed nights and improved rates. The Canaries, Cape Verde and Mexico remained the most preferred destinations during the winter. Spain, Greece, and Türkiye were the most favoured destinations during the summer season.

The number of available bed nights on offer rose by 2.9% year-on-year as we continued to expand our capacity in this segment. Average occupancy rate at 82% maintained its high levels (previous year 82%). Average daily rate per bed increased notably by 7.1% to € 93 (previous year € 87) which was significantly ahead of the pre-pandemic levels. All key brands supported this improvement.

On an individual brand basis, Riu occupancy increased by 1% pts to 91% (previous year 90%). Average daily rate improved by 8.5% to € 84 (previous year € 78), with the Group once again delivering an improved operational performance in particular in the Canaries and Cape Verde.

Robinson with its portfolio of mainly four- and five-star club hotels, achieved results ahead of the previous year. Both higher occupancies up 3% pts to 74% (previous year 71%) and average daily rate up 6.2% to € 112 (previous year € 106) drove this operational improvement.

Blue Diamond benefitted from strong demand for its properties in the Caribbean and in Mexico. Consequently, occupancy remained high at 83% (previous year 83%) whilst average daily rates improved 6.5% to € 162 (previous year € 152).

Our Other hotels which include popular brands such as TUI Blue, TUI Magic Life and TUI Suneo, profited from improved rates and higher occupancies.

In Hotels & Resorts, product growth is being delivered by expanding our portfolio in new and existing destinations. This growth is being achieved in accordance with our asset-right and scalable approach. During the reporting period, TUI Blue for example, continued its expansion into Asia and Africa, opening hotels in Vietnam, Malaysia and China. In addition, the first hotel of the new brand The Mora opened in Zanzibar, Tanzania. This brand is designed for a new target group that is looking for contemporary luxury and a high flexibility in holiday arrangements. In financial year 2024, the segment comprised a total portfolio of 433 hotels, made up of 365 own hotels and 68 international concept brands operated by third-party hoteliers.

*Since the merger of TUI AG and TUI Travel PLC in 2014

Cruises

€ million	2024	2023	Var. %
Revenue[1]	840.1	656.0	+28.1
Underlying EBIT	374.3	236.0	+58.6
Underlying EBIT (at constant currency)	371.6	236.0	+57.4
Available passenger cruise days[2] (in '000)	**9,685**	**9,499**	**+2.0**
Mein Schiff	5,883	6,121	–3.9
Hapag-Lloyd Cruises	565	589	–4.0
Marella Cruises	3,236	2,789	+16.0
Occupancy[3] (in %, variance in % points)	**99**	**94**	**+5**
Mein Schiff	101	95	+6
Hapag-Lloyd Cruises	78	72	+6
Marella Cruises	98	96	+2
Average daily rate (in €)	**231**	**209**	**+10.6**
Mein Schiff[4]	196	171	+14.7
Hapag-Lloyd Cruises[4]	745	735	+1.4
Marella Cruises[5] (in £)	193	181	+6.8

[1] No revenue is carried for Mein Schiff and Hapag-Lloyd Cruises as the joint venture TUI Cruises is consolidated at equity.
[2] Number of operating days multiplied per berths available on the operated ships
[3] Achieved passenger cruise days divided by available passenger cruise days
[4] Ticket revenue divided by achieved passenger cruise days
[5] Revenue (stay on ship inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises) divided by achieved passenger cruise days

The Cruises segment comprises the joint venture TUI Cruises in Germany, which operates cruise ships under the brands Mein Schiff and Hapag-Lloyd Cruises, alongside Marella Cruises in UK. Product growth in Cruises is driven by investment into new-build ships by our TUI Cruises joint venture. As part of this expansion, we launched Mein Schiff 7 in June, bringing our fleet to a total of 17 vessels.

The segment reported a further year of significant growth. As a result, the business posted a record* underlying EBIT of € 374.3 m, up € 138.3 m (previous year € 236.0 m). The strong trading environment coupled with the products we offer, drove an increase in occupancy at higher rates, with all three of our cruise brands contributing to the upside.

The number of available passenger cruise days rose in total by 186 k to 9,685 k (previous year 9,499 k). In particular the successful launch of Mein Schiff 7 provided additional capacity for the summer. The cancellation or rerouting of a number of itineraries across our brands due to the political tensions around the Suez Canal, did have some limited impact during the Spring. Occupancy rates continued to rise throughout the year ranging between 78% and 101% across our Cruises brands (previous year between 72% and 96%). Average daily rates were well ahead for the segment, increasing 10.6% to € 231 (previous year € 209) underlining the popularity of the product on offer.

Mein Schiff cruises target the German speaking market with its premium all-inclusive product. In June Mein Schiff 7 became the latest addition to the TUI Cruises fleet of now seven ships. The new ship adds around three thousand berths to the fleet and is equipped with state-of-the art technology for reduced emissions and the potential to use green methanol-based fuel. During its inaugural summer season, the ship operated on routes to Northern Europe and the Baltic Sea. Itineraries of the further Mein Schiff fleet included the Canaries, the Mediterranean, the Orient, the Caribbean, Northern and Central America, Asia, Northern Europe as well as Baltic Sea. The strength of demand was underlined by an increase in occupancy by 6% pts to 101% (previous year 95%), as well as an improved average daily rate up 14.7% to 196€ (previous year € 171) which also reflected the higher yield of the new addition to the fleet.

Hapag-Lloyd Cruises, provides luxury and expeditions cruises and is aimed at the German speaking market. The brand provided itineraries to Europe, the Americas, Asia, the Caribbean, South Pacific as well as voyages to Antarctica with five ships in operation. The average daily rate increased moderately by 1.4% to € 745 (previous year € 735). Occupancy was well ahead on all vessels and overall at 78% up 6% pts (previous year 72%).

Marella Cruises, our UK cruise brand, provides a range of cruise experiences, with a fully all-inclusive fleet of five ships. During the financial year, these ships provided itineraries to the Mediterranean, the Canaries and Caribbean. Routes to Asia were also operated in the Winter season. Available passenger cruise days grew by 16.0% to 3,236 k (previous year 2,789 k). This included the benefit of a full year in operation of Marella Voyager which joined the fleet for Summer 2023. The average daily rate was £ 193, up 6.8% year-on-year (previous year £ 181). Occupancy also improved to 98%, up 2% pts (previous year 96%).

* Since the merger of TUI AG and TUI Travel PLC in 2014

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FINANCIAL YEAR 2024

COMBINED MANAGEMENT REPORT

TUI Musement

€ million	2024	2023	Var. %
Total revenue*	1,362.0	1,160.9	+17.3
Revenue	931.0	770.0	+20.9
Underlying EBIT	49.2	36.0	+36.7
Underlying EBIT (at constant currency)	55.2	36.0	+53.4

*Total revenue includes intragroup revenue.

TUI Musement, our tours and activities business, offers a wide range of experiences (excursions, activities and tickets), transfers and multi-day tours to both popular city and sun & beach destinations. The digitalisation initiatives and the development of own differentiated products are progressing well and continue to drive growth.

The business achieved an underlying EBIT of € 49.2 m, a notable increase year-on-year of € 13.2 m (previous year € 36.0 m). This improvement was generated by higher transfer and experiences volumes for our Markets + Airline business, the expansion of our B2C experiences offering, increasing B2B partnerships, as well as the growth of our differentiated own product portfolio globally.

As a result, TUI Musement provided 30.5 m tour operator guest transfers in destination, a 8% year-on-year increase (previous year 28.2 m). In addition, the business sold 10.0 m experiences across our global destinations, marking a 7% growth on the previous year (previous year 9.4 m). Own products are a key differentiator and driver of profitable growth. These products are developed by the TUI team together with local operators. In the financial year, we sold 5.3 m own experiences, including our flagship TUI Collection products, an increase of 12%. Popular experiences from the TUI Collection included the Majorca Tour with Port de Soller and Lluc Monastery, as well as the Green Canyon Boat Cruise in Türkiye including a visit to Manavgat market.

Markets + Airline

Markets + Airline

€ million	2024	2023 adjusted	Var. %
Revenue	20,232.9	18,195.4	+11.2
Underlying EBIT	303.9	238.0	+27.7
Underlying EBIT (at constant currency)	306.9	238.0	+28.9
Direct distribution mix[1] (in %, variance in % points)	74	76	–2
Online mix[2] (in %, variance in % points)	50	51	–1
Customers (in '000)	20,297	19,010	+6.8

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

Within our Markets + Airline business, demand has remained robust throughout the year in a competitive environment, generating higher volumes at improved prices. This has helped offset higher input costs across the regions. In addition, the ability to return to normal hedging lines provided, as expected, substantial upside to the results. As a result, underlying EBIT for this segment improved strongly by € 65.8 m to € 303.9 m (previous year € 238.0 m).

A total of 20,297 k customers chose to travel with us during the financial year, up 6.8% year-on-year (previous year 19,010 k), with volume increases highest in our Northern and Central Region source markets. Volumes for both the summer season and especially the winter season were ahead of previous year. Average load factor remained high at 92%, slightly ahead of the previous year (previous year 91%). A key contributor to the growth in volumes, has been the roll out of our group-wide platforms including the development and enhancement of our dynamically packaged products providing our customers with greater choice and flexibility without increasing our risk capacity. In total 3.0 m customers opted to enjoy a dynamically packaged product, up significantly by 17% against the previous year. During the year we have also continued to enhance our app as a key building block in the transformation of this segment. As a result, the share of app sales grew across all markets by a total of 40% to 7.3%. App penetration in UK was highest at 11.9%, up 35%.

Our short- and medium-haul offering experienced the strongest demand, with the Canaries, Mainland Spain, Egypt and Cape Verde being the most popular during the winter season, complemented by Greece, Türkiye and the Balearics during the summer months. Key long-haul travel was to the year-round destinations of Mexico, the Dominican Republic and Thailand.

Northern Region

€ million	2024	2023	Var. %
Revenue	8,546.7	7,722.9	+ 10.7
Underlying EBIT	165.4	71.5	+ 131.4
Underlying EBIT (at constant currency)	168.1	71.5	+ 135.3
Direct distribution mix[1] (in %, variance in % points)	93	94	– 1
Online mix[2] (in %, variance in % points)	70	69	+ 1
Customers (in '000)	7,817	7,360	+ 6.2

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

Northern Region comprises the source markets UK and Nordics following the sale of our tour operator venture in Canada in May 2023.

Underlying EBIT improved significantly by € 93.9 m to € 165.4 m (previous year € 71.5 m). Both UK and Nordics achieved higher results supported by increased volumes and improved prices. In addition, the UK benefitted from an upside through the return to normal hedging lines supporting an overall doubling of results for this source market.

Customer volume increased significantly by 6.2% to 7,817 k versus previous year (previous year 7,360 k) with numbers ahead of pre-pandemic levels in UK. This was driven by higher demand and emphasised the popularity of the product on offer. Online distribution for the Region continued to be high at 70%, increasing 1% pts (previous year 69%) with levels continuing highest in the Nordic region. Direct distribution was at 93% maintaining the high rate of the previous year.

Central Region

€ million	2024	2023	Var. %
Revenue	8,336.9	7,329.7	+ 13.7
Underlying EBIT	128.1	88.1	+ 45.5
Underlying EBIT (at constant currency)	127.7	88.1	+ 45.0
Direct distribution mix[1] (in %, variance in % points)	53	56	– 3
Online mix[2] (in %, variance in % points)	28	29	– 1
Customers (in '000)	7,848	7,036	+ 11.5

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

Central Region comprises Germany, Austria, Switzerland and Poland.

The segment reported a significant improvement in underlying EBIT of € 128.1 m, an increase of € 40.1 m against the previous year's € 88.1 m. The increase was supported by higher volumes and prices in the key Germany source market, as well as the significant expansion of the Polish market.

The increase in customer numbers by 11.5% to 7,848 k (previous year 7,036 k) was driven by growth in Germany and Poland. In Germany, our tour operator responded quickly in June to the insolvency of FTI, a key competitor, by adding capacity to the Summer programme in key destinations such as Türkiye, Greece, the Balearics, the Canaries and Egypt.

Online distribution for Central Region of 28% was slightly lower against the previous year at 29%. Similarly, direct distribution of 53% was 3% points lower (previous year 56%).

Western Region

€ million	**2024**	2023 adjusted	Var. %
Revenue	3,349.3	3,142.8	+6.6
Underlying EBIT	10.3	78.5	–86.9
Underlying EBIT (at constant currency)	11.1	78.5	–85.9
Direct distribution mix[1] (in %, variance in % points)	75	76	–1
Online mix[2] (in %, variance in % points)	55	57	–2
Customers (in '000)	4,632	4,614	+0.4

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

Western Region comprises Belgium, Netherlands and France.

The segment reported an underlying EBIT of €10.3 m, down €68.2 m versus previous year (previous year €78.5 m). Results were impacted by fewer long-haul customers in both the Netherlands and Belgium, as well as costs relating to the continued transformation of the business, including higher investment in IT.

Customer volumes were in line 0.4% year-on-year at 4,632 k (previous year 4,614 k) whereby the proportion of long-haul flights reduced. Online distribution for the region stood at 55%, which was 2% pts lower (previous year 57%). Direct distribution of 75% was –1% pts over the same period.

All other segments

€ million	**2024**	2023 adjusted	Var. %
Revenue	10.9	11.9	–8.7
Underlying EBIT	–99.6	–82.3	–20.9
Underlying EBIT (at constant currency)	–99.1	–82.3	–20.4

'All other segments' includes the corporate centre functions of TUI AG and the interim holdings, the Group's real estate companies and the Group's key tourism functions.

The underlying EBIT loss for All other segments increased by €17.2 m versus previous year, (previous year €82.3 m loss) reflecting in particular valuation effects.

Net assets

Development of the Group's asset structure

€ million	30 Sep 2024	30 Sep 2023	Var. %
Fixed assets	11,331.9	10,929.1	+ 3.7
Non-current receivables	816.0	676.8	+ 20.6
Non-current assets	12,148.0	11,605.9	+ 4.7
Inventories	66.4	62.1	+ 7.0
Current receivables	2,354.1	2,355.4	– 0.1
Cash and cash equivalents	2,848.2	2,060.3	+ 38.2
Assets held for sale	0.0	68.6	n. a.
Current assets	5,268.8	4,546.5	+ 15.9
Assets	**17,416.7**	**16,152.4**	**+ 7.8**
Equity	1,774.3	1,947.2	– 8.9
Liabilities	15,642.4	14,205.2	+ 10.1
Equity and liabilities	**17,416.7**	**16,152.4**	**+ 7.8**

The Group's balance sheet total increased by 7.8% year-on-year to € 17.4 bn.

Vertical structural indicators

Non-current financial assets accounted for 69.7% of total assets, compared with 71.9% in the previous year. The capitalisation ratio (ratio of fixed assets to total assets) decreased from 67.7% to 65.1%.

Current assets accounted for 30.3% of total assets, compared with 28.1% in the previous year. The Group's cash and cash equivalents increased by € 787.9 m to € 2,848.2 m. They thus accounted for 16.4% of total assets, as against 12.8% in the previous year.

Horizontal structural indicators

At the balance sheet date, the ratio of equity to non-current assets was 14.6%. At the previous year's balance sheet date, this ratio was 16.8%. The ratio of equity plus non-current financial liabilities to fixed assets was 29.3%, compared with 28.8% in the previous year.

Development of the Group's non-current assets

Structure of the Group's non-current assets

€ million	30 Sep 2024	30 Sep 2023	Var. %
Goodwill	2,998.7	2,949.2	+ 1.7
Other intangible assets	589.6	538.0	+ 9.6
Property, plant and equipment	3,697.4	3,480.3	+ 6.2
Right-of-use assets	2,538.7	2,763.4	– 8.1
Investments in joint ventures and associates	1,507.5	1,198.2	+ 25.8
Fixed assets	11,331.9	10,929.1	+ 3.7
Receivables and assets	426.9	366.2	+ 16.6
Deferred tax claims	389.2	310.6	+ 25.3
Non-current receivables	816.0	676.8	+ 20.6
Non-current assets	**12,148.0**	**11,605.9**	**4.7**

GOODWILL

Goodwill remained at the previous year's level at € 2,998.7 m.

For further details, please refer to the section Goodwill in the Notes from page 210.

PROPERTY, PLANT AND EQUIPMENT

At the balance sheet date, property, plant and equipment totalled € 3,697.4 m, up by € 217.1 m year-on-year. Major additions to property, plant and equipment related to the construction, acquisition and renovation of hotels in the Hotels & Resorts segment, and maintenance work on cruise ships and investments in aircraft. The majority of the disposals related to the disposal of advance payments for the delivery of aircraft. In addition, impairment tests resulted in adjustments, primarily on hotels including land.

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Development of property, plant and equipment

€ million	30 Sep 2024	30 Sep 2023	Var. %
Real estate with hotels	1,950.3	1,936.3	+ 0.7
Other land	36.3	37.3	– 2.7
Aircraft	505.5	341.5	+ 48.0
Ships	455.0	469.6	– 3.1
Machinery and fixtures	406.5	384.8	+ 5.6
Assets under construction	135.5	151.9	– 10.8
Payments on accounts	208.3	158.9	+ 31.1
Total	**3,697.4**	**3,480.3**	**+ 6.2**

RIGHT-OF-USE ASSETS

As a lessee, TUI recognises right-of-use assets and lease liabilities in the statement of financial position in accordance with IFRS 16. Right-of-use assets relate to moveable assets such as aircraft, vehicles and cruise ships, as well as property such as hotel buildings and land, office buildings and travel agencies.

INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Seventeen associates and 25 joint ventures were measured at equity. At € 1,507.5 m, their value increased by 25.8% year-on-year as at the balance sheet date.

Development of the Group's current assets

Structure of the Group's current assets

€ million	30 Sep 2024	30 Sep 2023	Var. %
Inventories	66.4	62.1	+ 7.0
Trade accounts receivable and other financial assets[1]	1,213.3	1,397.1	– 13.2
Other non-financial assets[2]	1,105.9	917.3	+ 20.6
Current tax assets	35.0	41.0	– 14.7
Cash and cash equivalents	2,848.2	2,060.3	+ 38.2
Assets held for sale	0.0	68.6	n. a.
Current assets	**5,268.8**	**4,546.5**	**15.9**

1 Incl. receivables from derivative financial instruments
2 Incl. touristic prepayments

Financial position of the Group

Principles and goals of financial management

PRINCIPLES

TUI Group's financial management is centrally operated by TUI AG, which acts as the Group's internal bank. Financial management covers all Group companies in which TUI AG directly or indirectly holds an interest of more than 50%. It is based on policies covering all cash flow-oriented aspects of the Group's business activities. In implementing a cross-border organisation approach, TUI AG has outsourced some of its treasury activities to First Choice Holidays Finance Ltd, a British Group company. However, the treasury activities are carried out on a coordinated and centralised basis.

GOALS

TUI's financial management goals include ensuring sufficient liquidity for TUI AG and its subsidiaries and limiting financial risks from fluctuations in foreign exchange rates, commodity prices and interest rates as well as default risks associated with treasury activities.

LIQUIDITY SAFEGUARDS

The Group's liquidity safeguards consist of two components:

- In the course of the annual Group planning process, TUI Group draws up a multi-annual financial budget, from which long-term financing and refinancing requirements are derived. This information and financial market observation to identify refinancing opportunities create a basis for decision-making, enabling appropriate financing instruments for long-term corporate funding to be adopted at an early stage.
- TUI uses syndicated credit facilities and bilateral bank lines as well as its liquid funds to secure sufficient short-term cash reserves. Through intra-Group cash pooling, excess cash of individual Group companies is used to finance the cash requirements of other Group companies. A weekly rolling liquidity planning system is the basis for arrangements with banks.

LIMITING FINANCIAL RISKS

The Group companies operate on a worldwide scale. TUI Group is therefore exposed to financial risks from changes in exchange rates, commodity prices and interest rates.

The key operating financial transaction risks relate to the euro, US dollar, pound sterling and Swedish krona and to changing fuel prices. They mainly result from cost items in foreign currencies held by individual Group companies, e.g. hotel procurement, aircraft fuel and bunker oil invoices or ship handling costs.

The Group has entered into derivative hedges in various foreign currencies in order to limit its exposure to risks from changes in exchange rates. Changes in commodity prices affect TUI Group, in particular, in procuring fuels such as aircraft fuel and bunker oil. Some of these price risks related to fuel procurement are hedged by derivative instruments. Where price increases can be passed on to customers due to contractual agreements, this is also reflected in our hedging behaviour.

Hedging cover is taken out ahead of the markets' customer booking profiles. This provides a degree of certainty over input costs when planning pricing and capacity.

In order to control risks related to changes in interest rates arising on funding in international money and capital markets and investments of liquid funds, derivative interest hedges are used on a case-by-case basis as part of the Group's interest management system.

In order to limit default risks from settlement payments for derivatives as well as money market investments with banks, TUI AG and First Choice Holidays Finance Ltd have defined credit rating criteria for the selection of their counterparties. Trading and transaction limits are allocated to these counterparties on the basis of the credit ratings issued by the major rating agencies. The credit ratings and the corresponding limits are regularly reviewed. In the event of changes in the fair value of derivatives or rating changes, new business with these counterparties may temporarily be suspended until the limits can be applied appropriately again.

The use of derivative hedges is based on underlying transactions; the derivatives are not used for speculation purposes.

More detailed information on hedging strategies and risk management as well as financial transactions and the scope of such transactions at the balance sheet date is provided in the Risk Report and the section Financial instruments in the Notes to the consolidated financial statements.

See from pages 34 and 241 onwards

Capital structure

Capital structure of the Group

€ million	30 Sep 2024	30 Sep 2023	Var. %
Non-current assets	12,148.0	11,605.9	+ 4.7
Current assets	5,268.8	4,546.5	+ 15.9
Assets	**17,416.7**	**16,152.4**	**+ 7.8**
Subscribed capital	507.4	507.4	–
Capital reserves	7,980.4	9,090.1	– 12.2
Revenue reserves	– 7,531.5	– 8,474.6	+ 11.1
Non-controlling interest	817.9	824.3	– 0.8
Equity	1,774.3	1,947.2	– 8.9
Non-current provisions	1,515.3	1,485.7	+ 2.0
Current provisions	479.3	366.7	+ 30.7
Provisions	1,994.6	1,852.4	+ 7.7
Non-current financial liabilities	1,543.6	1,198.5	+ 28.8
Current financial liabilities	358.8	98.5	+ 264.4
Financial liabilities	1,902.4	1,297.0	+ 46.7
Non-current lease liabilities	2,057.4	2,216.9	– 7.2
Current lease liabilities	582.4	701.2	– 17.0
Lease liabilities (IFRS 16)	2,639.7	2,918.1	– 9.5
Other non-current liabilities	496.7	427.1	+ 16.3
Other current liabilities	8,608.9	7,708.9	+ 11.7
Other liabilities	9,105.6	8,136.0	+ 11.9
Debt related to assets held for sale	–	1.6	n. a.
Liabilities	**17,416.7**	**16,152.4**	**+ 7.8**

Capital ratios

€ million		30 Sep 2024	30 Sep 2023	Var. %
Non-current capital		7,387.4	7,275.5	+ 1.5
Non-current capital in relation to balance sheet total	%	42.4	45.0	– 2.6*
Equity ratio	%	10.2	12.1	– 1.9*
Equity and non-current financial liabilities		3,317.9	3,145.7	+ 5.5
Equity and non-current financial liabilities in relation to balance sheet total	%	19.1	19.5	– 0.4*

* Percentage points

Overall, non-current capital increased by 1.5% to € 7,387.4 m. It accounted for 42.4% (previous year 45.0%) of the balance sheet total.

The equity ratio was 10.2% (previous year 12.1%). Equity and non-current financial liabilities accounted for 19.1% (previous year 19.5%) of the balance sheet total.

EQUITY

In the completed financial year, the capital stock of the Company was unchanged at € 507,431,033.00, divided into 507,431,033 no-par value shares, each representing a pro rata amount of the capital stock of € 1.00.

PROVISIONS

Provisions mainly comprise provisions for pension obligations, tax provisions and provisions for typical operating risks classified as current or non-current, depending on expected occurrence. At the balance sheet date, they accounted for a total of € 1,994.6 m, up € 142.3 m year-on-year.

FINANCIAL AND LEASE LIABILITIES

Composition of financial liabilities and lease liabilities

€ million	30 Sep 2024	30 Sep 2023	Var. %
Bonds	990.6	542.7	+ 82.5
Liabilities to banks	907.4	718.8	+ 26.2
Other financial liabilities	4.4	35.5	– 87.6
Financial liabilities	**1,902.4**	**1,297.0**	**+ 46.7**
Lease liabilities	**2,639.7**	**2,918.1**	**– 9.5**

Non-current financial liabilities increased by € 345.1 m versus 30 September 2023 to € 1,543.6 m. The increase is mainly due to the newly issued sustainability-linked senior notes of € 500.0 m and an increase in long-term liabilities to banks.

For more detailed information, please refer to the Notes to the consolidated financial statements.

See chapter 'Financial and lease liabilities', page 236.

OVERVIEW OF TUI'S LISTED BONDS

The table below lists the maturities, nominal volumes and annual interest coupon of the listed convertible bonds issued in 2021 and in 2024.

Listed bonds

Capital measures	Issuance	Maturity	Amount, initial in € m	Amount, outstanding in € m	Interest rate % p.a.
2021 Convertible Bonds	April / July 2021	April 2028	590	118	5.000
2024 Sustainability-linked Senior Notes	March 2024	March 2029	500	500	5.875
2024 Convertible Bonds	July 2024	July 2031	487	487	1.950

2021 CONVERTIBLE BONDS

In July 2024, the Company repurchased € 472.0 m of the 2021 convertible bonds maturing in 2028, representing approximately 80% of the outstanding principal amount. These repurchases were funded with the proceeds from the successful offering of convertible bonds totalling € 487.0 m, maturing in 2031. As a result, the volume of the outstanding convertible bonds issued in 2021 declined to € 117.6 m.

2024 SUSTAINABILITY-LINKED SENIOR NOTES

In March 2024, the Company placed sustainability-linked senior notes totalling € 500.0 m with a tenor of five years. The senior notes have an annual coupon of 5.875% and were issued at 98.93% of the nominal amount.

2024 CONVERTIBLE BONDS

In July 2024, the Company issued senior unsecured convertible bonds in an aggregate principal amount of € 487.0 m with a tenor of seven years. The convertible bonds have a denomination of € 100,000 per bond and a fixed coupon of 1.95% per annum. The conversion price is € 9.60 per share.

SYNDICATED CREDIT LINES OF TUI AG

Based on a contractual agreement and as a result of proceeds from the issue of sustainability-linked senior notes and new convertible bonds, TUI AG's syndicated credit lines of originally around € 2.7 bn were reduced to around € 1.9 bn through partial cancellations of € 159.0 m (February 2024), € 341.0 m (March 2024) and € 336.0 m (July 2024) of the previously undrawn KfW credit line of € 1.05 bn. As a result, TUI AG had syndicated credit facilities totalling around € 1.9 bn at the end of the completed financial year, including a cash tranche of € 214.0 m from KfW and a bank guarantee facility of € 190.0 m.

The interest rate for cash drawdowns is variable and depends on the short-term interest rate (EURIBOR or SONIA) and TUI's credit rating plus a margin.

At the balance sheet date, no cash drawdowns had been made on the syndicated credit facility.

2018 SCHULDSCHEIN

The Schuldschein issued in 2018 remains at € 242.0 m.

BANK CREDITS AND LEASE LIABILITIES

Liabilities to banks largely relate to TUI AG's Schuldschein worth € 242.0 m as well as liabilities from the funding of aircraft and hotel complexes. Lease liabilities essentially relate to aircraft funding and hotel leases. For more detailed information, in particular on the remaining terms, please refer to the section Financial and lease liabilities in the Notes to the consolidated financial statements.

See section 'Financial and lease liabilities', page 236.

OTHER LIABILITIES

The combined figure for other liabilities mainly includes trade payables and customer deposits. At € 9,105.6 m, it was € 969.5 m up year-on-year.

Key credit facilities

SYNDICATED CREDIT FACILITIES OF TUI AG

TUI AG's syndicated credit facility of around € 1.9 bn included a tranche of € 190.0 m for bank guarantees. At the balance sheet date, no cash drawdowns had been made from this credit facility. An amount of € 136.0 m was drawn from this credit facility through the use of bank guarantees.

BILATERAL CREDIT FACILITIES OF TUI AG WITH BANKS

In October 2023, TUI AG agreed a credit line of € 50.0 m with a term of one year with a bank; in October 2024, the term was extended by a further year. In December 2023, TUI AG agreed an additional credit line of € 50.0 m with an unlimited term with another bank. Credit utilisation under both facilities is subject to floating interest rates. The two credit lines can be terminated with immediate effect by either the respective bank or TUI AG. As at the balance sheet date, no amounts had been drawn from the two credit lines.

BILATERAL GUARANTEE FACILITIES OF TUI AG WITH BANKS

In October 2023, TUI AG concluded a guarantee facility of up to € 430.0 m with a bank in order to meet a regulatory obligation. In October 2023, an amount of € 386.0 m was drawn under that facility. The guarantee issued was reduced to € 366.5 m in March 2024; this also corresponds to the amount so far utilised as at the balance sheet date.

In addition, TUI AG concluded further bilateral guarantee facilities totalling € 54.7 m for the provision of bank guarantees in the framework of its ordinary business activities. Some of the guarantees have a term of several years. The guarantees granted incur a commission in the form of a fixed percentage of the maximum guaranteed amount. As at the balance sheet date, € 4.3 m had been utilised under these guarantee facilities.

Obligations from financing agreements

TUI AG's Schuldschein worth € 242.0 m, the 2021 convertible bonds worth € 589.6 m (of which € 117.6 m remains outstanding after the buyback in July 2024), the 2024 sustainability-linked senior notes worth € 500.0 m, the 2024 convertible bonds worth € 487.0 m and the credit and guarantee facilities for TUI AG contain a number of obligations.

Under its syndicated credit facility worth € 1.9 bn, TUI AG has a duty to comply with certain financial covenants (as defined in the contracts). These require (a) compliance with an EBITDAR-to-net interest expense ratio measuring TUI Group's relative charge from the interest result and its lease and rental expenses; and (b) compliance with a net debt-to-EBITDA ratio, calculating TUI Group's relative charge from financial liabilities. The EBITDAR-to-net interest expense ratio must have a coverage multiple of at least 2.5 times; net debt must not exceed 3.0 times EBITDA. The financial covenants are determined every six months. In addition, among other things, TUI's scope for pledging or selling assets, acquiring other companies or shareholdings, or effecting mergers has been restricted.

TUI AG's Schuldschein worth € 242.0 m, the 2021 convertible bonds worth € 589.6 m (of which € 117.6 m remains outstanding after the buyback in July 2024), the sustainability-linked senior notes worth € 500.0 m, the 2024 convertible bonds worth € 487.0 m, and the credit and guarantee facilities for TUI AG also contain clauses typical of financing instruments of this type. Non-compliance with these obligations awards the lenders the right to call in the facilities and terminate the financing schemes for immediate repayment.

Ratings by Standard & Poor's and Moody's

TUI AG ratings

	2020	2021	2022	2023	**2024**	Outlook
Standard & Poor's	CCC+	CCC+	B–	B	B+	positive
Moody's	Caa1	Caa1	B3	B2	B1	positive

In the wake of the COVID-19 pandemic, both Standard & Poor's and Moody's successively lowered TUI's rating to 'CCC+' and 'Caa1', respectively, in 2020. In the course of economic recovery, continuous rating improvements have been achieved since financial year 2022.

In financial year 2024, the rating agencies upgraded their TUI ratings further to 'B+' (positive outlook) (Standard & Poor's) and 'B1' (positive outlook) (Moody's) in February 2024 due to the continued strong operating performance and improvements in the debt situation.

The sustainability-linked senior notes of € 500.0 m issued in March 2024 also obtained ratings of 'B+' (Standard & Poor's) and 'B1' (Moody's).

Financial stability target

TUI is aiming to achieve an improved credit rating to finance the further development of the Company. Due to the temporary flight ban for the Boeing 737 MAX aircraft type and subsequently the effects of the COVID-19 pandemic, the ratings were lowered from 'BB' and 'Ba' to 'CCC+' and 'Caa1' in 2020. Meanwhile, in response to the improvements in operating indicators achieved after the COVID-19 pandemic, the structural improvement in debt ratios due, in particular, to the capital increase in April 2023 and the early extension of the maturity of the syndicated credit facilities in financial year 2023, the rating agencies have upgraded their ratings to 'B+' (Standard & Poor's) and 'B1' (Moody's), each with a positive outlook. We aim to achieve further improvements in our current ratings in order to further minimise our borrowing costs and stabilise our access to debt capital markets. As an indicator for financial stability, we have defined a net leverage ratio along the following basic lines:

Net leverage ratio

€ million	30 Sep 2024	30 Sep 2023
Financial debt	1,902.4	1,297.0
plus: Lease liabilities	2,639.7	2,918.1
less: Cash and cash equivalents	2,848.2	2,060.3
less: Short-term interest-bearing investments	53.4	48.6
Net debt	**1,640.5**	**2,106.2**
EBITDA (underlying)	2,119.7	1,775.3
Net leverage ratio	**0.8**	**1.2**

Due to the reduction in net debt and the improvement in our (underlying) EBITDA, our net leverage ratio improved to 0.8x in financial year 2024 (previous year 1.2x). In the medium term, we continue to aim for a net leverage ratio of well below 1.0x.

See section on 'Capital management', page 264.

Interest and financing environment

Following a significant increase since the beginning of 2022, short-term interest rates have stabilised at medium single-digit percentage rates in the reporting year and fell slightly over the remainder of the year. This was due to the first interest rate cuts performed by central banks following an easing of inflation in the key currency areas.

In the financial year under review, quoted credit margins (based on CDS levels) for corporates on sub-investment grades fell again, and are now close to the long-standing average. Credit margins for TUI AG declined again in the course of the financial year under review but are still elevated. The financial market environment improved substantially in 2024 so that two major capital market transactions were carried out (see notes on the 2024 convertible bonds and 2024 sustainability-linked senior notes).

Liquidity analysis

At the balance sheet date, TUI AG, the parent company of TUI Group, held cash and cash equivalents worth € 0.5 m.

RESTRICTIONS ON THE TRANSFER OF LIQUID FUNDS

At the balance sheet date, there were restrictions worth around € 0.7 bn (previous year € 0.8 bn) on the transfer of liquid funds within the Group that might significantly impact the Group's liquidity, such as restrictions on capital movements and restrictions due to credit agreements concluded.

Change of control

Significant agreements taking effect in the event of a change of control due to a takeover bid are outlined in the chapter on Information required under takeover law.

See chapter 'Information required under takeover law', page 108.

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FINANCIAL YEAR 2024

COMBINED MANAGEMENT REPORT

Cash flow statement

Summary cash flow statement

€ million	2024	2023
Net cash inflow from operating activities	+ 1,910.8	+ 1,637.3
Net cash outflow from investing activities	– 604.3	– 492.2
Net cash outflow from financing activities	– 531.4	– 834.6
Change in cash and cash equivalents with cash effects	**+ 775.1**	**+ 310.5**

The cash flow statement shows the flow of cash and cash equivalents on the basis of a separate presentation of cash inflows and outflows from operating, investing and financing activities. The effects of changes in the group of consolidated companies and of foreign currency translation are eliminated.

In the period under review, cash and cash equivalents increased by € 787.6 m to € 2,848.2 m.

CASH INFLOW FROM OPERATING ACTIVITIES

In the completed financial year, the cash inflow from operating activities totalled € 1,910.8 m (previous year € 1,637.3 m). This amount includes interest payments received of € 88.5 m (previous year € 54.9 m), dividends of € 67.2 m from companies measured at equity (previous year € 24.1 m). Income tax payments resulted in a cash outflow of € 152.2 m (previous year € 106.6 m).

CASH OUTFLOW FROM INVESTING ACTIVITIES

In financial year 2024, the cash outflow from investing activities totalled € 604.3 m (previous year € 492.2 m). This amount includes a cash outflow for capital expenditure related to property, plant and equipment and intangible assets of € 712.5 m (previous year € 666.2 m). The Group recorded a cash inflow of € 81.9 m (previous year € 142.9 m) from the sale of property, plant and equipment and intangible assets.

TUI Group recorded cash inflows of € 39.1 m from the earn-out payment in connection with the sale of the stakes in Riu Hotels S.A. and € 1.0 m from the sale of the hotel company Tenuta di Castelfalfi S.p.A., effected in financial year 2021, € 12.0 m from the sale of the stake in WOT Hotels Adriatic Assets Company, and € 2.9 m from the sale of the stake in Raiffeisen-Tours RT Reisen GmbH. TUI Group contributed € 73.5 m to the capital increase of Pep Toni Hotels S.A. and € 4.3 m to the capital increase of the TUI Global Hospitality Fund. TUI Group's share in the capitalisation of the joint venture Fly4 Airlines Green Limited amounted to € 3.9 m. TUI received € 8.0 m from capital reductions of the associated company Midnight Canada, Inc. TUI Group received € 44.1 m, less cash and cash equivalents disposed of, for the sale of the Club Hotel CV to the TUI Global Hospitality Fund. The sale of money market funds generated € 0.3 m, € 2.3 m was spent on the purchase.

CASH OUTFLOW FROM FINANCING ACTIVITIES

The cash outflow from financing activities totalled € 531.4 m (previous year € 834.6 m).

From the sustainability-linked senior notes issued in February 2024, TUI AG received € 486.8 million after deducting discounts and transaction costs. In July 2024, TUI AG issued convertible bonds, which, after deduction of transaction costs, generated € 377.3 m in debt and € 101.8 m in equity. Also in July 2024, the company bought back € 472.0 m of the 2021 convertible bonds due in 2028. After taking into account the premium for the buyback, € 477.8 m was attributable to debt and € 1.2 m to equity. Other TUI Group companies took out loans totaling € 225.2 m. € 712.8 m was used to repay other financial liabilities, thereof € 619.6 m lease liabilities. The syndicated credit facility was not used as at the balance sheet date. Interest payments resulted in a cash outflow of € 384.7 m, while a cash outflow of € 145.8 m was attributable to the payment of dividends to minority shareholders.

Change in cash and cash equivalents

€ million	2024	2023
Cash and cash equivalents at the beginning of period	**+ 2,060.5**	**+ 1,736.9**
Changes due to changes in exchange rates	+ 12.5	+ 13.1
Cash changes	+ 775.1	+ 310.5
Cash and cash equivalents at the end of period	**+ 2,848.2**	**+ 2,060.5**

Cash and cash equivalents comprise all liquid assets, i. e. cash in hand, bank balances and cheques.

The detailed cash flow statement and additional explanations are provided in the consolidated financial statements and in the section Notes to the cash flow statement in the Notes to the consolidated financial statements.

See page 179 and 265

Analysis of investments

The development of fixed assets, including property, plant and equipment, intangible assets, shareholdings and other financial investments, is presented in the section on Net assets in the Management Report. Additional explanatory information is provided in the Notes to the consolidated financial statements.

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FINANCIAL YEAR 2024

COMBINED MANAGEMENT REPORT

Net capex and investments

€ million	2024	2023 adjusted	Var. %
Cash gross capex			
Hotels & Resorts	318.5	220.5	+44.4
Cruises	53.3	82.9	–35.7
TUI Musement	23.9	26.4	–9.5
Holiday Experiences	395.7	329.9	+19.9
Northern Region	29.1	30.2	–3.6
Central Region	15.9	15.1	+5.3
Western Region	14.9	21.8	–31.7
Markets + Airline*	72.5	98.2	–26.2
All other segments	142.2	149.8	–5.1
TUI Group	**610.4**	**577.9**	**+5.6**
Net pre delivery payments on aircraft	49.8	51.8	–3.9
Financial investments	78.8	83.2	–5.3
Divestments	–136.9	–219.2	+37.6
Net capex and investments	**602.2**	**493.7**	**+22.0**

* Including gross capex of €12.6 m for the aircraft leasing companies for financial year 2024 (previous year €31.1 m)

In the financial year under review, TUI Group's gross capital expenditure on property, plant and equipment amounted to €610.4 m, up 5.6% year-on-year. Hotels & Resorts recorded a considerable increase, driven by higher capital expenditure in Riu and Robinson. The year-on-year decline in capex in the Cruises segment was attributable to the refurbishment of Mein Schiff Herz carried in 2023 before the vessel was commissioned for the UK market by Marella Cruises. As in 2023, investments included the contribution to the share capital of Pep Toni Hotels S.A. totalling €73.5 m. Divestments include an inflow of around €39 m from the sale of the shares in RIU Hotels S.A. in financial year 2021 and an inflow from the sale of a hotel in the Cape Verde islands.

The table below shows a reconciliation of capital expenditure to additions to TUI Group's other intangible assets and property, plant and equipment.

Reconciliation of capital expenditure

€ million	2024	2023
Cash gross capex	**610.4**	**577.9**
Additions right-of-use assets	9.6	7.7
Advance payments	102.0	88.4
Other non-cash changes	17.8	–9.7
Additions to other intangible assets and property, plant and equipment	**739.8**	**664.2**

Investment obligations

ORDER COMMITMENTS

Due to agreements concluded in financial year 2024 or in prior years, order commitments for investments totalled €2,434.8 m as at the balance sheet date. This total included an amount of €760.3 m for scheduled investments in financial year 2025.

→ *More detailed information is provided in the section 'Other financial commitments' in the Notes to the consolidated financial statements from page 238 onwards.*

Net debt

The net debt as of 30 September 2024 declined by €465.6 m year-on-year to €1,640.5 m.

Net debt

€ million	30 Sep 2024	30 Sep 2023	Var. %
Financial debt	1,902.4	1,297.0	+46.7
plus: Lease liabilities	2,639.7	2,918.1	–9.5
less: Cash and cash equivalents	2,848.2	2,060.3	+38.2
less: Short-term interest-bearing investments	53.4	48.6	+9.9
Net debt	**1,640.5**	**2,106.2**	**–22.1**

Non-Financial Group Declaration of TUI Group*

* Unaudited

About this Non-Financial Group Declaration

For TUI Group, sustainability in all three dimensions – economic, environmental and social – is a fundamental management principle. We firmly believe that sustainable development is critical to long-term economic success. We understand sustainable transformation as an opportunity.

TUI AG hereby presents a Non-Financial Group Declaration on behalf of TUI Group, combining aspects and reporting on the following key issues: environmental matters, employee matters, social matters, respect for human rights, and information on integrity and compliance. Pursuant to section 315b para. 1 sentence 3 of the German Commercial Code (HGB), we also refer, in a number of respects, to non-financial disclosures found in other parts of the Group Management Report. This Non-Financial Group Declaration covers the Group's fully consolidated subsidiaries as well as the joint ventures and associates measured at equity, in particular in TUI Hotels & Resorts as well as TUI Cruises.

A materiality assessment performed in financial year 2023 generated insights into the risks and opportunities associated with sustainability. ESG-related positions and views derived from a survey among internal experts were consolidated into a list of key topics and reviewed again in the financial year under review. The findings did not give rise to any substantial changes in our reporting approach for the Non-Financial Group Declaration.

We identified the following aspects as scoring highest in the Environment, Social and Governance categories:

- Environment: emissions, creation of sustainable holiday products, energy sources and efficiency, sustainable procurement, destination development, waste and the circular economy
- Social: human rights, diversity, equity and inclusion, talent acquisition, fair pay, occupational health and safety, positive employee experiences
- Governance: supply chain management, fair business relationships and integrity, corporate citizenship, crisis management, business continuity

Moreover, as we continue to expand our TUI Sustainability Agenda, we are incorporating themes with lower materiality scores. This enables us, for instance, to reflect the growing relevance of specific topics such as biodiversity management.

We describe our risk management system and the principal risks associated with our business activities, business relationships and services, and key sustainability risks in our Risk Report from page 34.

APPLICABLE STANDARDS AND SUSTAINABILITY INDICES

Our reporting reflects the principles of the UN Global Compact, which TUI signed up to in 2014. Our sustainability activities are also aligned with the UN Sustainable Development Goals (SDGs).

In the financial year under review, TUI participated in the CDP Climate Change Programme and in the S&P Dow Jones Sustainability Index Assessment and engaged in dialogue with other ESG researchers. TUI AG is rated as a 'Prime' Investment by the ISS ESG agency.

SPECIFIC CO_2 EMISSIONS OF OUR AIRLINES AS A KEY NON-FINANCIAL PERFORMANCE INDICATOR

We regard specific CO_2 emissions (in g CO_2/rpk) of our aircraft fleet as a key non-financial performance indicator.

See page 82

DISCLOSURES PURSUANT TO EU TAXONOMY REGULATION (2020/852)

This Declaration includes disclosures on whether and to what extent TUI Group's operations include economic activities to be classified as taxonomy-eligible or taxonomy-aligned under the EU Taxonomy Regulation (2020/852).

LIMITED ASSURANCE ENGAGEMENT ATTESTATION

The present Non-Financial Group Declaration was not included in the audit of the annual financial statements. It was subject to a limited assurance engagement in accordance with ISAE 3000 (revised). Neither the TCFD Declaration of Conformity nor the references to external documents were included in the external audit.

See page 283

Task Force on Climate-related Financial Disclosures (TCFD)

In the section from page 115, we make disclosures in accordance with the TCFD recommendations, which provide a framework for improving the disclosure of consistent, comparable, reliable and climate-related financial information. We are committed to complying with the TCFD recommendations and recommended disclosures, taking into account the TCFD guidelines for all sectors, and we believe that the disclosures comply with these guidelines. As part of the implementation of the Corporate Sustainability Reporting Directive (CSRD) since financial year 2025, we will transfer the previous TCFD reporting to our CSRD sustainability report. These disclosures are not part of this Non-Financial Group Declaration and were not included in the external audit.

Governance and sustainability management

For TUI Group, sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our Company. Global responsibility for economic, environmental and social sustainability is at the core of our corporate culture.

Disclosures on the business model

TUI Group is an integrated tourism group operating globally. TUI Group's business model is outlined in detail from pages 23 and 27 onwards in this Annual Report in accordance with section 315c para. 1 in conjunction with section 289c para. 1 HGB.

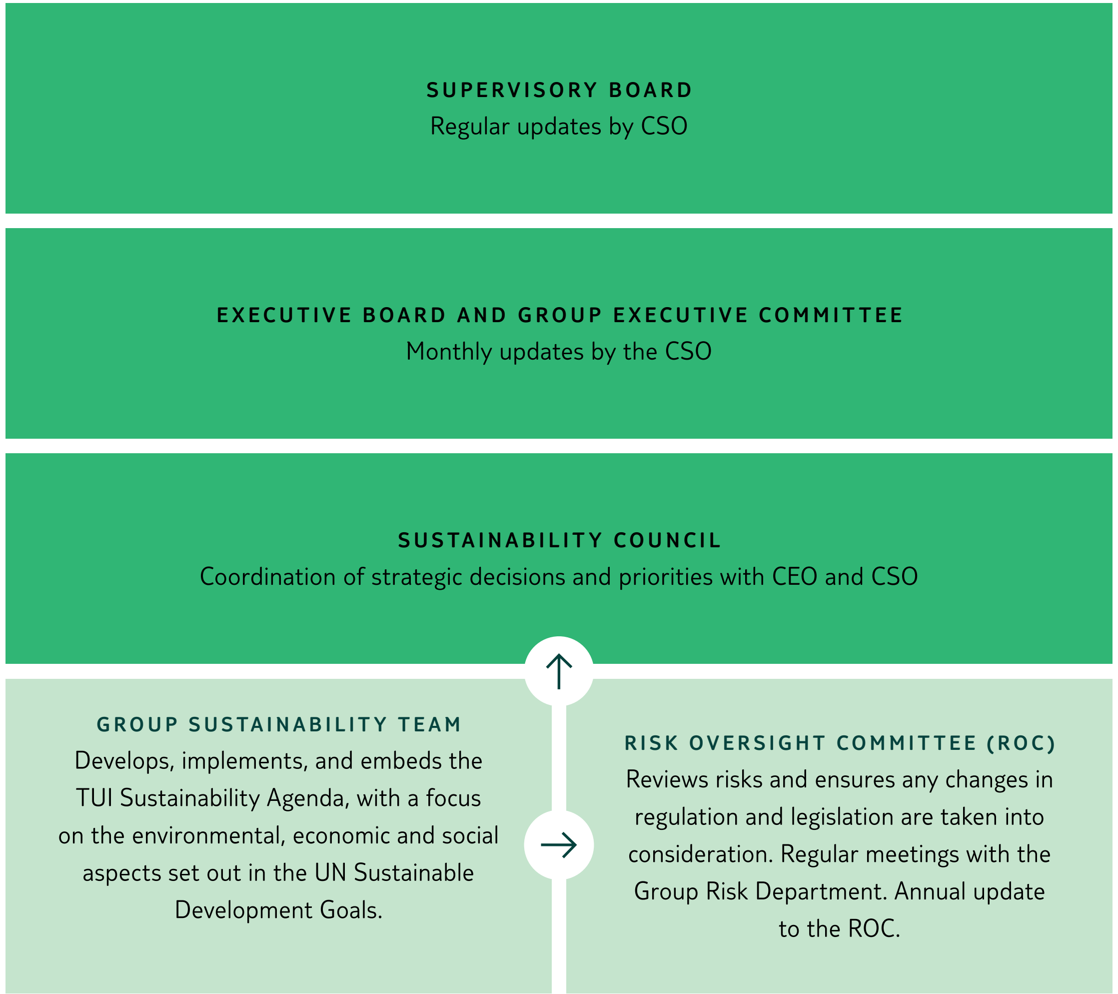
TUI Group has a governance structure in place that ensures that sustainability issues as defined in our sustainability agenda, along with climate-related risks and opportunities, are assessed and actioned on relevant levels. The Group Executive Committee (GEC) manages TUI's business strategically, it sets the Group's strategic direction and long-term objectives for sustainable development and signed off the Group's Sustainability Agenda, published in February 2023. It defines the global framework for TUI's sustainability activities.

The financial year under review saw the establishment of the TUI Sustainability Council, chaired by the CEO and the Chief Sustainability Officer. The Council decides on priorities and projects for the TUI Sustainability Agenda. Managers from the relevant areas within TUI report on progress made in achieving targets, particularly in relation to science-based targets, and agree on any further steps that may be necessary.

An international team of sustainability professionals are working in close collaboration with management to ensure that TUI's business and sustainability activities areas are closely aligned. The Group Sustainability Director heads up the Group Sustainability team, and reports to the Chief Sustainability Officer (CSO), who sits on the Group Executive Committee.

The role of our sustainability team is to drive implementation of the Sustainability Agenda across TUI Group and along its supply chain. The Group Executive Committee is regularly updated on our performance in delivering the Sustainability Agenda and tackling other key sustainability issues. Regular meetings are also held with the Risk Oversight Committee (ROC) to review sustainability risks.

Sustainability Governance



TUI Sustainability Agenda

TUI Group's Sustainability Agenda, published in financial year 2023, remained in force in financial year 2024.

Our Sustainability Agenda focuses on building on tourism as a force for good. Together with our partners, we are working to promote the positive effects of tourism on local communities, reduce our ecological footprint and create more sustainable holiday products for our guests.

OUR MISSION

'We are mindful of the importance of travel and tourism for many countries in the world and for the people living there. We partner with these countries and other stakeholders to actively shape a more sustainable future for tourism.'

TUI's ambition is to play a defining role in shaping a more sustainable future for tourism across all three dimensions of sustainability – social, environmental and economic. We use our scale and influence for the sustainable transformation of the tourism industry. We understand sustainable transformation as an opportunity.

Our Agenda is founded on three priorities: We aim to empower people in the destinations and TUI employees to drive the sustainable transformation actively (People). We aim to reduce TUI's ecological footprint (Planet). We aim to partner with others to launch initiatives for the sustainable transformation of our sector (Progress). Our three P's – People, Planet and Progress – are supported by 15 focus areas with key goals, objectives and initiatives. Our Sustainability Agenda seeks to address the major challenges we will face in the coming decades, in particular climate change. For more details on the three P's, please refer to the table below.

Our targets include achieving near-term science-based targets for emission reduction, becoming a circular business and enabling around 20 m customers a year (until 2030) to make more sustainable holiday choices.

Our Sustainability Agenda supports the United Nations' Sustainable Development Goals (SDGs) 17 global goals to fight inequality, end poverty and protect our planet by 2030 – and defines appropriate measures to contribute to their achievement. The tourism value chain is closely linked with many different sectors. This enables us to influence progress on many SDGs, with a particular focus on 13 of these goals.

TUI Sustainability Agenda

	PEOPLE	PLANET	PROGRESS
Building blocks	**Empowering to drive development** We will ensure that local people and communities benefit from tourism and the local supply chain. We will empower a generation of change-makers by helping them acquire the new skills and knowledge they need to transform the tourism industry.	**Reduce our footprint** We will achieve net-zero emissions across our operations and supply chain. To protect our planet, we will change the way we use natural resources and become a circular business.	**Accelerating the transformation** Together with our partners we will co-create the next generation sustainable business model for the tourism industry. We will enable our customers to make sustainable holiday choices in every stage of the customer journey.
Focus areas	• *Buy local first* • *Community for changemakers* • *Socially fair* • *Upskilling* • *Support TUI Care Foundation*	• *Emission reduction roadmaps (SBTi)* • *Green & clean energy sources* • *Circular business* • *Water management* • *Biodiversity*	• *Destination Co-Lab Rhodes* • *Empowering consumers* • *Driving certification* • *Green Tech & Data-driven* • *Net-zero travel accelerator*

UN SDGs

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COMBINED MANAGEMENT REPORT

People – Empowering to drive development

In many parts of the world, tourism is one of the key driving forces for development and prosperity. It creates employment, provides education and drives social and environmental standards. We aim to ensure that local people and communities benefit from tourism and local supply chains. Our employees are empowered to play a crucial role in this because we offer the skills and knowledge they need for a sustainable transformation of the tourism industry.

CONTRIBUTION TO THE SDGS

PROFESSIONAL DEVELOPMENT AND TRAINING PROGRAMMES

We seek to provide our colleagues with the knowledge and skills required to become sustainability changemakers. Our tools include digital training modules to secure strong outreach across the Group. In our own hotel brands Riu and Robinson, we back this approach with in-person training programmes held on the premises. They offer insights into a wide range of sustainability topics, from energy and fuels to social impacts and the circular economy, and are designed for all employees. In the Cruises segment, TUI Cruises provides its employees with training on environmental issues.

Our training programmes are designed to illustrate the core contents of our strategy to our employees and service partners in order to facilitate the transfer to their respective area of work. Some elements of the training courses are adapted to specific business areas and markets to enhance their relevance and integration. By the end of the financial year under review, more than 35,000 hours of training on sustainability topics had been completed across various training schemes and professional development programmes, a large proportion of which is carried out in the form of training courses offered via our internal TUI People platform.

In summer 2024, for the first time, Sustainability Days were offered to all employees at several TUI locations. Over a period of three days, employees had the opportunity to attend specialist sustainability presentations in person or online or attend in-house exhibitions providing specific information about sustainability, with information on topics such as solar power, e-mobility and campaigns to recover used electronic devices.

RESPECT FOR HUMAN RIGHTS AND ENVIRONMENTAL STANDARDS IN THE SUPPLY CHAIN

TUI Group has pledged to respect human rights and environmental standards in its global supply chain. It commits to observing all internationally acknowledged human rights as specified in the Universal Declaration of Human Rights and expects its suppliers and business partners to do so, too. As a signatory to the UN Global Compact, TUI Group aligns its activities to the principles of the Compact in the fields of human rights, labour standards, environmental protection and anti-corruption. TUI Group also signed the UN World Tourism Organisation (UNWTO)'s Global Code of Ethics in 2012. Moreover, the protection of human rights and compliance with environmental standards in the supply chain are at the core of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG). The resulting obligations apply to all TUI Group companies, their suppliers and the entire supply chain, both in Germany and around the globe.

In the completed financial year, particular attention was devoted to optimising risk management around human rights and environmental due diligence along the supply chain, further developing and implementing risk analyses as well as preventative and remedial measures. A Supply Chain Due Diligence Committee was set up for internal management purposes. Its members represent central departments such as Group Sustainability, Group Legal, Purchasing and Procurement and Human Resources. This committee monitors the implementation status of due diligence obligations in the supply chain on a quarterly basis, discusses potential cases and next steps and takes key decisions.

Moreover, a new risk management tool was introduced in the financial year under review, which is used both for the supply chain and for the Company's own business operations. This system will be used henceforth to carry out the annual risk analyses required by law.

Another activity in the completed financial year was the creation of an e-learning programme for suppliers to address human rights and environmental standards in the tourism sector. This training programme was designed in cooperation with other companies in the travel industry in the framework of our Futouris membership. Futouris is a sustainability initiative set up by the travel industry that is committed to promoting ecologically and socially responsible tourism.

The first report on the implementation of the LkSG was published in financial year 2024. In addition, internal communication on the implementation of due diligence in the Group was further promoted through various events, such as the previously mentioned in-house exhibitions. These activities build on the work already carried out by TUI in the areas of human rights and environmental protection and feed into our preparations for the Corporate Sustainability Due Diligence Directive (CSDDD).

To date, the following policies and initiatives have been launched to monitor, identify, reduce and prevent adverse human rights impacts in accordance with the UN Guiding Principles on Business and Human Rights.

- The Global Employment Statement focuses on fair and respectful dealings with employees at all levels and compliance with applicable law and industry standards.
- Our Employee Code of Conduct, the Integrity Passport, commits us to respect and observe human rights. Colleagues are encouraged to report any wrongdoing via the Company's own Speak Up Line.
- Our Supplier Code of Conduct sets out the minimum standards we expect from our suppliers, covering human rights and labour laws, anti-bribery and anti-corruption, environmental impacts and support for local communities.
- Environmental and human rights-related requirements are included in contracts with hotel partners and other supplier groups.
- Our Group Policy on Diverse, Sustainable and Ethical Sourcing defines criteria for the purchasing process, taking into account the diverse, ethical and sustainable attributes of suppliers.

- TUI Group expects its hotel partners to implement sustainability certifications recognised by the Global Sustainable Tourism Council (GSTC)*, comprising standards for human rights, child protection and social welfare. We also apply the GSTC Criteria to activities in the destinations, in particular TUI Collection and National Geographic excursions.
- Our in-house child protection policies include information for our colleagues on 'voluntourism'.
- Our Human Rights Policy Statement, published on TUI's website, sets out our activities and measures taken in our business operations and our supply chain to prevent human rights violations.
- We continue to provide e-learning modules on human rights and child protection, which we regularly update to reflect changes in framework parameters. Airline crews in Great Britain, Nordics and Germany receive training on Vulnerable Children and Human Trafficking as part of their induction so that they can spot trafficking operations and take action. All staff working for TUI Musement have to complete the Human Rights and Child Protection modules every two years.

* TUI requirement for hotel partners with more than 80 rooms and a TUI occupancy of > 10%

For more information, please refer to https://www.tuigroup.com/en-en/responsibility/Human-Rights-and-Modern-Slavery

SUPPORT THROUGH THE TUI CARE FOUNDATION

One of our initiatives aimed at making a difference in the destinations is the foundation set up by our Group, which draws on tourism as a force for good to improve the lives of young people, preserve the natural environment and support local communities in their development.

With over 40 projects in 25 countries, the TUI Care Foundation, with the support of TUI's customers, focuses on the specific needs of individual destinations. The foundation carries out projects in the fields of education, community empowerment, natural landscapes and marine conservation. As part of the TUI Futureshapers programme in Tunisia, for example, a decisive contribution is being made to improving the situation for women in the labour market. The project envisages training for 60 female peer mentors, who will reach out to more than 500 young Tunisian women aged 18 to 28. In addition to peer-to-peer mentoring, participants have access to a series of webinars led by established female entrepreneurs. Topics include the development of business models, marketing strategies, pitching new ideas and innovations in tourism.

For more information on the TUI Care Foundation, please refer to www.tuicarefoundation.com

Planet – Reduce our footprint

CONTRIBUTION TO THE SDGS

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

We are working to reduce the ecological footprint of travel and enhance environmental performance in our industry. We aim to achieve net-zero emissions in our operations and along our supply chains by 2050 and to considerably reduce our environmental impact in the fields of water, energy and waste. In order to protect our planet, we plan to change how we use natural resources and to become a circular business.

VOLUNTARY PLEDGES TO PROTECT THE CLIMATE

Climate change is an urgent global challenge. We tie the work we are doing here closely to scientific insights.

We have therefore joined the Science Based Targets initiative (SBTi), committing to implement emission reductions on the basis of the latest findings in climate science. Our targets were confirmed in 2023 with a target year of 2030. The SBTi is a global initiative enabling businesses to set ambitious goals for emission reduction in line with the Paris Agreement to fight the effects of global climate change.

The emissions from TUI Group's airline, cruises and hotels included in the SBTi reduction targets account for 99% of our emissions. Roadmaps for a significant reduction in emissions have been drawn up for each of our three business areas.

Our emission reduction targets were examined and validated by the independent organisation in January 2023. The SBTi confirmed that our targets are in line with the latest climate science findings. Our intensity targets and absolute targets are as follows:

- Reducing CO_2e emissions per revenue passenger kilometre from TUI airline by 24% by 2030[1].
- Reducing absolute CO_2e emissions from our cruise companies (TUI Cruises and Marella Cruises) by 27.5% by 2030[1].
- Reducing absolute CO_2e emissions in the segment TUI Hotels & Resorts by 46.2% by 2030[2].

Science-based targets performance

		2024	2019	Var. %	Target (2030) in %
Airline[1]	g CO_2e* rpk	75.5	80.9	–6.7	–24
Cruises[1]	t CO_2e	1,118,303	1,249,224	–10.5	–27.5
Hotels[2]	t CO_2e	659,236	794,354	–17.0	–46.2

*The key figure for the airline and cruise reduction target includes Scope 1 and Scope 3.3 emissions.
rpk = revenue passenger kilometer

In the financial year under review, progress was achieved in all areas of TUI's science-based climate targets (SBTs) compared with baseline year 2019. The figures published in the following sections of the Non-Financial Group Declaration for financial year 2024 on greenhouse gas emissions from airlines, cruise ships and hotels do not correspond to the scope, limits or reporting methodology of our science-based targets. To understand our progress towards achieving our SBTs, it is important to draw exclusively on information specifically related to SBT targets.

[1] Base year 2019. Ambition level: well below 2°C. CO_2e = CO_2 equivalents. In addition to carbon dioxide (CO_2), these take into account the other five climate-impacting greenhouse gases according to the Kyoto Protocol: Methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6). TUI Group's commitments to achieve science-based targets include well-to-wake emissions for our aviation and cruise activities (emissions from aviation and marine fuels, Scope 1 and Scope 3, Category 3). TUI considers flights from all own-fleet flying operations as well as sub-charter operations within the target scope. All vessels from TUI's Mein Schiff, Hapag-Lloyd Cruises and Marella Cruises fall within the cruise target scope.

[2] Base year 2019. Ambition level: 1.5°C. For our hotels, the SBTi commitment includes emissions from all energy sources plus emissions from refrigerant gases (Scope 1 and 2). All owned, managed and leased hotels within the TUI Hotels & Resorts portfolio fall within the target scope.

Our reduction targets

EMISSIONS FROM TUI AIRLINE

–24%

(CO_2e per rpk* by 2030, Baseline year 2019)

EMISSIONS FROM TUI'S CRUISE BUSINESS

–27.5%

(absolute CO_2e by 2030, Baseline year 2019)

EMISSIONS FROM TUI HOTELS & RESORTS

–46.2%

(absolute CO_2e by 2030, Baseline year 2019)

*rpk = Revenue Passenger Kilometers (RPK) is an aviation industry metric that indicates the number of kilometers traveled by paying passengers.

OPERATIONS AT OUR BUSINESS SITES

We are also actively committed to reducing the environmental impact of our administrative buildings. The TUI Campus in Hanover is supplied with electricity generated by a photovoltaic system. The array with a maximum output of 1.5 megawatts and a total area of 6,900 m^2 is a significant step towards reducing emissions on site. In addition, 40 e-charging stations were installed in the financial year under review to promote sustainable mobility. An internal environmental management system according to ISO 14001:2015 of TUI AG, TUI Deutschland and TUI Business Services at the TUI Campus in Hanover was successfully recertified.

OUR CURRENT FOOTPRINT

In financial year 2024, TUI Group's total absolute emissions rose by 2.3% year-on-year. This was due to the expansion of business activities in Aviation, the commissioning of an additional cruise ship by TUI Cruises and the expansion of the hotel portfolio. In financial year 2024 we continued to expand our reporting of indirect emissions (Scope 3 emissions) at TUI*. Overall, Scope 3 emissions declined by 10.9%, primarily due to an adjustment of international conversion factors in sourcing goods and services. Across all Scope emissions, a reduction of 4.5% was achieved.

* TUI Group applies the operational control approach, therefore the following categories are excluded from Scope 3 reporting as they are not relevant to primary business operations: upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets and investments.
In alignment with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, TUI calculated emissions from purchased goods and services, capital goods, upstream transportation and distribution and business travel using the spend-based method. Emissions from fuel- and energy-related activities, waste generated in operations and franchises were calculated using the average data method. Employee commuting emissions were estimated using a global average, though this calculation has not yet been fully aligned with the Greenhouse Gas Protocol.

Carbon dioxide emissions (CO_2) by business area

t	2024	2023	Var. %
Airline	4,315,026	4,218,553	+2.3
Cruises	908,846	899,790	+1.0
Hotels[1]	835,839	805,541	+3.8
Major premises and shops	13,902	14,890	–6.6
Ground transport	16,097	14,413	+11.7
Total[2]	**6,089,710**	**5,953,187**	**+2.3**

[1] All Hotels in the TUI Hotels & Resorts portfolio are in scope (owned, managed, leased and franchise).
[2] Scope 1 and scope 2

Scope 1, 2, 3 emissions

t	2024	2023	Var. %
Scope 1 (CO_2)	5,507,898	5,416,692	+1.7
Scope 2 (CO_2)	581,812	536,495	+8.4
Scope 3 (CO_2e)[1]	5,580,901	6,264,832[2]	–10.9
1. Purchased goods and services	3,979,067	4,751,252	–16.3
2. Capital goods	79,981	84,231	–5.0
3. Fuel and energy related activities	1,215,438	1,142,142	+6.4
4. Upstream transportation and distribution	5	6	–16.7
5. Waste generated in operations	91,217	82,071	+11.1
6. Business travel	77,626	74,278	+4.5
7. Employee commuting	48,482	46,820	+3.5
14. Franchises	89,085	84,032	+6.0
Total	**11,670,611**	**12,218,019**	**–4.5**

[1] With regard to the Greenhouse Gas Protocol, TUI Group includes Scope 3 emissions from purchased good and services, capital goods, fuel- and energy-related activities of airlines, cruises, hotels, buildings and guest transport on land, upstream supply chain activities for transportation and distribution, waste (from the operation of airlines, cruises and hotels), business travel, commuting by employees and franchises. The current approach for reported Scope 3 emissions follows the requirements of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, with the exception of employee commuting (less than 1% of total Scope 3 emissions).
[2] Previous year adjusted to reflect expanded Scope 3 approach

Energy usage by business area

MWh	2024	2023	Var. %
Airline	17,596,040	17,202,638	+2.3
Cruises	3,537,917	3,507,396	+0.9
Hotels	2,094,632	1,936,035*	+8.2
Major premises / shops	62,476	59,651	+4.7
Ground transport	68,237	61,087	+11.7
Total	**23,359,302**	**22,766,807**	**+2.6**

* Previous year adjusted due to inclusion of renewable energy tariffs / on-site generated energy sources

MORE EFFICIENT FLYING

We already operate one of Europe's most carbon-efficient airlines and aim to continually enhance our environmental performance. Our airline emissions reduction targets for the period until 2030 have been validated by the SBTi. Our emission reduction roadmap for our aircraft fleet comprises the following measures: additional capex on modern carbon-efficient aircraft, efficiency enhancement through operational measures and investments in the future use of sustainable aviation fuels (SAF).

In order to reduce emissions, TUI Group continually invests in state-of-the-art aircraft such as Boeing 787s and Boeing 737 Max aircraft. On average, these planes are 20% (787) and 16% (737 Max) more fuel-efficient than the aircraft they replace in TUI's fleet.

Environmental management systems and operational measures play a key role in implementing sustainability and further enhancing TUI's climate efficiency. In financial year 2024, the entire TUI airline was certified under the internationally recognised ISO 14001:2015 standard. The following examples illustrate the ongoing operational measures implemented to enhance efficiency continously:

- Flight operations, for instance single engine taxiing in and out, wind uplinks and optimised climb speeds and profiles
- Weight reduction, for instance carbon brakes and fly away kit (spare parts and tools)
- Fight planning optimisation, for instance alternate distance and minimum fuel programme
- Fuel management system to improve fuel analysis, identification of further savings potential and tracking of savings.

Sustainable aviation fuels (SAFs) play a crucial role in reducing aviation emissions and are hence a key part of our emission reduction roadmap to further improve airline carbon efficiency by 2030. TUI cooperates with a number of partners to secure supplies of SAF. Examples include the signing of a Memorandum of Understanding with the Spanish energy company CEPSA in 2022. The partnership with CEPSA will focus on SAF fuels generated from raw materials such as used cooking oils, non-food animal waste and biodegradable waste from various industries. In the financial year under review, the partnership continued on the basis of the Memorandum of Understanding. SAFs will make it possible to reduce aircraft emissions by up to 80% compared to conventional jet fuel. Additional Memoranda of Understanding have been signed with other suppliers.

In the completed financial year, TUI Group's airline took part in a scientific research project run under the aegis of the German Aerospace Center. Together with other industry partners, the project aims to research the climate-related effects of contrails. The companies involved in the project, funded by the German Federal Ministry for Economic Affairs and Climate Protection, are researching in particular the effect of flight route planning on the formation of contrails.

In 2024, relative carbon emissions of our airline decreased by 0.7%. This improvement was largely due to higher load factors versus 2023 and our ongoing re-fleeting programme to replace older aircraft with new, more carbon-efficient aircraft. The data tables below include own fleet revenue flights.

Specific emissions are additionally shown in the form of CO_2 equivalents (CO_2e). Apart from carbon dioxide (CO_2), these include the other five greenhouse gases impacting the climate as listed in the Kyoto Protocol: methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6).

TUI Airline – Fuel consumption and CO_2 emissions

		2024	2023	Var. %
Specific fuel consumption	l/100 rpk	2.41	2.43	– 0.7
Carbon dioxide (CO_2) – total	t	4,315,026	4,218,553	+ 2.3
Carbon dioxide (CO_2) – specific	kg/100 rpk	6.07	6.11	– 0.7

rpk = revenue passenger kilometer

TUI Airline – Carbon intensity

g CO_2/rpk	**2024**	2023	Var. %	g CO_2e/rpk
TUI Airline fleet	**60.7**	**61.1**	**– 0.7**	**61.3**
TUI Airways	60.6	60.7	– 0.2	61.2
TUI fly Belgium	64.1	66.3	– 3.3	64.7
TUI fly Germany	60.2	60.0	+ 0.3	60.7
TUI fly Netherlands	59.5	59.6	– 0.3	60.0
TUI fly Nordic	59.3	59.8	– 0.9	59.8

rpk = revenue passenger kilometre
We commissioned Verifavia to provide assurance on the carbon intensity metrics for financial year 2024 as shown in the above table 'TUI Airline – Carbon intensity'. The airline carbon data methodology document and the full assurance report are available at https://www.tuigroup.com/en-en/responsibility/sustainability/reporting-downloads

MORE SUSTAINABLE CRUISING

We continue to focus on reducing the emissions of our cruise ships, delivering progress by investing in state-of-the-art technology to reduce air emissions and in operational efficiency. Emission reduction roadmaps were drawn up for TUI Cruises, (Mein Schiff and Hapag-Lloyd Cruises) and Marella Cruises as part of our submission of 2030 targets for validation by the SBTi. Key levers include investments in fleet modernisation and efficiency enhancement with a focus on shore power, route optimisation, improved energy efficiency and the switch to alternative fuels.

TUI Cruises with its Mein Schiff and Hapag-Lloyd Cruises brands continues to operate a modern and technologically advanced fleet. The newbuilds in the fleet are equipped with state-of-the-art technologies to minimise fuel consumption. A smart energy management system, efficient air conditioning, innovative lighting controls and the use of exhaust heat from the engines contribute to a significant reduction in the carbon footprint compared with vessels not equipped with those technologies.

In the period under review, essential steps were taken to reduce emissions generated by the Mein Schiff and Hapag-Lloyd Cruises fleet. Where technically possible, the TUI Cruises fleets consistently sourced shore power in the ports and switched off their onboard engines. As a result, around 15 tonnes of CO_2 were saved per call. By the end of the summer season (i.e. by the end of September 2024), 72 calls were completed with shore power, an increase by altogether 20 calls year-on-year. Mein Schiff 2 and Mein Schiff 5 were retrofitted with the equipment required for shore power connection during their scheduled dock periods (in 2023 and 2024).

Thanks to new exhaust gas treatment systems operated on all new vessels, the newbuilds in the Mein Schiff fleet are also significantly reducing their sulphur and nitrogen emissions. Use of these advanced emission purification systems goes beyond regulatory requirements. They are, for instance, not only used in the designated emission control areas in the North and Baltic Seas, the English Channel and North America, but continuously also in other regions sailed by Mein Schiff such as the Mediterranean, the Far East, the Caribbean and Central America.

Mein Schiff 7, commissioned in 2024, runs on marine diesel instead of heavy fuel oil and will be able to run on green methanol produced from renewable energy sources in future. She has a shore power connection and advanced catalytic converters that comply with the EURO 6 standard in port. In addition, a new type of onboard waste processing system has been installed, known as the HydroTreat system, which uses hydrothermal carbonisation to transform organic waste directly aboard into so-called plant coal ('biochar').

Environmental technologies installed aboard moreover include the air conditioning system run with ozone-free coolants and the wastewater treatment system, which meets strict HELCOM requirements for the Baltic Sea (with regard to nitrates and phosphates in wastewater). As part of a pilot project, a solar system was installed on the glass roof of the indoor pool aboard Mein Schiff 7. This marks the first-ever production of renewable energy aboard a Mein Schiff vessel, fed into the onboard power grid.

In September 2024, the EUROPA was equipped with a modern wastewater treatment system during her scheduled dock period. In future, all onboard wastewater will be collected and treated by the system using a multi-stage treatment process. Investments were likewise made to improve the energy efficiency of the air conditioning system.

Since September 2023, a microplastic filter test has been run continuously aboard Mein Schiff 3. The filter is connected to a washing machine unit in the laundry and was regularly checked by the organisation Cleaner Seas in the reporting period 2024, with the filter cartridge replaced. In addition, an initial analysis report was drawn up in December 2023, following laboratory examination of the filtered residues. The microplastic filter test was also rolled out to a ship in the Marella fleet in the completed financial year. The aim is to minimise the amount of microplastics discharged into the seawater.

In financial year 2024, relative CO_2 emissions in the Cruises segment declined by approximately 6.6%. This was due to an increase in load factors and the commissioning of the efficient newbuild Mein Schiff 7. The amount of waste per cruise passenger night increased slightly by 1.8% to 8.3 litres, with freshwater consumption down by 1% to 45 litres. Our reporting covers all ships operating under the Mein Schiff, Hapag-Lloyd Cruises, Marella and TUI River Cruises brands.

Cruises – CO_2e intensity, fresh water and waste

	2024	2023	Var. %
CO_2e – relative kg / Cruise passenger night[1]	117	126[2]	– 6.6
Fresh water – relative litre / Cruise passenger night	45	46	– 1.0
Total water – litre / Cruise passenger night	299	301	– 0.6
Waste – relative litre / Cruise passenger night	8.3	8.2	1.8

[1] Absolute well-to-wake emissions from Mein Schiff, Hapag-Lloyd Cruises and Marella Cruises operations (aligned to the absolute t CO_2e stated for our SBT) reported on an intensity basis (per passenger cruise day)
[2] FY 2023 figure has been re-stated to align with the new KPI methodology.

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COMBINED MANAGEMENT REPORT

ENVIRONMENTAL PROTECTION IN OUR HOTELS

Our hotels and hotel partners continue to focus on promoting the sustainability transformation across their operations. Emission reductions remain our key priority, and we have prepared comprehensive roadmaps and defined targets for 2030 for our Hotels & Resorts segment. These targets have been acknowledged by the SBTi.

Our hotel portfolio is still growing and many of our hotels use advanced technology in order to improve their sustainability performance. The generation of renewable energies from solar and wind power is a key element of the emission reduction roadmaps for our hotels, alongside efficiency measures delivered through hotel refurbishment and new buildings. The TUI Blue Montafon had already reduced its CO_2 emissions to a minimum in the previous year, as was confirmed by an external audit carried out in the financial year under review. Various measures were implemented, including triple-glazed windows, the use of district heating from a biomass cogeneration plant and power from renewable energy, primarily hydropower. The measures also include the use of modern LED lighting and electric cars.

Sustainable building is an important tool to save energy and reduce the CO_2 emissions of hotels. TUI Hotels & Resorts added checklists and a Turkish translation to the Green Building Guidelines first published in the previous financial year. The Guidelines offer our own hotels and hotel partners recommendations for their construction and renovation projects in order to reduce environmental impacts and achieve savings in water and energy consumption. They also address monitoring systems, sustainability certifications and stakeholder communication.

For more information on this topic, please refer to: TUI Green Building Guidelines (online version): https://mediacenter.tui-info.com/onlinekataloge/index.php?catalog=tui_greenbuildingguideline_gj2023_f#page_1

The TUI Global Hotel Awards are made every year. These awards are granted by TUI on behalf of more than 19 m TUI guests staying in hotels around the globe. In 2024, the TUI Global Hotel Awards again included a separate category for sustainability. By including an award with a sustainability focus, we aim to make this award more relevant to participating hotel partners and encourage them to launch more far-reaching initiatives of their own.

We continued to push the expansion of photovoltaic systems in our hotels to generate power in a sustainable manner. In the framework of our global solar campaign, we added several photovoltaic systems in Türkiye with a total capacity of around 15 megawatts to the grid in summer 2024. More than a third of all hotels in TUI Hotels & Resorts cover a part of their energy requirements by producing power from renewable sources. In the completed financial year, for example, Riu opened two hotels in Mauritius that are equipped with 2,500 solar panels, enabling the hotel to cover up to 80% of its electricity requirements at peak times.

Our hotels continued to improve their ecological footprint in terms of specific emissions and waste. Fresh water consumption rose by around 5% per bednight.

Hotels – CO_2e intensity, fresh water and waste

	2024	2023	Var. %
CO_2e – relative kg / guest night[1]	9.7	11.0[2]	– 11.1
Fresh water – litre / guest night	502	478	5.0
Water[3] – relative litre / guest night	620	617	0.4
Waste – relative kg / guest night	1.6	1.7	– 6.0

[1] Absolute t CO_2e from owned, managed and leased TUI Hotels & Resorts (aligned to the absolute t CO_2e stated for our SBT) reported on an intensity basis (per guest night)
[2] FY 2023 figure has been re-stated to align with the new KPI methodology.
[3] Including water for domestic, pools and irrigation purposes

CIRCULAR ECONOMY: REDUCE, REUSE, RECYCLE

One of our core Planet targets is to work towards a circular business model. The concept of a circular economy is about how we generate, use and recycle products and services. The goal is to keep resources and materials in the loop for as long as possible and prevent waste from arising in the first place.

TUI has entered into Circular Economy Commitments focused on changing the way we operate and use resources. These commitments involve all areas of our business model. TUI cooperates with hotels in order to capture relevant information about their sustainability performance so as to track and measure progress. To that end, annual surveys are carried out on the reduction of single-use plastic items and food waste. As part of our efforts to become a circular business, we joined the Ellen MacArthur Foundation Community.

In the reporting period, for example, TUI's cruise companies supported the circular economy and the careful and sustainable use of resources. Examples include refurbishment measures on board Mein Schiff 2, Mein Schiff 5, Hanseatic nature, Hanseatic inspiration and MS Europa during dock periods, whereupon furniture no longer used was donated to local aid organisations.

In Hotels & Resorts, artificial intelligence has been tested to analyse food waste since 2022. This measure, launched as a pilot project in the TUI Blue Meltemi (Santorini), was rolled out to a larger family hotel (TUI Blue Palm Garden in Türkiye), resulting in the successful definition of a number of measures. The technology is now gradually being rolled out to other TUI Blue hotels, with the number of hotels using this method rising to 11 in the completed financial year. Under this project, TUI Blue is cooperating with KITRO, which offers AI-driven technology in this field. Garbage bins for food waste are installed on a scale and equipped with a camera that takes pictures of the contents of the garbage bin every time new waste is thrown into it. The artificial intelligence calculates the food waste based on the weight and the corresponding photo. The results can then be easily read from a dashboard and provide the basis for adjustments to kitchen processes and buffet design.

At TUI, we have worked hard for many years to reduce plastic items in our business operations and identify alternatives. TUI Group is part of the Advisory Group of the Global Tourism Plastic Initiative (GTPI), headed by the United Nations' Environment Programme and the UN World Tourism Organization in cooperation with the Ellen MacArthur Foundation. The Global Tourism Plastic Initiative unites the tourism sector behind a common vision: fighting the root causes of plastic pollution. It enables companies, governments, associations and non-governmental organisations to take aligned action and lead by example when it comes to the transition to a circular economy in the use of plastic. As part of these efforts, we are committed to replacing problematic and unnecessary plastic packaging by 2025 wherever possible. We report on these efforts annually in our GPTI Progress Report.

For more information on the topic, please refer to: GPTI Progress Report (online)
https://www.oneplanetnetwork.org/knowledge-centre/resources/global-tourism-plastics-initiative-2022-annual-progress-report

PROTECTING BIODIVERSITY

We support the Nature Positive Vision for Travel and Tourism approach adopted by the World Travel & Tourism Council (WTTC), promoting nature conservation in order to halt and reverse biodiversity loss by 2030. In the reporting period, we completed a specific value chain analysis for the tourism sector, identifying the areas in the value chain that have a significant impact on biodiversity. The analysis thus forms the basis for further measures.

Progress – Accelerate the transformation

CONTRIBUTION TO THE SDGS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

By leveraging our scale, we aim to increase the positive social and environmental impact of the holiday experiences we offer. We strive to be sustainability leaders in everything we do. Together with our partners we will help shape the next-generation sustainable business model for the tourism industry. In this way, we can enable our customers to make sustainable holiday choices at every stage of the customer journey. Our goal for 2030 is to have 20 m customers per year choosing a hotel or an excursion that meets the strict criteria of the Global Sustainable Tourism Council, thus promoting certification.

DESTINATION CO-LAB

TUI Group, the TUI Care Foundation and the government of the Southern Aegean region have launched a project called Destination Co-Lab Rhodes. Together with our partners we are building the next-generation sustainable business model for the tourism industry in Rhodes.

The project has three strategic pillars: 'Regenerate the natural environment', 'Strengthen social development and cultural heritage' and 'Foster inclusive economic development in the tourism business model'. The goal of the Co-Lab is to collaborate with the local tourism industry and international partners in developing specific solutions and implementing them in Rhodes. In the financial year under review, the agreed action programme (focused on protecting natural resources, reducing emissions and strengthening the local economy) was driven jointly by the Greek island and TUI. Moreover, as part of Destination Co-Lab the TUI Care Foundation launched a reforestation project in Rhodes with endemic, fire-tolerant trees. The project seeks, among other things, to create nature-based tourism experiences in the forest for both local people and holidaymakers.

PROMOTING CERTIFICATION

TUI promotes social and environmental standards through certification. We expect our hotels and hotel partners (requirement for hotel partners with more than 80 rooms and a TUI occupancy of > 10%) to obtain sustainability certification from independent organisations. This process involves a third-party assessment to certify that the hotel complies with the criteria of the Global Sustainable Tourism Council (GSTC) and hence engages in good social and environmental practice. The GSTC criteria are the established global standard for sustainable tourism and cover four main aspects: effective sustainability planning, maximising social and economic benefits for local communities, valuing cultural heritage, and reducing negative impacts on the environment.

In financial year 2024, 12.1 m customers stayed in a hotel[1] certified to a GSTC-recognised standard, compared with 10.5 m in financial year 2023. The number of certified contracted hotels[2] rose by around 38.5% year-on-year to 2,051.

Sustainability also plays a key role in our holiday experiences. We apply the GSTC criteria to tours and activities within our TUI Musement business in order to assess their sustainability performance. By the end of the financial year under review, a total of 1,881 experiences had been GSTC-certified. As part of the further improvement of our internal reporting system, we began analysing the number of participants in certified excursions in the financial year. We are currently working on the quality of the key figures in order to supplement the evaluation with regard to the target achievement of 20 m guests in certified hotels or excursions with the participants in certified excursions.

[1] Number of hotels includes TUI Hotels & Resorts and hotels TUI Group has a contract with and that are certified to a Global Sustainable Tourism Council (GSTC) recognised standard.
[2] Number includes hotels TUI Group has a contract with, that are certified to a according to a GSTC-recognised standard and had a minimum of 100 TUI guests in FY 2024. TUI Hotels & Resorts that do not have a contract with TUI Group are excluded from this figure.

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Sustainable holidays

	2024	2023	Var. %
Number of customers (millions) staying at certified hotels[1]	12.1	10.5	+14.9
Number of contracted hotels with certifications[2]	2,051	1,481	+38.5
% of TUI Hotels & Resorts (variance in % points)	68	75	–9.3
Number of certified experiences[3]	1,881	1,420	+32.5

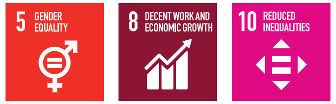
1 Number of hotels includes TUI Hotels & Resorts and hotels TUI Group has a contract with and that are certified to a Global Sustainable Tourism Council (GSTC) recognised standard.
2 Number includes hotels TUI Group has a contract with, that are certified to a according to a GSTC-recognised standard and had a minimum of 100 TUI guests in FY 2024. TUI Hotels & Resorts that do not have a contract with TUI Group are excluded from this figure.
3 Certification in accordance with GSTC

INVOLVING PARTNERS

We use our self-developed TUIPartners.com platform to support our many partners (hotels; tour, activity and transport providers) in their transformation towards more sustainable tourism. It offers them information and guidance on current issues such as sustainability, health and workplace safety. The sustainability section of the platform serves in particular to share knowledge, experience and information on various matters, including successful sustainability certification.

Our people

CONTRIBUTION TO THE SDGS



Our employees make a key contribution to TUI's success. To secure this success in the long run, we again focused in the financial year under review to continue with the initiatives defined in our People Strategy.

PEOPLE STRATEGY

Our vision is to be Digital, Engaging and Inclusive.

Digital: We use digital solutions to ease the workload for our employees, promote innovation and enhance efficiency. In the financial year under review, for instance, we launched the use of Artificial Intelligence (AI).
Engaging: We invest in the development of employees and qualify our leaders. Examples include our Employee Listening strategy. This strategy promotes a culture of regular exchange and steady improvements in the work environment.
Inclusive: We acknowledge difference and bring global and local teams together. By means of selective initiatives, we create a work environment aimed to ensure that our employees feel valued and respected.

Our People Strategy and its key areas of action form the basis for the implementation of our vision.

People Strategy: areas of action

SIMPLIFICATION, HARMONISATION, FOCUS

Our activities are guided by the principles of simplification, harmonisation and focus. Processes are being harmonised, standardised and transparently communicated across the globe, enabling us to create synergies and avoid duplication.

We have also realigned our internal HR structure to match these principles. Expertise was combined across national borders and global processes were defined and implemented in the four global Centres of Expertise (CoEs) in the fields of Reward, HR Systems & People Analytics, Talent Acquisition and Talent Management & People Development. Implementation in the operational units takes place on a continual basis, for example by bundling local reports and queries in global dashboards with the aim of standardising reporting and increasing efficiency.

DIGITAL TRANSFORMATION

Our People Strategy centres on the harmonisation and digitalisation of our HR systems. We are continually expanding our digital HR solutions to facilitate data-based decision-making. Following the implementation of the new core HR system in Germany, the project was also launched in Great Britain, one of our biggest markets, in the financial year under review.

We also continued to develop TUI People, our uniform HR IT platform. Areas such as Recruiting, Learning, Talent Management, Reward and Master Data Management are already implemented via the platform. Our current project to implement our Business Warehouse aims to automate our reports, enhance the coordination and standardisation of HR KPIs and continue developing people analytics.

This field of action includes empowering our employees to integrate IT solutions into their day-to-day operations. We therefore embrace the use of Artificial Intelligence (AI) within the Company so as to further promote a culture of innovation and growth. A Group-wide AI Lab has been set up for that purpose. Our HR department works closely with the AI Lab. The goal of this collaboration is to develop transformative AI initiatives.

Our focus is on four key areas:
Identification and provision of AI tools: We identify use cases and provide AI solutions that employees can integrate into their daily work to increase the efficiency and effectiveness of our HR processes.
Introduction of AI bots: To improve efficiency and provide fast and effective support for HR issues, we create AI chatbots our employees can use.
Cultural change: We explain the potential of using AI and offer training programmes to promote cultural change that drives the acceptance and use of AI in our Company.
Group-wide network and exchange of knowledge: We have created a Group-wide network to share and expand AI-based knowledge and use it for further AI projects.

ENABLE GROWTH

In order to retain our employees and recruit new people in a demanding labour market, we have initiated a range of measures to secure internal and external talent succession.

To increase our visibility in the labour market, we have launched a new TUI Careers website. The TUI Careers website presents the wide range of career opportunities offered by TUI. It includes state-of-the-art features such as personalised content, simplified job searches and updated branding.

Our Careers website recorded more than 1.5 m visits in the period under review (previous year 1.5 m). The number of job applications rose from around 293,000 to 366,775 year-on-year.

In the financial year under review, we were able to significantly increase our social media presence. Since the launch of the new employer branding strategy in March 2023, our engagements has more than doubled. Engagement in this context refers to the interaction and participation of users on our social media platforms. Through the launch of our employer branding strategy, we achieved an increase in clicks on our job advertisements across various online channels by more than 50%, from 897,629 to over 1.35 m during the comparison period. Our efforts in the field of employer branding were recognised in the financial year under review with awards in various countries, including the European Excellence Award 2023 in the Employer Branding and Recruiting category.

POSITIVE EMPLOYEE EXPERIENCE

We want to create an environment where people feel comfortable. The introduction of the TUI Way of Working has created key conditions to achieve that goal over the course of the past years.

The TUI Way of Working is our joint vision for the future of work at TUI, how to organise it globally and adjust it to local needs of our employees. To that end, we are seeking to create a culture of trust, offering our employees flexibility for their daily work. The core statement of that vision is: work is what we live and do, not where we go.

Based on that vision, we again enabled our employees with functions not limited to a specific place to work from abroad for up to 30 days per year under our TUI WORKWIDE programme. In the financial year under review, around 1,652 (previous year 1,260) employees participated in TUI WORKWIDE with an average stay of 6 days of working from abroad (previous year 8).

We are upholding our goal of listening to our employees regularly, measuring their engagement and growing it in a sustained manner. To that end, we continued to develop our Employee Listening Strategy in the period under review, based on the vision: ‘Creating a culture that embraces strategic listening, transparency and colleagues’ opinions to identify opportunities that improve our Employee Experience’.

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In this regard, we focus on three different types of survey, each tailored to the specific needs of different groups of participants:

- global surveys relating to engagement and other strategic topics
- measuring Moments that Matter in each employee's life cycle
- Business Insight surveys to receive feedback on specific topics such as the transformation

In financial year 2023 our global engagement survey TUIgether+ marked the launch of our Employee Listening Strategy. The Engagement Index comprises various questions with a result scale from 0 to 100, with 100 representing the ideal result. After completion of the employee survey, the Engagement Index stood at 72 in financial year 2023. In financial year 2024, the survey was repeated with a larger scope. The overall participation rate rose from 64% to 75%. We recorded a significant increase to 80 in the Engagement Index for 2024. Based on the survey results, managers receive feedback on a regular basis to help them plan measures at all levels.

The implementation of employee lifecycle surveys as well as the first Business Insight Survey are planned for the upcoming fiscal year.

DIVERSITY, EQUITY & INCLUSION

Our goal is to create an environment to support and promote the wellbeing of our employees. We want them to feel accepted and appreciated. Our engagement for Diversity, Equity & Inclusion (DE&I) is reflected in our ambitions.

People & Culture: We are reviewing our internal HR processes and programmes in order to promote and secure a diverse workforce.
Leadership: Inclusive and representative leadership is crucial to create trust and an open work culture. We want our employees to have a sense of belonging and loyalty and to feel appreciated in order to deliver the best possible results.
Community: At TUI, we want to represent our diverse communities through communication, partnerships, products and investments.

In our 2023 TUIgether+ survey, we obtained positive results on DE&I. With a score of 78, the statement 'I feel comfortable being myself at work' achieved the highest rating in the 2023 survey. On that basis, an action plan was developed that links the sense of diversity, equity and inclusion even more closely with TUI. Our approach is structured into three phases. In phase one, we asked our employees to show us what makes them tick as a personality at the workplace. In the second phase, the content generated was reviewed and an internal campaign was developed and presented at internal events throughout Europe. The third phase describes an ongoing process to embed DE&I in our daily work and continues with annual events and regular workshops.

As part of our efforts to promote diversity, equity and inclusion, we implemented a number of measures to complement our ambitions:

- Content related to diversity was shared on TUI's Intranet and in the TUI Learning Lounge.
- A number of key events and theme days were held in the course of the year.
- External partnerships with Code Girls First were continued to enhance the appeal of data science to women and professionals of other genders.

With TUI's Global Employment Statement and as a signatory to the UN Global Compact, we have made clear commitments: We do not accept any discrimination based on nationality or ethnicity, sex, gender identity, sexual orientation, marital status, religion, world view, disability, age or social origin. Decisions about hiring, salary, benefits, training opportunities, work assignments, advancement, discipline and termination must be based solely on objective grounds.

Our goal is to offer our employees equal career opportunities. Appropriate remuneration for equal work is an important part of our Diversity, Equity & Inclusion activities. The global project 'Equal Pay @TUI', launched this financial year under review, aims at providing us with insights into the current status quo. Based on that we want to identify, analyse and proactively address potential areas for improvement through well-defined measures, as needed.

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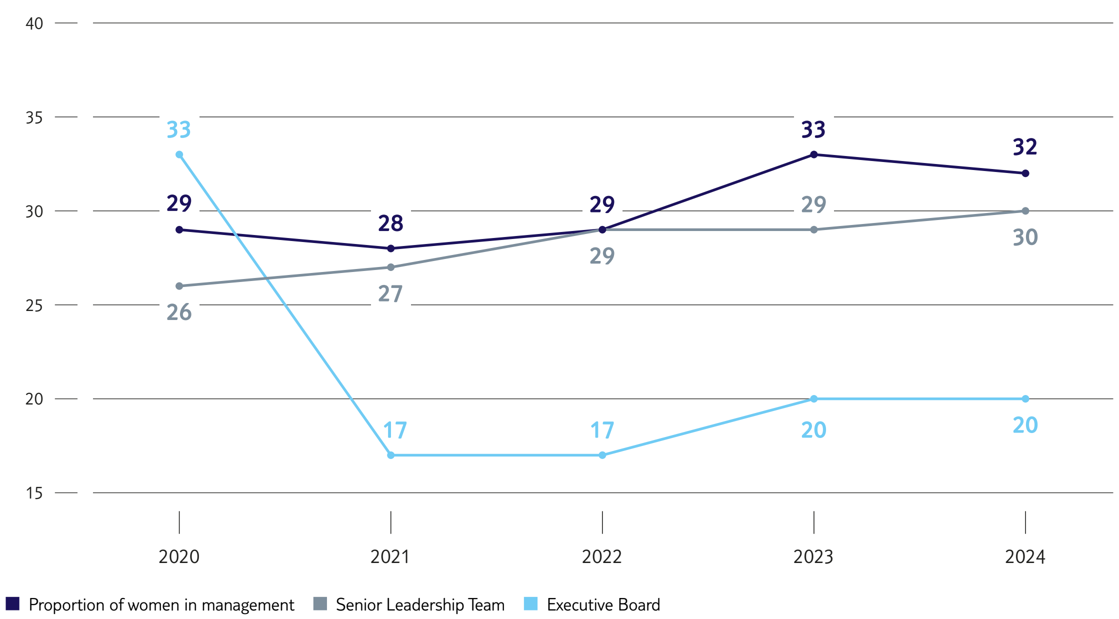
In financial year 2024 we monitored a number of diversity-related indicators. The proportion of women in the overall headcount rose slightly to around 57% (previous year 56%), with the proportion of women on the Senior Leadership Team growing to 30% (previous year 29%). The proportion of women in management position declined slightly year-on-year (previous year 33%) to 32%.

TUI Group proportion of women in leadership 2020 – 2024 in %



Proportion of women in managerial positions

in %	30 Sep 2024	30 Sep 2023	Target 2023
TUI AG			
Supervisory Board	45	45	30
Executive Board	1 woman	1 woman	at least 1 woman
First management level below Executive Board	21	14	30
Second management level below Executive Board	33	30	30
TUI Deutschland			
Supervisory Board	42	42	35
Executive Board	33	33	25
First management level below Executive Board	44	39	35
Second management level below Executive Board	44	41	45
TUI fly			
Supervisory Board	50	42	50
Executive Board	0	0	20
First management level below Executive Board	0	0	30
Second management level below Executive Board	41	38	40

For Germany (TUI AG, TUI Deutschland, TUI fly), targets covering the period to 2026 were fixed in financial year 2024 under a voluntary commitment adopted in accordance with the statutory provisions of the German Stock Corporation Act (AktG) and the German Limited Liability Companies Act (GmbHG).

See Statement in the Corporate Governance Report on page 134

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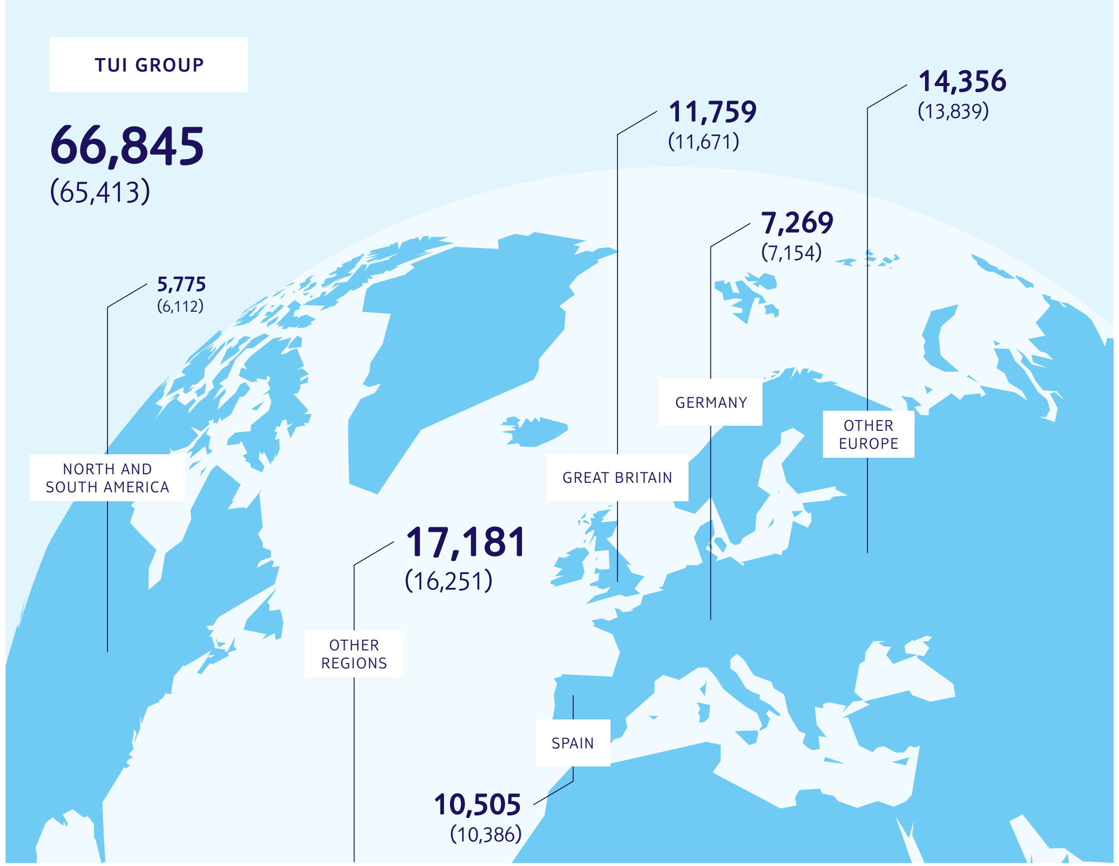
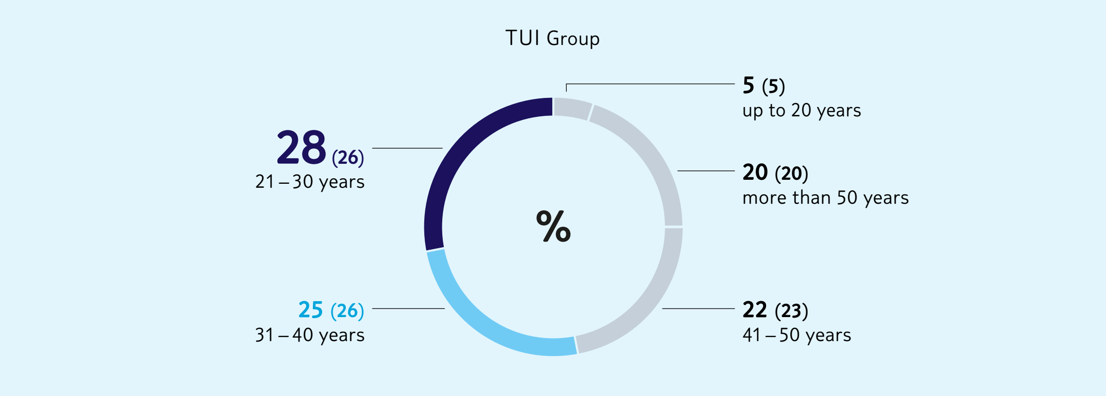
Personnel by region* (30 SEPTEMBER 2024)



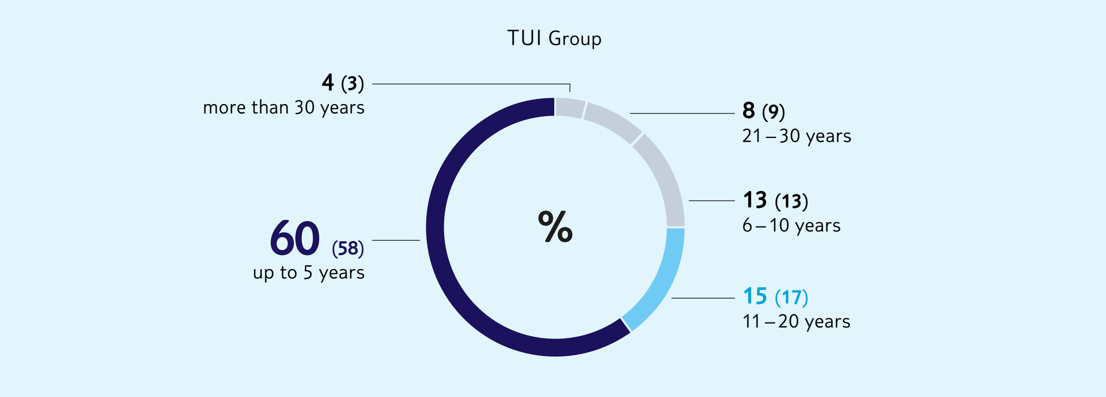
* By domicile of company
In brackets: previous year

Age structure (30 SEPTEMBER 2024) in %



In brackets: previous year

Average company affiliation (30 SEPTEMBER 2024) in %



In brackets: previous year

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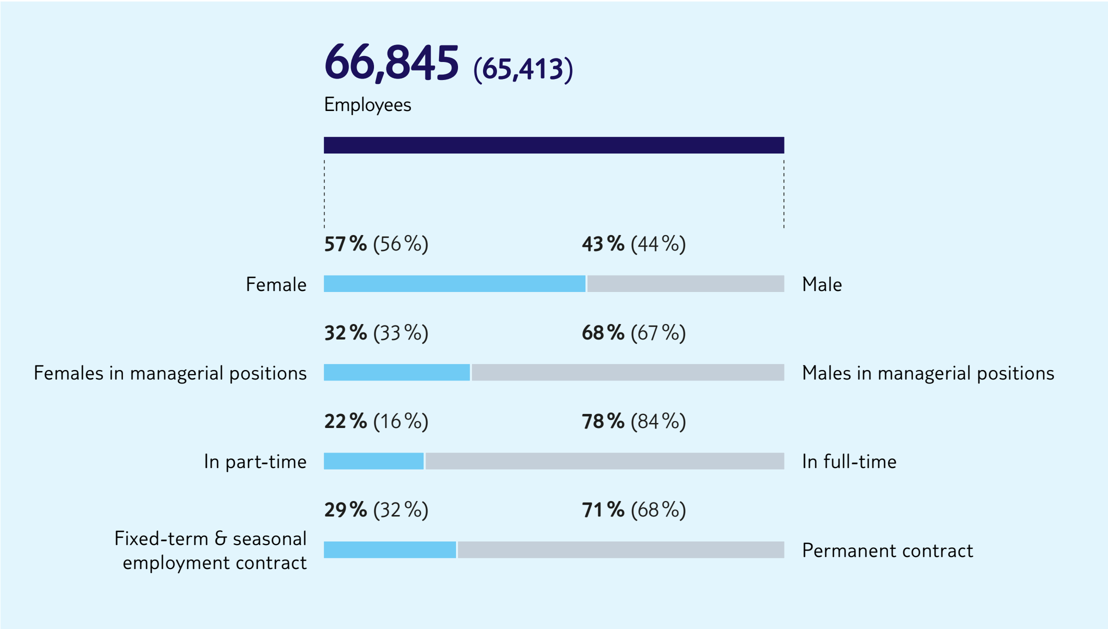
Employment structure (30 SEPTEMBER 2024)



In brackets: previous year

ENABLE BEST PERFORMANCE

In order to be successful together at TUI, we are seeking to empower our employees to deliver their top performance.

We offer a broad range of development and learning formats. Overall, the users of our learning platform TUI People completed an average of more than two hours of training per month in financial year 2024, as in the previous year. We also offered a range of programmes in the TUI Learning Lounge, such as training schemes in Artificial Intelligence.

In addition to digital learning content, TUI provides development programmes for various target groups. The for:ward programme focuses primarily on further training in IT and was continued with a fourth cohort in financial year 2024. A total of 48 employees took part in this cohort.

How2 had previously been our global four-month development programme for new executives starting into their leadership role. Since its launch in 2021, over 600 managers have benefited from the programme. In the completed financial year, an online format was opened up to all TUI managers. Participants have access to learning content on general leadership skills and live workshops. The goal is to support an active exchange among managers and promote the establishment of a global network of people with leadership responsibility within TUI.

Our leadership programmes Horizons and Perspectives serve to promote TUI's high potentials. The goal of the Perspectives programme is to equip our operations managers to become strategic and collaborative leaders. In financial year 2024, 68 (previous year 26) participants were selected for the programme in two cohorts. Horizons focuses on building the skills of our strategy managers on their path to transformational leadership. In 2024, 61 participants were included in the two cohorts (previous year 20). The programme participants engaged in self-reflection and completed six modules dealing with various leadership theories.

In the completed financial year, 8 (previous year 8) employees embarked on a course as International Graduates. The two-year programme familiarises participants with commercial and head office functions within TUI.

EMPLOYEE REPRESENTATIVES

TUI Group historically features a strong co-determination landscape through the Supervisory Boards at corporate level, the Group Works Council at Group level and many local works councils at company level.

In financial year 2024, constructive talks enabled many topics to be updated, sustained or initiated together. The focus was on the use of Artificial Intelligence, the Employee Listening strategy and the implementation of our single core HR system in Germany.

The policy paper on the use of Artificial Intelligence (AI), jointly adopted by the Executive Board and the Group Works Council, represents a milestone in our AI strategy. For the first time, it formulates guidelines for the introduction and use of AI at TUI. In adopting this paper, the Executive Board and Group Works Council have highlighted an open, opportunity-driven approach to the relevant technologies at TUI, from which both the Company and its employees will benefit equally.

The TUI Europe Forum as an information and consultation body represents the interests of our employees working in Group companies in Europe, including Switzerland and Great Britain, and thus plays an important role as a facilitator and integrator in the European framework. The regular elections of delegates to this information and consultation body, held every four years, took place at the beginning of financial year 2024. The chapter 'Use of Artificial Intelligence within TUI Group' was added to the Common Social Understanding already concluded between the Company and the Europe Forum. The well-established regular dialogue between the Chief HR Officer and the Steering Committee of the TUI Europe Forum continued in order to permit the discussion and consideration of concerns voiced by European employees in a timely and targeted manner.

EMPLOYEE HEALTH

TUI promotes the physical and mental health of all its employees. Measures to promote physical health include support for ergonomic working and the provision of preventative medical check-ups. In addition, company sports programmes in Germany were further expanded. A partnership with a fitness platform, a dedicated gym at the Hanover Campus and digital options continue to complement the range of activities on offer. In the field of mental health, TUI offers expert presentations online, facilitated by external moderators. The goal is to raise awareness among our employees that this is an important subject. We also run support schemes in partnership with our company health insurance fund and in-house medical service and provide emergency health care in cooperation with an external expert.

A Group-wide committee of health representatives regularly discusses best practices, ongoing projects and plans for health-promoting measures. Against the backdrop of global challenges, especially in relation to mental health issues, an even stronger focus is being placed on common targets and establishing stringent processes.

EMPLOYEE INDICATORS

As of 30 September 2024, headcount had increased by 2.2% to 66,845.

Personnel by segment

	30 Sep 2024	30 Sep 2023 adjusted	Var. %
Hotels & Resorts	29,055	28,621	+ 1.5
Cruises*	86	73	+ 17.8
TUI Musement	10,284	10,484	– 1.9
Holiday Experiences	39,425	39,178	+ 0.6
Northern Region	11,720	11,031	+ 6.2
Central Region	7,514	7,266	+ 3.4
Western Region	5,361	5,313	+ 0.9
Markets + Airline	24,595	23,610	+ 4.2
All other segments	2,825	2,625	+ 7.6
TUI Group	**66,845**	**65,413**	**+ 2.2**

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

HOTELS & RESORTS

The overall headcount in Hotels & Resorts rose slightly by 1.5% from 28,621 to 29,055. While Riu recorded an increase in employee numbers of 2.9% from 14,195 to 14,601, Robinson saw a decline of 3.7% from 5,278 to 5,081. The headcount reported by TUI Blue grew by 4.2% from 3,976 to 4,142. Magic Life recorded a slight decline in employee numbers of 1.4% from 3,334 to 3,288. The headcount reported by the other hotels remained nearly flat year-on-year at 1,943.

CRUISES

The headcount in the Cruises segment increased by 17.8% year-on-year from 73 to 86.

TUI MUSEMENT

The headcount in TUI Musement declined slightly by 1.9% from 10,484 to 10,284.

NORTHERN REGION

Northern Region recorded a year-on-year headcount increase of 6.2% from 11,031 to 11,720 . In Great Britain, overall employee numbers rose by 6.4% from 10,207 in the previous year to 10,858. In the Nordic countries, the headcount rose slightly by 4.6% from 824 to 862.

CENTRAL REGION

In Central Region, the headcount grew by 3.4% year-on-year from 7,266 to 7,514 . In Germany, employee numbers increased slightly by 1.5% from 5,521 to 5,606. In Austria, employee numbers also grew slightly by 1.0% from 498 to 503. In Switzerland, the headcount increased by 2.9% from 373 to 384. In Poland, the headcount grew considerably by 18.3% from 815 to 964. In Future Markets, employee numbers were more or less flat year-on-year at 57 employees.

WESTERN REGION

The headcount in Western region was nearly flat year-on-year with a slight increase of 0.9% from 5,313 to 5,361. In Belgium & Morocco, employee numbers grew by 0.4% from 2,301 to 2,310. In the Netherlands, the number of employees rose by a total of 0.3% from 2,264 to 2,271. In France, employee numbers grew by 4.3% from 748 to 780.

ALL OTHER SEGMENTS

Overall employee numbers in All other segments grew by 7.6% from 2,625 to 2,825 . The number of employees working for head office functions increased by 3.4% from 1,281 to 1,324. The headcount in IT rose by 11.7% year-on-year from 1,344 to 1,501.

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Personnel costs

€ million	2024	2023	Var. %
Wages and salaries	2,166.9	1,954.6	+ 10.9
Social security contributions	338.9	294.9	+ 14.9
Pension costs	118.7	108.8	+ 9.1
Total	**2,624.5**	**2,358.3**	**+ 11.3**

In the period under review, TUI Group's personnel costs increased from € 2.4 bn to € 2.6 bn. The year-on-year increase in wages and salaries and social security contributions in financial year 2024 mainly results from the 3.5% growth in the average annual headcount.

For further details, please refer to page 205.

The pay package offered by TUI Group consists of various components, reflecting the framework conditions in different countries and companies and the appropriateness of compensation and customary market rates. Depending on the function concerned, a fixed salary may go hand in hand with variable components, honouring individual performance and promoting the sustainable participation of employees in the Company's long-term targets. In addition, the Senior Leadership team can participate in a long-term share-based compensation programme based on the allocation of virtual shares.

Many TUI Group companies offer their employees pension schemes in the form of direct benefits or through an occupational providence fund, or else by paying in additional employer contributions to pension insurance, in some cases beyond the statutory minimum required. In Germany, collective contracts have been concluded with an insurance undertaking in order to meet the legal entitlement to deferred compensation.

Customer experience, security & safety and crisis management*

We place our guests and their individual wishes and needs at the centre of our organisation in order to offer them differentiated and consistent experiences. In this way, we aim to increase customer loyalty and tap into new customer segments, as satisfied guests are a decisive factor for TUI Group's long-term growth. Our goal is to continuously adapt the customer experience to individual needs and to further personalise it. The more flexible and personalised design of our products and services is supported by the expansion of our product portfolio and our digital platform.

Our integrated business model allows us to accompany our guests through the entire travel experience from booking, arrival, hotel stay and cruise to local activities and excursions – digitally and personally. The digital travel experience is complemented by the personal support of our employees, which our guests experience in our travel agencies, aircraft and hotels, on our ships and in the destination.

The travel experience is about relaxing and winding down or discovering and exploring something new. However, it can also entail a wide range of risks. As far as possible, our activities aim to minimise these risks for customers and employees. TUI takes a risk-based approach to prevent intentional risks to the well-being of our customers, such as crime or terrorism (Security), and to offer all customers a travel experience with maximum security and safety, even in relation to unintentional risks (Health & Safety), for all services booked in the framework of their trips (e. g. flight, transfer to the hotel, hotel stay and excursions). TUI continually monitors and analyses safety-critical developments in destinations and discusses response measures with the markets and other involved business areas.

SAFETY

Throughout this financial year, Group Safety & Risk (part of TUI's centre of excellence Group Security, Health, Safety & Crisis, SHSC) have continued to deliver and adapt our safety management programme. The team focuses on the principal safety risks associated with accommodation, transfers, excursions, activities and tours and supports our source market tour operators, TUI Musement and TUI Hotels & Resorts.

Our risk-based, systematic approach to managing safety risk is data-led and data science-driven. Our new methodology is designed to provide visibility of our risk exposure and assessment and enables targeted risk mitigation which is scalable across TUI Group. Embedded in the principles of risk management and combined with the specialist expertise of health and safety management, our approach promotes responsible growth across the organisation (B2B, B2B2C and B2C) and supports the business by enabling the communication of risk exposure. Building on our legacy approach, this model will continue to mature.

Our approach encompasses the end-to-end product lifecycle and customer journey; this allows us to focus on areas of greatest risk whilst reflecting the changing supply chains and the various operational needs across the Group under one safety management system.

To implement our vision, we are working in partnership with Preverisk Group. The goal is to work together on data modelling, risk assessment, supplier training and engagement activities.

Group Safety & Risk continues to support the strategic growth plans of the Group by responsibly enabling our operational activities – ensuring that TUI remains a brand that can be trusted.

*As part of social matters

SECURITY

Since March 2024, the Group's security strategy has continued to be delivered upon, moving from the discovery phase during 2023 into the next phase of strategy delivery and embedded strongly within the wider SHSC global risk management framework. The six-pillar strategic approach for security continues to be at the heart of all deliverables.

Our global risk management framework continues to underpin all programmes of work across SHSC. A risk-based approach is the main driver for all SHSC services and engagement activities. Key areas for opportunity will be the realisation of data-driven decision-making, technology advancement, a wide alignment and driving up global standards in security and safety.

The security strategy will continue to focus upon the development of a security management system including policies, procedures and guidance that is relevant and robust. This will evolve, growing in accordance with business requirements.

The TUI Partners site will continue to be developed as a knowledge hub for partners, and will promote aligned standards, training and resources. Future accreditation continues to be a focus area for development but ensuring that the prime objective will be travel industry risk management relevance and ease of practical application. A risk-based approach will be essential to ensure it is relevant and applicable within a travel industry context which incorporates the multiple interrelated sectors across the travel and leisure business.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY

TUI operates Group-wide crisis and business continuity protocols and governance modules. Regular update calls between Group function and business areas take place on a weekly or monthly basis, depending on the area, and are established to share strategic and operational topics including best practice. Data is aggregated and analysed, and the frameworks ascertain when guests and / or employees are affected and what support or actions are needed at what moment.

Experienced crisis managers work within a team to cover areas such as customer, commercial, communications and insurance management. These experts across the Group facilitate a fast, flexible response to levels of crisis. Appropriate reporting and coordination within TUI Group ensure that management is updated on all key incidents and developments and can immediately take decisions, if necessary.

The Group-wide crisis management system software for monitoring, escalation and managing of day-to-day incidents gives us the ability to work individually within our businesses or together as a group, when needed.

Anti-corruption and anti-bribery

Details of TUI Group's anti-corruption and anti-bribery measures are presented in the Corporate Governance section on Integrity & Compliance from page 145 in this Report.

Disclosures under the EU Taxonomy Regulation (EU) 2020 / 852

Pursuant to Article 8 of Regulation (EU) 2020 / 852 of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment, TUI AG reports in accordance with the Taxonomy Regulation. TUI has to disclose information on the proportion of revenue, capital expenditure and operating expenditure associated with economic activities described in EU Regulations and Delegated Acts and hence taxonomy-eligible. TUI also has to disclose information on the degree to which these KPIs qualify as environmentally sustainable or taxonomy-aligned under Articles 3 and 9 of the Taxonomy Regulation.

Environmental sustainability is analysed on the basis of technical screening criteria for the following six environmental objectives:

- Climate change mitigation,
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Pollution prevention and control,
- Protection and restoration of biodiversity and ecosystems.

An economic activity qualifies as environmentally sustainable or taxonomy-aligned if it demonstrably makes a substantial contribution to one of the six environmental objectives while doing no significant harm to any of the remaining environmental objectives. The economic activity also has to meet minimum standards on human rights, social and labour standards, and standards relating to anti-corruption, fair competition and taxation.

The rules governing the EU Taxonomy are still under development. For financial year 2023, economic activities defined by relevant Regulations only related to the environmental objectives of climate change mitigation and climate change adaptation as TUI's financial year differs from the calendar year. As in financial year 2023, the taxonomy eligibility and taxonomy alignment of these economic activities, where relevant for TUI, is examined and reported accordingly. As of 1 January 2024, additional economic activities have also had to be reported for the other environmental objectives. Accordingly in financial year 2024 additional activities became subject to the EU Taxonomy. Amongst them in particular, the activity 6.19 'Passenger and freight air transport', relation to the environmental target 'Climate change mitigation', and the activity 2.1 'Hotels, holiday, camping grounds and similar accommodation', relation to the environmental target 'Protection and restoration of biodiversity and ecosystems'. For the first time, TUI now has to report on some its core economic activities. Reporting of the economic activities newly included in financial year 2024 only covers taxonomy eligibility. Due to the expansion of rules, the revenue, capital expenditure and operating expenditure which are on principle taxonomy-eligible increased in financial year 2024.

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Moreover, some of the terms and definitions used in the EU Taxonomy regulations are still unclear with regard to their meaning and interpretation. The EU regularly publishes FAQs to cast light on these terms. Due to the unclarities and the amendments to regulations, TUI incurs the risk of facing a different future interpretation of these indicators and having to change its reporting accordingly. In its reporting as at 30 September 2024, TUI reflects the status of the FAQs as at 20 October 2024.

DETERMINATION OF ECONOMIC ACTIVITIES QUALIFYING AS TAXONOMY-ELIGIBLE

As a first step, TUI analysed its economic activities to determine whether they correspond to the activities defined in the EU Taxonomy. In doing so, TUI took into account both of economic activities generating external revenue and activities serving its own needs.

The second step was to determine KPI for these economic activities. Where a KPI relates to several economic activities at once, it was broken down, usually based on the direct costs incurred for the activity in question. The reported numbers only include the revenue, capital expenditure and operating expenditure of companies fully included in the consolidated financial statements.

CHECKING TECHNICAL SCREENING CRITERIA

Compliance with the relevant technical screening criteria is determined by consulting the respective Group companies or by means of a screening based on higher-level processes and within the framework of national or EU regulations. Where it was not possible to check compliance with technical screening criteria for lack of data or evidence and the economic activity concerned is not material for TUI, no screening was carried out and the economic activity was classified as non-aligned with the Taxonomy in accordance with Commission Notice C/2023/305 dated 20 October 2023, no. 13. The results are described in the following sections on revenue, capital expenditure and operating expenditure.

CHECKING MINIMUM PROTECTION CRITERIA

TUI ensures compliance with the minimum protection criteria through Group-wide policies, training programmes, codes of conduct and risk management systems, which also cover our suppliers and the impact of the services we provide. On compliance with human rights, we refer to the Non-Financial Group Declaration. On anti-corruption and fair competition, we refer to the Corporate Governance Report. TUI has also implemented a tax strategy designed to ensure that we are taxed in a manner concomitant with our business, to prevent aggressive or artificial tax planning, to facilitate cooperation with local tax authorities and to manage and review tax risks centrally. In this context, please refer to the publication of our tax strategy at

+ *Our Tax Strategy and Governance (tuigroup.com).*

At the reporting date, no relevant litigation was pending in this context.

REVENUE

Total revenue is the revenue determined in accordance with international accounting standards and carried as revenue in the Notes. Only revenues of consolidated subsidiaries will be reported as taxonomy-eligible or taxonomy-aligned.

In the TUI Musement segment, customer transport in the destination, e.g. for excursions or transfers between the airport and the hotel, was allocated to economic activity 6.3 'Urban and suburban transport, road passenger transport'. The revenue numbers were taken from our internal reporting system. Where this revenue also related to other economic activities, e.g. in the case of excursions involving not only transport but also guided tours, it was allocated on the basis of direct costs. Revenue from coach transport services provided by third parties is only recognised if this revenue meets the definitions of international accounting standards and if TUI controls the underlying processes.

The revenue generated in the Cruises segment is allocated to economic activity 6.11 'Sea and coastal passenger water transport'. Revenue in the Northern Region segment includes revenue from economic activity 6.7 'Inland passenger water transport'. The revenue is regularly generated from sales of package tours consisting, for example, of a flight, transport to the destination and overnight accommodation on a ship. For the purposes of the EU Taxonomy, this revenue is broken down in line with the direct costs incurred so as to determine the revenue attributable to passenger transport by ship.

The revenue earned from economic activity 6.19 'Passenger and freight air transport' to be reported from financial year 2024 is generated in the Northern Region, Central Region and Western Region segments. Economic activity 2.1 'Hotels, holiday, camping grounds and similar accommodation', another newly reportable activity, relates, in addition to the above-mentioned segments, to Hotels & Resorts. These activities encompass flight operations and the accommodation services offered by TUI and are therefore core activities. Where revenue is generated as part of a package tour, the taxonomy-eligible revenue is derived from intra-Group costs. Revenue generated on the basis of flight or hotel capacity provided by third parties is only recognised if it meets the definitions of international accounting standards and if TUI controls the underlying processes.

Due to the additional economic activities to be included in reporting, the proportion of total revenues accounted for by taxonomy-eligible revenues grew from 3.0% to 37.5%. TUI did not report any taxonomy-aligned revenues. This was due to the fact that taxonomy alignment did not have to be examined for the newly included economic activities. Moreover, some of the technical screening criteria relate to regulations exclusively applicable in the EU or relating to newbuilds.

CAPITAL EXPENDITURE

Capital expenditure summarises the additions to the relevant assets mentioned in the Notes in the sections 'Goodwill', 'Other intangible assets', 'Property, plant and equipment' and 'Right-of-use assets'. In financial year 2024, additions from mergers were carried under Other intangible assets (€ 1.1 m).

The total capital expenditure of € 934.6 m breaks down as follows for financial year 2024:

Other intangible assets	€ 168.6 m
Property, plant and equipment	€ 572.3 m
Right-of-use assets	€ 193.7 m

As a rule, capital expenditure is allocated to individual economic activities on the basis of our internal project controlling and account assignments in Group reporting. Due to the newly defined economic activity 6.19 'Passenger and freight air transport', capital expenditure in TUI's flight operations has now become taxonomy-eligible. As a result of the launch of economic activity 2.1 'Hotels, holiday, camping grounds and similar accommodation', TUI will no longer report capital expenditure in connection with hotel buildings and resorts in Hotels & Resorts as refurbishment or construction of new buildings, but will report such expenditure under this economic activity from financial year 2024.

Overall, taxonomy-eligible capital expenditure accounts for 71.3% of total capital expenditure (previous year 44.7%). The year-on-year increase is mainly due to the newly added economic activity 'Passenger and freight air transport'. In financial year 2024 no taxonomy-aligned capital expenditure were reported (previous year less than 1%). This is partly because only the taxonomy eligibility had to be disclosed for the newly reported activities in financial year 2024.

OPERATING EXPENDITURE

TUI's operating expenditure includes non-capitalised direct expenditure for building refurbishment, short-term leases, maintenance and repair as well as any other direct expenditure incurred in connection with the day-to-day maintenance of property, plant and equipment, intangible assets and right-of-use assets. Where necessary, operating expenditure is allocated to an economic activity on a cost basis. The allocation to economic activities follows the allocation of capital expenditure. The review of the taxonomy eligibility and alignment of operating expenditure follows a review of the respective property, plant and equipment, other intangible assets or right-of-use assets to which they can be allocated. Accordingly no taxonomy-aligned operating expenditures were identified. Taxonomy-eligible operating expenditure thus accounts for 91.5% of total operating expenditure (previous year 25.1%). The year-on-year increase is attributable to the economic activities newly included in reporting in financial year 2024.

Revenue 2024

				Substantial contribution criteria						DNSH ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	Revenue (3)	Proportion of revenue 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, 2023 (18)**	Category enabling activity (19)	Category transitional activity (20)
		€ million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	in %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Revenues of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**0.0**	**0.0**																
Thereof enabling activities		0.0	0.0																
Thereof transitional activities		0.0	0.0																

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Revenue 2024

Economic activities (1)	Code (2)	Revenue (3)	Proportion of revenue 2024 (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	DNSH ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, 2023 (18)**	Category enabling activity (19)	Category transitional activity (20)
		€ million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	in %	E	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)				**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	2,804.3	12.1	N/EL	N/EL	N/EL	N/EL	N/EL	EL										
Passenger and freight air transport	CCM 6.19	5,130.2	22.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Sea and coastal passenger water transport	CCM 6.11	603.7	2.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.3		
Urban and suburban transport, road passenger transport	CCM 6.3	132.8	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6		
Inland passenger water transport	CCM 6.7	30.4	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Revenues of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2.)		**8,701.4**	**37.6**	**25.5**	**0.0**	**0.0**	**0.0**	**0.0**	**12.1**								**3.0**		
A. Revenues of taxonomy-eligible activities (A.1. + A.2.)		**8,701.4**	**37.6**	**25.5**	**0.0**	**0.0**	**0.0**	**0.0**	**12.1**								**3.0**		
B. Taxonomy-non-eligible activities																			
Revenue of taxonomy-non-eligible activities		14,465.9	62.4																
Total		**23,167.3**	**100.0**																

Abbreviations
Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N No, Taxonomy-eligible, but not Taxonomy-aligned activity with the relevant environmental objective
EL Eligible, Taxonomy-eligible activity for the relevant environmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

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				Substantial contribution criteria						DNSH ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	CapEx (3)	Proportion of CapEx 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, 2023 (18)**	Category enabling activity (19)	Category transitional activity (20)
		€ million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	in %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0														0.2	E	
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**0.0**	**0.0**														**0.2**		
Thereof enabling activities		0.0	0.0														0.2	E	
Thereof transitional activities		0.0	0.0																

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Capital Expenditure (CapEx) 2024

				Substantial contribution criteria						DNSH ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	CapEx (3)	Proportion of CapEx 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, 2023 (18)**	Category enabling activity (19)	Category transitional activity (20)
		€ million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	in %	E	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	297.0	31.8	N/EL	N/EL	N/EL	N/EL	N/EL	EL										
Passenger and freight air transport	CCM 6.19	283.3	30.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Sea and coastal passenger water transport	CCM 6.11	52.8	5.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								23.2		
Urban and suburban transport, road passenger transport	CCM 6.3	11.0	1.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
Renovation of existing buildings	CCM 7.2	8.1	0.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								14.0		
Construction of new buildings	CCM 7.1	0.0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.4		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Electricity generation using solar photovoltaic technology	CCM 4.1	14.0	1.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
CapEx of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2.)		**666.2**	**71.3**	**39.5**	**0.0**	**0.0**	**0.0**	**0.0**	**31.8**								**44.5**		
A. CapEx of taxonomy-eligible activities (A.1.+A.2.)		**666.2**	**71.3**	**39.5**	**0.0**	**0.0**	**0.0**	**0.0**	**31.8**								**44.7**		
B. Taxonomy-non-eligible activities																			
CapEx of taxonomy-non-eligible activities		268.4	28.7																
Total		**934.6**	**100.0**																

Abbreviations
Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N No, Taxonomy-eligible, but not Taxonomy-aligned activity with the relevant environmental objective
EL Eligible, Taxonomy-eligible activity for the relevant environmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

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				Substantial contribution criteria						DNSH ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	OpEx (3)	Proportion of OpEx 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx, 2023 (18)**	Category enabling activity (19)	Category transitional activity (20)
		€ million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	in %	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**0.0**	**0.0**																
Thereof enabling activities		0.0	0.0																
Thereof transitional activities		0.0	0.0																

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				Substantial contribution criteria						DNSH ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	OpEx (3)	Proportion of OpEx 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx, 2023 (18)**	Category enabling activity (19)	Category transitional activity (20)
		€ million	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	in %	E	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	90.1	10.8	N/EL	N/EL	N/EL	N/EL	N/EL	EL										
Passenger and freight air transport	CCM 6.19	571.9	68.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Urban and suburban transport, road passenger transport	CCM 6.3	16.2	1.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.6		
Sea and coastal passenger water transport	CCM 6.11	63.1	7.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.9		
Renovation of existing buildings	CCM 7.2	16.3	2.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								16.0		
Data processing, hosting and related activities	CCM 8.1	3.1	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6		
OpEx of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2.)		**760.7**	**91.5**	**80.7**	**0.0**	**0.0**	**0.0**	**0.0**	**10.8**								**25.1**		
A. OpEx of taxonomy-eligible activities (A.1.+A.2.)		**760.7**	**91.5**	**80.7**	**0.0**	**0.0**	**0.0**	**0.0**	**10.8**								**25.1**		
B. Taxonomy-non-eligible activities																			
OpEx of taxonomy-non-eligible activities		70.3	8.5																
Total		**831.0**	**100.0**																

Abbreviations
Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N No, Taxonomy-eligible, but not Taxonomy-aligned activity with the relevant environmental objective
EL Eligible, Taxonomy-eligible activity for the relevant environmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Proportion of revenue / Total revenue

in %	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	–	25.5
Climate change adaption (CCA)	–	–
Water (WRT)	–	–
Circular economy (CE)	–	–
Pollution (PPC)	–	–
Biodiversity (BIO)	–	12.1

Proportion of CapEx / Total CapEx

in %	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	–	39.5
Climate change adaption (CCA)	–	–
Water (WRT)	–	–
Circular economy (CE)	–	–
Pollution (PPC)	–	–
Biodiversity (BIO)	–	31.8

Proportion of OpEx / Total OpEx

in %	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	–	80.7
Climate change adaption (CCA)	–	–
Water (WRT)	–	–
Circular economy (CE)	–	–
Pollution (PPC)	–	–
Biodiversity (BIO)	–	10.8

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Annual financial Statements of TUI AG

The annual financial statements of TUI AG were prepared in accordance with the provisions of the German Commercial Code (HGB), taking account of the complementary provisions of the German Stock Corporation Act (AktG), and audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover. They are available on the Internet at www.unternehmensregister.de and are additionally published at www.tuigroup.com.

In the present Annual Report, the Management Report of TUI AG has been combined with the Management Report of TUI Group.

Earnings position of TUI AG

Income statement of TUI AG

€ million	2024	2023	Var. %
Revenue	168.0	158.4	+ 6.1
Other operating income	328.5	411.9	– 20.2
Cost of materials	10.7	14.5	– 26.2
Personnel costs	63.0	53.4	+ 18.0
Depreciation	2.6	1.4	+ 85.7
Other operating expenses	234.6	228.7	+ 2.6
Net income from investments	234.4	– 13.5	n. a.
Write-downs of investments	154.6	444.5	– 65.2
Net interest	– 90.2	– 327.3	+ 72.4
Income taxes	3.2	2.7	+ 18.5
Result after taxes	**172.0**	**– 515.7**	**n. a.**
Other taxes	1.4	1.9	– 26.3
Net result for the year	**170.6**	**– 517.6**	**n. a.**

The earnings position of TUI AG, the Group's parent company, is primarily determined by the appropriation of profits from its Group companies, either directly associated with TUI AG via profit and loss transfer agreements or distributing their profits to TUI AG based on relevant resolutions, and by the measurement of financial investments and the funding of TUI Group.

REVENUE AND OTHER OPERATING INCOME

The increase in revenue in financial year 2024 mainly resulted from higher income from licence fees with subsidiaries. Other operating income in the period under review was characterised in particular by income from write-ups on investments and from intra-Group cost transfers. This income was partly offset by expenses for intercompany charging of service costs to TUI AG, carried in other operating expenses. Other operating income in financial year 2024 also included income from exchange gains, offset by expenses for exchange losses reported under other operating expenses. Other operating income also included income from the reversal of impairments on receivables. The year-on-year decrease in other operating income was mainly driven by considerably lower income from the reversal of impairments on receivables and lower income from the reversal of provisions, not fully offset by the increase in income from write-ups on investments.

EXPENSES

The year-on-year increase in personnel costs resulted essentially from higher pension expenses due to an increase in transfers to pension provisions. The increase in personnel costs was additionally driven by higher expenses for the formation of personnel provisions for Executive Board members.

Other operating expenses comprised in particular expenses for exchange losses, fees, charges, services, transfers to impairments, other administrative costs as well as expenses for intra-Group cost transfers. While there was an increase in expenses for exchange losses and a considerable increase in expenses for intra-Group cost transfers, there was a decline in impairments on receivables and expenses for financial and monetary transactions. Overall, this resulted in an increase in other operating expenses.

NET INCOME FROM INVESTMENTS

The year-on-year increase in net income from investments was driven by a considerable decline in expenses for loss transfers and an increase in income from profit transfers. The positive development was also attributable to an increase in dividend income from investments. The loss transfers mainly related to Leibniz-Service GmbH. The income from profit transfers carried in financial year 2024 resulted in the main from companies allocated to Central Operations.

WRITE-DOWNS OF INVESTMENTS

In the period under review, write-downs of investments mainly related to tour operator subsidiaries.

INTEREST RESULT

In financial year 2024, the year-on-year improvement in the interest result mainly reflected the special effects incurred in the previous year in connection with the repayment of Silent Participation I and the remaining warrant bond to the Economic Stabilisation Fund (ESF), as these interest expenses did not recur in the completed financial year.

TAXES

Income taxes and other taxes mainly resulted from the regular reassessment of tax provisions. Income taxes also included expenses for withholding taxes on dividend payments from subsidiaries. Income taxes did not include any deferred taxes.

NET RESULT FOR THE YEAR

For financial year 2024, TUI AG posted a net profit of € 170.6 m.

Net assets and financial position of TUI AG

TUI AG's net assets and financial position as well as its balance sheet structure reflect its function as TUI Group's parent company. In financial year 2024, the balance sheet total increased slightly year-on-year to € 10,983.2 m.

Abbreviated balance sheet of TUI AG (financial statement according to German Commercial Code)

€ million	30 Sep 2024	30 Sep 2023	Var. %
Intangible assets / property, plant and equipment	20.9	17.6	+ 18.8
Investments	7,936.4	7,824.3	+ 1.4
Fixed assets	7,957.3	7,841.9	+ 1.5
Receivables	2,529.5	1,981.8	+ 27.6
Marketable securities	0.3	0.3	–
Cash and cash equivalents	495.4	319.4	+ 55.1
Current assets	3,025.2	2,301.5	+ 31.4
Prepaid expenses	0.7	1.0	– 30.0
Total assets	**10,983.2**	**10,144.4**	**+ 8.3**
Equity	5,470.6	5,298.6	+ 3.2
Special non-taxed items	–	–	–
Provisions	291.6	307.9	– 5.3
Bonds	1,104.6	589.6	+ 87.3
Other liabilities	4,116.4	3,948.3	+ 4.3
Liabilities	5,221.0	4,537.9	+ 15.1
Total liabilities	**10,983.2**	**10,144.4**	**+ 8.3**

FIXED ASSETS

At the balance sheet date, fixed assets almost exclusively consisted of financial assets. The increase in financial assets was attributable to the capital increases carried out in subsidiaries and, in particular, to write-ups of shares in Group companies which had been impaired in previous years. The increase was partly offset by unscheduled write-downs of investments and a decline in loans to Group companies. In the financial year under review, write-ups and unscheduled write-downs of shares in Group companies related in particular to companies in tour operation and in central operations. Overall, fixed assets rose slightly year-on-year as a result.

CURRENT ASSETS

The considerable increase in current assets of 31.4% to € 3,025.2 m was mainly driven by increases in receivables and in cash and cash equivalents. The increase in receivables was primarily attributable to the development of claims from profit and loss transfer agreements as well as the short- and medium-term financing of Group companies. Cash and cash equivalents benefited from lower cash deposits for the hedging of customer deposits for package tours in Germany.

TUI AG's capital structure

EQUITY

TUI AG's equity rose by 3.2% to € 5,470.6 m.

Net profit totalled € 170.6 m. After setting off the net profit against the loss carried forward from the previous year of € – 1,349.1 m, the Executive Board withdrew € 1,178.5 m from the capital reserves, resulting in profit available for distribution of € 0.0 m as at 30 September 2024. In the completed financial year, the equity ratio declined to 49.8% (previous year 52.2%) due to an increase in the balance sheet total.

PROVISIONS

Provisions decreased by € 16.3 m to € 291.6 m. They consisted of pension provisions worth € 158.9 m (previous year € 160.8 m), tax provisions worth € 27.6 m (previous year € 25.1 m), and other provisions worth € 105.1 m (previous year € 122.0 m).

In financial year 2024, the decline in pension provisions was primarily attributable to a change in parameters. Other provisions declined, in particular due to a decline in provisions for onerous contracts. Moreover, provisions for supplier invoices not yet received declined year-on-year. An opposite effect was driven by the slight increase in personnel provisions.

LIABILITIES

As at 30 September 2024, TUI AG's liabilities totalled € 5,221.0 m, an increase of € 683.1 m or 15.1%.

In March 2024, TUI AG issued senior notes of € 500.0 m with a tenor of five years in order to extend its maturity profile. The senior notes have an annual interest coupon of 5.875%.

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In addition, the Company issued convertible bonds with an aggregate principal amount of € 487.0 m and a tenor of seven years in July 2024. The convertible bonds have a denomination of € 100,000 and a fixed interest coupon of 1.95% p.a. The conversion price is € 9.60 per share.

In July 2024, the Company also repurchased an amount of € 472.0 m of the convertible bonds issued in 2021 maturing in 2028. The proceeds from the issuance of the convertible bonds maturing in 2031 worth € 487.0 m were used to finance these repurchases. As a result, the volume of the outstanding 2021 convertible bonds declined from € 589.6 m to € 117.6 m.

Based on a contractual agreement and as a result of proceeds from the issue of senior notes and new convertible bonds, TUI AG's syndicated credit lines of originally around € 2.7 bn were reduced to around € 1.9 bn through partial terminations of € 500.0 m (March 2024) and € 336.0 m (July 2024) of the previously undrawn KfW credit line of € 1.05 bn. As a result, TUI AG had syndicated credit facilities totalling around € 1.9 bn at the end of the completed financial year, including a cash tranche of € 214.0 m from KfW and a bank guarantee facility of € 190.0 m.

As at 30 September 2024, no cash drawdowns had been made on the syndicated credit facility (previous year € 0.0 m). The utilisation of this credit facility by means of bank guarantees totalled € 136.0 m as at 30 September 2024.

The slight decline in liabilities to banks was more than offset in particular by the increase in bond liabilities and the rise in liabilities to Group companies. Due to the growth of operating activities, companies in the tour operation sector, in particular, transferred monies to TUI AG.

The net financial position (cash and cash equivalents less liabilities to banks, bonds and Schuldschein) totalled € – 854.5 m (previous year € – 517.3 m).

CAPITAL AUTHORISATION RESOLUTIONS

Information on new and existing capital authorisation resolutions, adopted by Annual General Meetings, is provided in the next chapter on Information required under takeover law.

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Information required under Takeover Law

Pursuant to sections 289a and 315a of the German Commercial Code (HGB) and explanatory report

Subscribed capital

The subscribed capital of TUI AG consists of no-par value shares, each representing an equal share of the capital stock. As a proportion of the capital stock, the value of each share is mathematically defined as € 1.00.

The subscribed capital of TUI AG, registered in the commercial registers of the district courts of Berlin-Charlottenburg and Hanover, consisted of 507,431,033 shares at the end of financial year 2024 (previous year 507,431,033 shares) and correspondingly totalled € 507,431,033.00. Each share confers one vote at the Annual General Meeting.

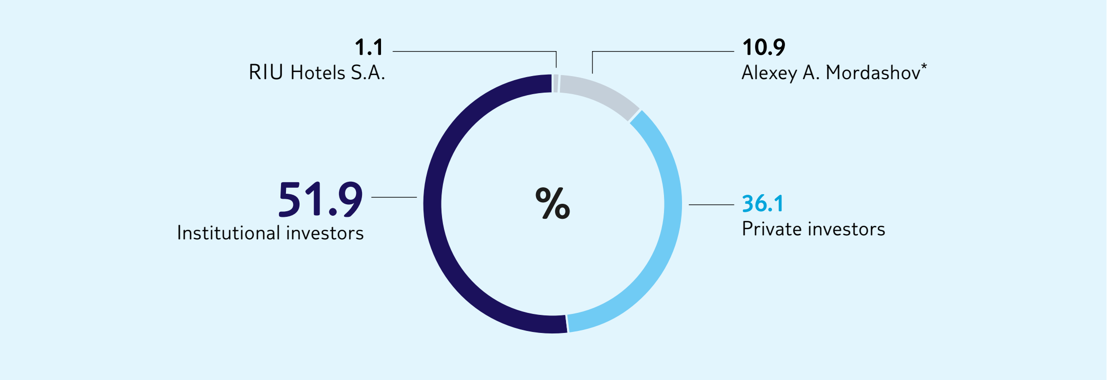
RESTRICTIONS ON VOTING RIGHTS OR SHARE TRANSFERS

The Executive Board assumes that it is currently impossible to transfer the shares it considers attributable to Alexey Mordashov or to exercise the voting rights from these shares.

EQUITY INTERESTS EXCEEDING 10% OF THE VOTING SHARES

The Executive Board of TUI AG has been notified of the following direct or indirect equity interests amounting to 10% or more of the voting rights:

Shareholder structure (30 SEPTEMBER 2024) in %



* According to the voting rights notifications of the German Federal Financial Supervisory Authority (BaFin) dated 16 May 2023, 10.87% of the TUI AG shares have been indirectly attributable to Alexey A. Mordashov, Moscow, Russian Federation, since 19 April 2023.

At the end of financial year 2024, around 89% of TUI shares were in free float. Around 36% of all TUI shares were held by private shareholders, around 52% by institutional investors and financial institutes, and around 12% by strategic investors.

The current shareholder structure and voting rights notifications according to Section 33 of the German Securities Trading Act (WpHG) are available online at:
www.tuigroup.com/en-en/investors/share/shareholder-structure and www.tuigroup.com/en-en/investors/news

Shares with special rights conferring powers of control

No shares with special rights conferring powers of control have been issued.

System of voting right control of any employee share scheme where control rights are not exercised directly by the employer

Where TUI AG grants shares to employees under its employee share programme, the shares are directly transferred to the employees (sometimes with a lock-up period). Beneficiaries are free to exercise the control rights to which employee shares entitle them directly, in just the same way as other shareholders, in line with statutory requirements and the Articles of Association.

Appointment and removal of Executive Board members and amendments to the Articles of Association

The appointment and removal of Executive Board members is based on Sections 84 et seq. of the German Stock Corporation Act in combination with Section 31 of the German Co-Determination Act. Amendments to the Articles of Association are based on the provisions of Sections 179 et seq. of the German Stock Corporation Act in combination with Section 24 of the Articles of Association of TUI AG.

Powers of the Executive Board to issue shares

The Annual General Meeting on 25 March 2021 resolved to create conditional capital for the issue of bonds totalling € 109.9 m. The authorisation of issue bonds with conversion options or warrants as well as profit-sharing rights and income bonds (with or without fixed terms) is limited to a nominal amount of € 2.0 bn and will expire on 24 March 2026. This authorisation was nearly fully used with the issuance of convertible bonds worth € 589.6 m in April and July 2021. As at the balance sheet date, no shares had yet been issued to service the convertible bonds. In July 2024, the outstanding convertible bonds were partly repurchased so that the outstanding nominal amount now totals € 117.6 m.

The Annual General Meeting on 13 February 2024 resolved to create an authorisation to issue new registered shares against cash contribution for up to a maximum of € 50.7 m (Authorised Capital 2024 / I). This authorisation will expire on 12 February 2029.

The General Meeting on 13 February 2024 also resolved to create conditional capital for the issuance of new shares against cash or non-cash contribution of € 203.0 m (Authorised Capital 2024 / II). The issuance of new shares against non-cash contribution is limited to € 50.7 m. The authorisation for this Authorised Capital will expire on 12 February 2029.

The General Meeting on 13 February 2024 moreover resolved to create further conditional capital for the issuance of bonds totalling € 50.7 m. The authorisation to issue bonds with conversion options or warrants as well as profit-sharing rights and income bonds (with or without fixed terms) is limited to a nominal amount of € 1.5 bn and will expire on 12 February 2029. This authorisation was nearly fully used with the issuance of convertible bonds worth € 487.0 m in July 2024. As at the balance sheet date, no shares had yet been issued to service the convertible bonds.

See the section on Subscribed capital in the Notes to the consolidated financial statements on page 228 and the section on Subscribed capital in the annual financial statements of TUI AG (disclosure pursuant to Section 160 (1) no. 2 of the German Stock Corporation Act).

Significant agreements taking effect in the event of a change of control of the Company following a takeover bid, and the resulting effects

Some of TUI AG’s outstanding financing instruments contain change of control clauses. A change of control occurs in particular if a third party directly or indirectly acquires control over at least 50% or the majority of the voting shares in TUI AG.

In the event of a change of control, the holders of the Schuldschein worth € 242.0 m, the 2021 convertible bonds originally worth € 589.6 m (of which € 117.6 m were still outstanding as at the balance sheet date), the 2024 convertible bonds of € 487.0 m and the 2024 sustainability-linked bonds of € 500.0 m must be offered a buyback. For the syndicated credit facilities worth € 1.9 bn (including bank guarantees), of which € 0.0 m (via cash) and € 136.0 m (via bank guarantees) had been used as at the balance sheet date, a right of termination by the lenders has been agreed for the event of a change of control.

Beyond this, there are no agreements in guarantee, leasing, option or other financing contracts that might cause material early redemption obligations that would be of significant relevance for the Group’s liquidity. Apart from the financing instruments mentioned above, a framework agreement concluded between the Riu family and TUI AG contains a change of control clause. Accordingly, a change of control occurs if a shareholder group represents a predefined majority of AGM attendees or if one third of the shareholder representatives on the Supervisory Board are attributable to a single group of shareholders. In the event of a change of control, the Riu family is entitled to acquire at least 20% and at most all shares held by TUI in RIUSA II S.A. at the share value determined by an internationally recognised auditing company, during three periods following the change of control. After TUI AG’s Annual General Meeting of 25 March 2021, the conditions had been met temporarily for Unifirm to represent a majority of AGM attendees, so that the entitlement arose for the Riu family to acquire shares within certain time windows in 2021, 2022 and 2023. The Riu family did not exercise their purchase right.

A similar agreement concerning a change of control at TUI AG has been concluded with the El Chiaty Group. Here, too, a change of control occurs if a shareholder group represents a predefined majority of AGM attendees or if one third of the shareholder representatives on the Supervisory Board are attributable to a single shareholder group. In that case, the El Chiaty Group is entitled to acquire at least 15% and at most all shares held by TUI in each of the joint hotel companies in Egypt and the United Arab Emirates during three periods following the change of control at a share value determined by an internationally recognised auditing company. As the stake in TUI AG held by Unifirm increased following the capital increase of 2 November 2021, here, too, a change of control was triggered due to a majority of AGM attendees. The final window for El Chiaty Group to exercise its acquisition right was from 16 November to 16 December 2023. It expired without El Chiaty Group exercising its right.

A change of control agreement has likewise been concluded for the joint venture TUI Cruises GmbH between Royal Caribbean Cruises Ltd and TUI AG in the event of a change of control in TUI AG whereby more than 50% of voting rights are acquired by an individual or group. The agreement gives the partner the right to demand termination of the joint venture and to purchase the stake held by TUI AG at a purchase price which is lower than the selling price of their own stake under certain circumstances. No compensation agreements effective in the event of a takeover bid have been concluded between the Company and Executive Board members or employees.

TUI Share[1]

Driven by sustained strong booking momentum, TUI's share price grew by 31% in a persistently volatile market environment

The TUI share started into financial year 2024 at a price of € 5.22[2,3] and recorded – in some phases substantial – price fluctuations in the course of the financial year. Overall, the share price grew by 31% to close at € 6.84[2,3] on 30 September. On a macroeconomic level, falling inflation driven by lower energy prices and rate cuts by central banks had a positive impact on the capital markets. On the other hand, the International Monetary Fund slightly downgraded its growth forecast for the Eurozone for 2024 and 2025, partly due to the downward revision of the growth forecast for Germany and Italy. Share prices in the tourism sectors were also affected by industrial action and the competitive environment, such as FTI's insolvency in June and comments about pricing by competitors in the airline sector. Moreover, TUI's share price responded to unrest in the Middle East and its potential impact on consumers' booking behaviour as well as the associated oil price fluctuations. The TUI share price recorded its lowest closing price early in the financial year at € 4.61[2,3] on 25 October 2023. The highest closing price was recorded on 10 April 2024 at € 7.91[2,3].

In 2024, the TUI share returned to the Prime Standard of the Frankfurt Stock Exchange and the MDAX after a gap of around ten years. Since the merger with the former British Group subsidiary TUI Travel PLC at the end of 2014, the TUI share had been listed in the Premium segment in London and on the regulated market of the Hanover Stock Exchange and the OTC market in Frankfurt. However, in the wake of the Group's transformation, custody and the stock exchange liquidity of the TUI share had increasingly shifted to Germany. Investors and the TUI management therefore entered into a dialogue to discuss whether the dual listing structure should be changed. The Annual General Meeting held in February 2024 then resolved by a large majority of 98.35% of shareholder votes to delist the TUI share from the London Stock Exchange. The main goals related to the delisting were to simplify the listing structure, consolidate trading liquidity, strengthen ownership and control criteria for the TUI airline and boost the visibility and attractiveness of the TUI share. In accordance with the announced timeline, the TUI share was delisted from the London Stock Exchange on 24 June and since then has again been listed on the MDAX. The UK market continues to be one of TUI's key core markets and this remains unaffected by the change of listing from the London Stock Exchange to the Frankfurt Stock Exchange.

Another key milestone was the issuance of sustainability-linked senior notes in an aggregate principal amount of € 500 m with a tenor of five years in February 2024. The proceeds from the issuance were used to repay existing liabilities and further reduce the credit line from KfW. Shortly afterwards, TUI scored a further improvement in its ratings with upgrades to B+ by S&P and B1 by Moody's, each with a positive outlook. These upgrades acknowledge the operational and financial progress achieved to date. In July, the final refinancing measure was implemented so that the remaining KfW credit line can be repaid in full in the first half of calendar year 2025: TUI successfully issued senior unsecured convertible bonds maturing in 2031 worth € 487 m. The proceeds were used to repurchase 80% of the existing convertible bonds so that the maturity profile will be extended and interest costs reduced.

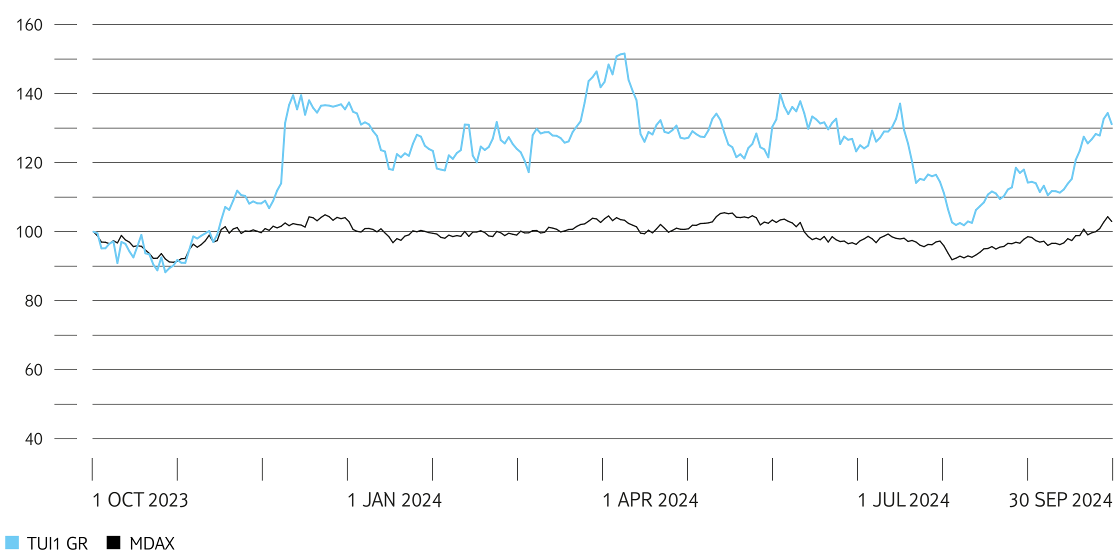
In an environment characterised by macroeconomic changes and uncertainties around future developments in the Middle East, TUI successfully maintained its growth strategy and significantly increased its earnings. Driven by sound booking momentum, which has held up into the Winter 2024 / 25 programme, the share price rose in the first month of financial year 2025 and closed at € 7.61[2,3] on 31 October 2024.

[1] The contents presented in this chapter are unaudited and voluntary.
[2] Source: LSEG (formerly Reuters), Xetra closing prices
[3] Historical prices adjusted for the effect of the capital reduction through the reverse stock split and rights issue

TUI share data

30 Sep 2024		
WKN		TUAG50
ISIN		DE000TUAG505
Stock exchange centres		Xetra, Frankfurt, Hanover
LSEG (formerly Reuters) Bloomberg		TUI1n.DE/TUI1.GR (Xetra)
Stock category		Registered ordinary shares
Capital stock	€	507,431,033.00
Number of shares		507,431,033
Market capitalisation	bn €	3.5

TUI share price performance (FY 2024)[1, 2] in %



Long-term development of the TUI share (Xetra)[1, 2]

€	2020	2021	2022	2023	**2024**
High	39.19	25.86	20.37	12.57	7.91
Low	8.94	9.29	7.17	5.01	4.61
Year-end share price	10.02	18.52	7.17	5.22	6.84

1 Source: LSEG (formerly Reuters), Xetra closing prices
2 Historical prices adjusted for the effect of the capital reduction through the reverse stock split and rights issue

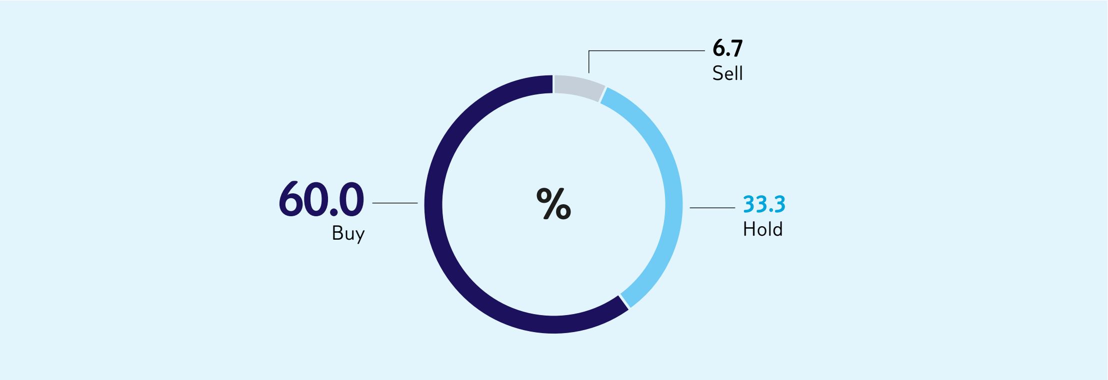
Quotations, indices and trading

The TUI share had its primary listing in the Prime Standard of the Frankfurt Stock Exchange and is listed in the MDAX, where the share ranks 57th (including DAX 40), and in the STOXX Europe. The share also has a secondary listing at the Hanover Stock Exchange.

In financial year 2024, the average daily trading volume on Xetra was around 3.4 m shares. Across all trading platforms, the daily trading volume amounted to around 6.3 m shares. The TUI share thus delivered strong liquidity for trading by institutional and retail investors.

Analyst recommendations

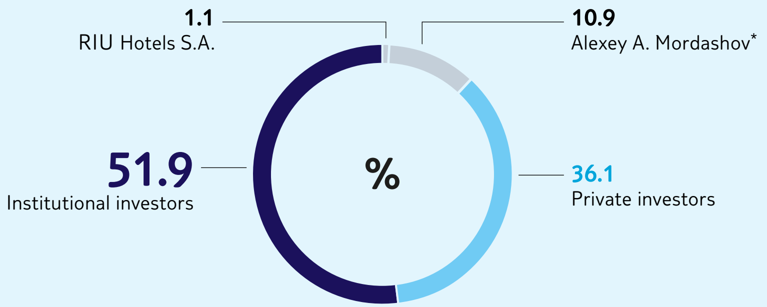
Analyst recommendations (30 SEPTEMBER 2024) in %



Analyses and recommendations by financial analysts are a key decision-making factor for institutional and private investors. In the financial year under review, around 15 analysts regularly published studies on TUI Group. In September 2024, 60% of analysts issued a recommendation to 'buy' the TUI share, with 33% recommending 'hold' and 7% of analysts recommending 'sell'. The average analyst price target at the end of financial year 2024 was € 9.62, with targets ranging between € 6.60 and € 16.00.

Shareholder structure

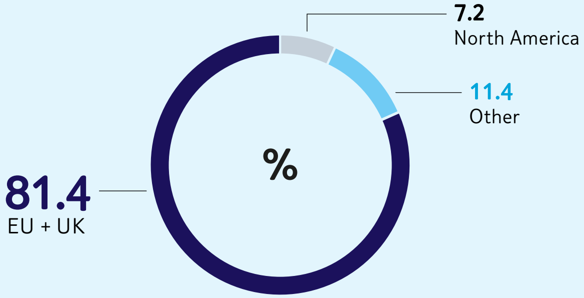
Shareholder structure (30 SEPTEMBER 2024) in %



* According to the voting rights notifications of the German Federal Financial Supervisory Authority (BaFin) of 16 May 2023, 10.87% of the shares in TUI AG have been indirectly attributable to Alexey A. Mordashov since 19 April 2023.

At the end of financial year 2024, around 89% of TUI shares were in free float. Around 36% of all TUI shares were held by private shareholders, around 52% by institutional investors and financial institutes, and around 12% by strategic investors. Shareholders from Europe and the EU accounted for around 81% (previous year approx. 78%) of the stock. The second largest proportion was held by shareholders from North America at 7% (previous year approx. 11%).

Geographical shareholder structure (30 SEPTEMBER 2024) in %



The current shareholder structure and the voting right notifications pursuant to Section 33 of the German Securities Trading Act are available online at: www.tuigroup.com/en-en/investors/share/shareholder-structure and www.tuigroup.com/en-en/investors/news

Dividend policy

Development of dividends and earnings of the TUI share

€	2020	2021	2022	2023	2024
Earnings per share	–5.34	–2.58	–1.02*	+0.80	+1.00
Dividend	–	–	–	–	–

* Earnings per share adjusted by the capital reduction through the reverse stock split

In connection with the COVID-19 crisis, TUI agreed three stabilisation packages with the German government. The terms and conditions attached to the support schemes for TUI include a de facto dividend holiday, which will remain in force over the terms of the credit facilities and the duration of the investment made by the Economic Stabilisation Fund. TUI used the proceeds from the rights issue carried out in financial year 2023 to repay the remaining financial aid from the Economic Stabilisation Fund including interest. In financial year 2024, TUI took the final step to conclude its refinancing of the remaining state aid by issuing senior unsecured convertible bonds. The transaction included the reduction of the undrawn credit line from KfW from € 550 m to € 214 m at the end of July. TUI is planning to repay the remaining amount in the first half of calendar year 2025.

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We have defined the financial priorities for our future capital allocation. In implementing our strategy, we continue to focus on profitable growth and improved cash flow. Measures launched to achieve these goals include optimising our working capital and maintaining a disciplined approach to capital expenditure through our asset-right strategy. These measures will also serve to further strengthen our balance sheet structure so as to achieve our goal of reducing our net leverage ratio to well below 1.0x in the medium term and returning to our pre-pandemic credit rating of BB / Ba. On that basis, we are generating shareholder value and laying the foundations to define a sustainable new dividend policy.

Investor Relations

Open, continuous dialogue and transparent communication with our private shareholders, institutional investors, equity and credit analysts and lenders form the basis for our Investor Relations engagement. Many discussions were held, centring on Group strategy, business performance in the individual segments, the strong operative business, the financial measures, the competitive environment and the impact of inflation.

In financial year 2024, dialogue with investors primarily focused on the following topics:

- Demand for travel, capacity development and booking numbers for the Summer and Winter seasons
- The impact of the unrest in the Middle East on customers' booking behaviour
- The competitive environment and effects of the insolvency of FTI in Germany on our operating business
- Financing measures: placement of sustainability-linked senior notes and convertible bonds, repurchase of approx. 80% of an existing convertible bond and further reduction in the undrawn KfW credit line
- Strategic priorities: growth driven by dynamic packaging, the sale of accommodation-only and flight-only products and the expansion of our TUI Musement segment for tours and activities and of our hotel portfolio and fleet by means of asset-right financing structures such as joint ventures and hotel management contracts
- Progress in implementing our Sustainability Strategy and initiatives to achieve our SBTi* targets by 2030

TUI's management team sought dialogue with investors at physical and virtual roadshows and conferences in New York, London, Frankfurt, Dusseldorf, Munich, Warsaw, Zurich, Paris and Milan. The management also met investors from other financial hubs in Europe, South and North America, Asia, South Africa and Australia.

TUI's Investor Relations team also make every effort to engage directly with private investors, with IR staff presenting TUI Group at events held by shareholder associations and fielding questions from that target group. Moreover, TUI offers a broad range of information for analysts, investors and private shareholders on its website. All conference calls dealing with financial results were streamed live.

* Science-Based Targets initiative

Report in accordance with recommendations of TCFD*

Climate change is one of the greatest challenges of our time. TUI recognises the risk posed to its business by climate change from both physical changes in the climate and the transition to a low-carbon economy. TUI is committed to contributing to the transition and mitigating climate-related risks for its business. In the following, we report in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD provides a framework to improve the disclosure of consistent, comparable, reliable and clear climate-related financial information so that investors can make better capital allocation decisions in support of the transition to a low-carbon economy. We are committed to complying with the recommendations and recommended disclosures of the TCFD, taking into account the TCFD All Sector Guidance, and we consider the disclosures set out on the following pages to be consistent with these guidelines. As part of the implementation of the Corporate Sustainability Reporting Directive (CSRD) from the 2025 financial year onwards, we will transfer the existing reporting in accordance with the TCFD into our CSRD Sustainability Report.

The following statement follows the structure of the TCFD Recommendations, covering Governance, Strategy, Risk Management, and Metrics and Targets.

GOVERNANCE

TUI has a governance structure in place that ensures that sustainability issues, along with climate-related risks and opportunities, are assessed and actioned at all levels.

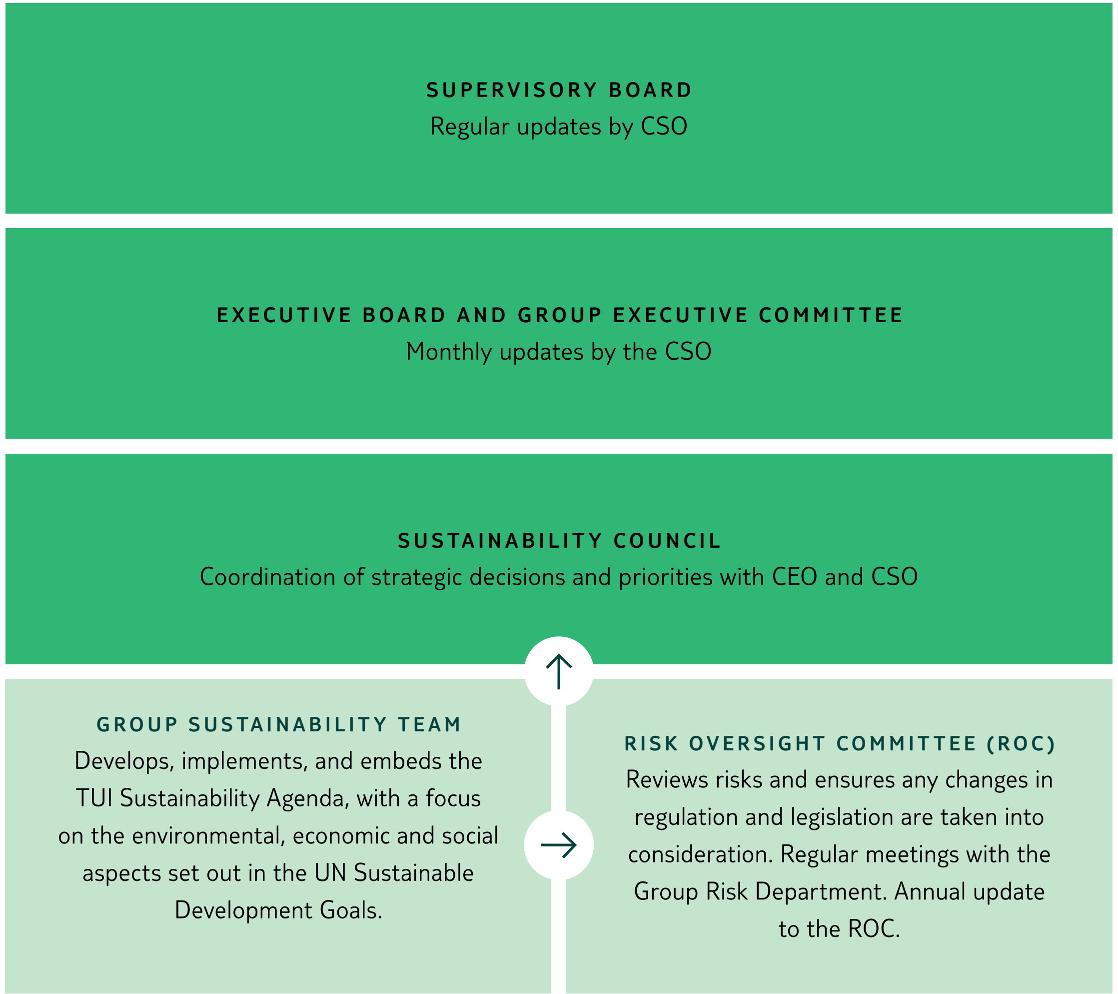
See page 77 for the governance structure in the Non-Financial Group Declaration.

TCFD RECOMMENDATION	TUI APPROACH
a) Describe the Board's oversight of climate-related risks and opportunities.	The Group Executive Committee (GEC) has ultimate oversight of climate-related issues and is responsible for reviewing climate-related risks and opportunities, strategy, measures, and target-setting. At the GEC level, the Group Chief Sustainability Officer (CSO) as a member of the GEC is responsible for reporting on sustainability and climate-related issues for TUI. The CSO informs the GEC on sustainability issues on a monthly basis. The Group Sustainability Director regularly reports into the CSO, which is the most appropriate and direct line of reporting to raise climate-related issues to the highest level within the business. Moreover, the Executive Board (all being members of the GEC) also has the final oversight of the Non-Financial Group Declaration that includes the climate / environmental strategy, organisation, management, measures and targets. By taking into the provided risk information, the Executive Board considers climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures. The highest monitoring body in sustainable management is the Supervisory Board which oversees the work done by the Executive Board.

*The contents in this chapter are unaudited and voluntary.

TCFD RECOMMENDATION	TUI APPROACH
b) Describe management's role in assessing and managing climaterelated risks and opportunities	The GEC manages TUI's business strategically, sets the Group's strategic direction and long-term objectives for sustainable development, and signs off the Group's Sustainability Agenda. An international team of experienced sustainability professionals are working in close collaboration with senior management to ensure that TUI's business and sustainability focus areas are aligned. The Group Sustainability Director heads up the Group Sustainability team.

Sustainability Governance



GOVERNANCE

TCFD RECOMMENDATION	TUI APPROACH
	Our group sustainability team, led by the Group Sustainability Director, is responsible for the implementation of the Sustainability Agenda across TUI and along its supply chain. The GEC is regularly updated on our performance in delivering the Sustainability Agenda and tackling other key sustainability issues. Regular meetings are also held with the Group Risk Oversight Committee (ROC) to review climate-related and sustainability risks and discuss any changes, either internal or to the external environment, which affect the business exposure. To incentivise management to achieve climate-related targets, KPIs are linked to monetary rewards. TUI operates a discretionary bonus scheme for senior and middle management. It is designed to reward employees in line with both financial performance and personal contribution to delivering successfully against our strategy

STRATEGY

Climate change is an urgent global challenge that requires a strategic response. The tourism industry in which TUI operates faces significant impacts from climate change. As temperatures rise, the attractiveness of certain destinations will decline, and the biodiversity loss will make certain destinations less attractive. The sector also faces impacts of a more general nature: more cancellations from extreme weather-related events, increased risk of stranded assets, as well as changes in policy and customer preferences. Climate change also presents an opportunity for TUI – besides extending touristic seasons in summer destinations also to innovate in new types of tourism, to diversify to new regions, and to engage customers and other stakeholders along the business transformation process.

As part of our strategic and financial planning process, we have analysed various industry and macro trends to model the expected development of TUI and the tourism industry as a whole. We clearly see sustainability as a major trend, largely driven by climate-related market and policy risks (e. g., changing customer behavior, emissions-based taxes and fees, and increasing regulations for aircraft and cruise ships). In financial year 2023, TUI 's 2030 emission reduction targets have been approved by the SBTi. Priorities and strategic directions from TUI's Sustainability Agenda 'People, Planet, Progress' take into account current challenges, global scenarios, and regulatory developments such as the EU Green Deal. These priorities were built into our midterm strategic and financial plan. To better identify and assess the impact of climate change on our financial performance and business model, we have conducted a qualitative and quantitative climate risk assessment in financial year 2023, the results of which we still consider valid.

Two scenarios were considered in the climate risk assessment:

- A high emissions scenario to assess the impact of significant changes in the physical climate, which is based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway 8.5 (IPCC RCP8.5) and the International Energy Agency (IEA) Stated Policies Scenario. This is aligned with global warming of approximately 4.3°C by the year 2100.
- A low emissions scenario to assess the impact of significant socioeconomic changes to achieve a low-carbon economy, which is based on IPCC RCP2.6 and the IEA Net Zero Scenario. This is aligned with global warming of approximately 1.5°C by the year 2100.

A number of assumptions underpin these scenarios regarding changes to the frequency and intensity of weather-related events, economic growth, technology development, and the development of energy and carbon prices.

The identified risks and opportunities across the different combinations of scenarios and time horizons were first assessed qualitatively to identify the most relevant climate-related risks and opportunities for TUI. Based on the results of this qualitative analysis, a number of risks and opportunities were then subject to more detailed analysis to better understand the potential financial impacts.

STRATEGY

TCFD RECOMMENDATION	TUI APPROACH
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	The following climate-related risks and opportunities have been identified by TUI over the short, medium and long term, where short term is defined as the period up to 2030 (aligned with TUI's science-based targets), medium term as the period up to 2040, and long term as the period up to 2050 (when TUI aims to achieve net-zero emissions across our operations and supply chain). Climate-related impacts are divided into two categories: • Transition: Socioeconomic changes related to the transition to a low-carbon economy including policy, legal, technology and market changes • Physical: Physical changes in the climate including event-driven (acute) changes such as storms, fires and floods, and long term (chronic) changes such as increased temperature Given the nature of TUI's business model, most of the below listed risks and opportunities apply to TUIs business segments and geographies. Modest variations in their significance for each segment are described below. TUI has undertaken a qualitative assessment of all below summarised climate-related risks and opportunities. In additon, TUI has performed a high-level quantitative assessment for eight risks and opportunities. This assessment has shown the risks to be immaterial for financial planning, which was confirmed by a sensitivity analysis. Further information on the effect of climate-related risks on the useful lives and the measurement of assets can be found in the Notes, chapter 'Key judgements, assumptions and estimates', page 193 of this Annual Report.

TCFD RECOMMENDATION	TUI APPROACH			
	TCFD Risk Type	**Description**	**Impact**	**Management**
b) Describe the impact of climate-related risks and opportunities on our business, strategy, and financial planning.	**Transition**			
	Policy & Legal	Increased costs due to the introduction of new, or extension of existing, carbon pricing mechanisms (including pass-through of higher costs by suppliers), and new energy and emissions regulations. Increasing regulations and restrictions targeting the airline and cruise industry, leading to reduced revenue and / or stranded assets.	As an energy-intensive company, regulatory changes, such as to carbon pricing through emissions trading systems, emissions-based taxes and fees, and energy and emissions regulation, pose a significant cost risk in the short to medium term for TUI. There is a risk for TUI's airline and cruise operations of stricter regulations and restrictions related to energy and emissions in the short to medium term. Already today, there are operating restrictions at certain airports based on sustainability criteria. and the ban of non-sustainable fuel types while sailing in certain maritime areas.	• TUI is committed to decarbonising its business, and has set ambitious near-term science-based emissions reduction targets validated by the SBTi. • To achieve these, TUI airlines procures state-of-the art aircraft, implements operational efficiencies (including route optimisation), and will increase the use of SAF. TUI already has cooperation agreements in place to promote the production and supply of SAF. • TUI Cruises invests in energy efficiency at ship operations, fuel-saving route optimisation, shore power in ports and alternative fuels, such as sustainable biofuels, bio-LNG and green methanol. The two newbuilds coming into the fleet by 2026 will not use heavy fuel oil. Mein Schiff 7 entered service in 2024 and runs on lower-emission marine diesel and is equipped with catalytic converters and a shore power connection. In addition, the ship will also be able to run on green methanol in the future. In 2024 and 2026, two ships will follow, which will be operated with LNG. LNG serves as a bridge technology until bio-LNG is available, which will be produced either from biogenic sources or synthetically from renewable energy. • TUI Hotels & Resorts is focused on renewable energy and resource-saving operational practices to reduce hotel emissions as far as possible.
	Technology	Costly or unavailable future fuels and technologies resulting in higher costs, or preventing further decarbonisation and compliance with regulations.	Although it is expected that future fuels will continue to gain momentum and that production capacity will dramatically increase in the short to medium term, there is a risk that demand will outpace supply resulting in low availability and inflated prices. In the medium term, there is a risk that low carbon technologies are not available to support TUI's path to net zero. Whilst there are trials e. g., in battery or fuel cell aircraft and ships, such technology might not be developed to a market stage	

TCFD RECOMMENDATION	TUI APPROACH			
	TCFD Risk Type	**Description**	**Impact**	**Management**
	Market	Decline of travellers due to shifts in consumer preferences and behaviour, and increasing negative public sentiment towards travel, resulting in loss of revenue	Market trends show tourism growth outstripping global GDP growth as it has for the last two decades, and customers prioritising spend on leisure tourism over other large purchases such as cars and houses. Nevertheless, there is a risk in the medium to long term that customers decide to travel less (or differently, for example moving away from air travel) for environmental reasons.	• Managing both market and reputational risks depends on the successful implementation of our emissions reduction initiatives. Accordingly, we have roadmaps in place to deliver on our science-based targets. • Whilst the cost for flights is very likely to increase, all markets participants have to roll-over this 'green inflation'. With our state-of the art efficiency fleet, it is likely that our cost increase is competitive. Further, the share of extra cost from low-carbon flying is lower in a package and hence we believe that we can effectively transfer cost additions. • TUI has set science-based emissions reduction targets for 2030 and a net zero target for 2050. TUI continues to notice a wide range of financiers due to TUI Group's financial performance and is continuing to develop relationships with new sources of finance and monitor development of the market. TUI is in a continuing education process with lessors and the financial community to maintain confidence in the strategy.
		Decline of overall customer demand as the price for our products will increase to reflect higher capital expenditures and operational expenses to offer carbon low products	TUI as a market leader in Europe has significantly contributed to make leisure travel an affordable product for people with lower disposable income, e. g. families, retired persons, etc. Significant price increases for leisure product poses the risk that in the medium to long term such consumer group will not be able to afford our leisure travel products any more.	
		Difficulties in obtaining access to financing and increasing cost of capital due to the inability to reduce emissions in line with market expectations	Increasingly policies and laws are being introduced that combat climate change, and institutional investors increasingly consider ESG to be part of their fiduciary duties. These investors might be more inclined to divest from TUI if the company does not take sufficient action on ESG issues in the medium and long term.	

TCFD RECOMMENDATION	TUI APPROACH			
	TCFD Risk Type	**Description**	**Impact**	**Management**
	Reputation	Failure to meet decarbonisation targets, negatively affecting TUI's reputation with stakeholders	There may be a reputational risk due to increased negative public sentiment on climate change if TUI is unable to meet its decarbonisation targets. This impact applies across all time horizons. This risk may also have an impact on our ability to attract and retain talent.	
	Physical			
	Acute	Physical damage to assets and business disruption due to extreme weather-related events	Unstable and more extreme weather conditions in certain regions might have a physical impact on our assets resulting in higher costs from property damage and business interruption, predominantly in our hotels & resorts segment. Higher insurance premiums for property damage and / or business interruption will be the consequence. This risk is mostly likely to be realised in the long-term as the effects of physical climate change become more profound.	• This risk is managed at the asset-level. • We manage the overarching risk through insurance and a large and regional spread hotels & resorts portfolio, diversifiying the risk of asset impairment. • We hold relatively short-duration lease contracts, enabling flexibility in case of changes in insurability.
		Extreme weather events disrupting transport hubs, resulting in delays and cancellations, and increased costs	Extreme weather events may disrupt the airport and port operations which TUI relies on, resulting in delays or cancellations. Delays or cancellations are expected to result in additional costs including refunds, repatriation flights and hotel accommodation costs. This risk is mostly likely to be realised in the medium and long term as the effects of physical climate change become more profound.	• The risk of airport disruption was found to be low in the physical risk analysis. Nonetheless, TUI works closely with airports in case of disruption and will continue to evaluate the risk profile of its material airports. • Whilst docking is already considered a resilient activity, the risk is further mitigated by the flexibility to adjust cruise itineraries.

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FINANCIAL YEAR 2024

COMBINED MANAGEMENT REPORT

TCFD RECOMMENDATION	TUI APPROACH			
	TCFD Risk Type	**Description**	**Impact**	**Management**
	Chronic	Physical damage to assets and business disruption due to longer-term shifts in climate patterns	Chronic physical changes in the climate can result in asset damage and business interruption, as well as higher operating costs for example from increased cooling load requirements to offset higher sustained temperatures. This risk is mostly likely to be realised in the long-term as the effects of physical climate change become more profound.	• Whilst the scenario analysis indicate higher probability of extreme weather events, none of the locations where our hotels & resorts are located is vulnerable to a rising sea level during the time frame of our climate scenario analysis. • This risk is managed with insurance and TUI Hotels & Resorts' renewable energy strategy.
		Changing weather patterns decreasing suitability for tourism and / or making source markets more attractive, impacting tourism demand	Tourism demand in the medium and long term is expected to be affected by climate change as weather is a key determinant in destination choice. In Europe, it's expected that southern regions will face reductions in demand as weather becomes less suitable for tourism, particularly in higher warming scenarios. On the other hand, northern European regions are expected to benefit from changing weather patterns.	• Climate-related factors are considered in the expansion of TUI's Hotels & Resorts business segment.

STRATEGY

TCFD RECOMMENDATION	TUI APPROACH
	OPPORTUNITIES As short to medium term opportunities, we identified more efficient aircraft and cruise ships as well as a shift to renewable energy sources at hotels & resorts as a way to reduce operating costs. We further see an opportunity to offer lower-emission air travel, cruise travel and hotel stays as a way to improve our competitive position. Providing alternative modes of transport including a move to high-speed rail is also seen as an opportunity for our business. We are investigating and promoting the management of all of these opportunities. The summer season in Türkiye and Greece for selected destinations has been expanded which has been well received by our customers. In the long term, we expect to see this more frequently and in more destinations following a shift in consumer preferences from peak seasons where heat waves may be imminent to shoulder seasons where the weather is still very favourable for travel. In addition, our business model is flexible to offer new destinations based on changing weather conditions, e. g. more travel to destinations around the Baltic Sea. We continue to monitor these trends and embed them into our strategic and operational planning.
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In financial year 2023, TUI conducted a qualitative and quantitative scenario analysis in order to understand the potential effects of climate change on its business and to test its strategy and financial planning to increase resilience. We believe that the results of this analysis are still valid. This process identified short-, medium- and long-term climate-related risks and opportunities. In this context, TUI defines 'short term' as concerning the period up to 2030 (aligned with our science-based targets), 'medium term' as concerning the period up to 2040, and 'long term' as concerning the period up to 2050 (the date by which we aim to achieve net zero emissions across our entire business operations and supply chain). A number of assumptions underpin this assessment regarding changes to the intensity and frequency of weather related events, technology development, development of energy and carbon prices and the development of knowledge on global warming. Two scenarios were considered in the 2023 climate risk assessment: • A high emissions scenario to assess the impact of significant changes in the physical climate, which is based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway 8.5 (IPCC RCP8.5) and the International Energy Agency (IEA) Stated Policies Scenario. This is aligned with global warming of approximately 4.3°C by the year 2100. • A low emissions scenario to assess the impact of significant socioeconomic changes to achieve a low-carbon economy, which is based on IPCC RCP2.6 and the IEA Net Zero Scenario. This is aligned with global warming of approximately 1.5°C by the year 2100. • Both emissions scenarios could have different consequences for the TUI Group. In a low emissions scenario, stricter emissions and fuel efficiency targets could increase operating costs, while assets based on unsustainable practices could lose value. On the other hand, TUI could benefit from a positive image, as environmentally conscious travellers prefer companies that are committed to sustainability. In a high emissions scenario, physical risks from extreme weather events and natural disasters could impact TUI's tourism destinations. Rising operating costs due to stricter environmental regulations could impact profitability.

TCFD RECOMMENDATION	TUI APPROACH
	Measures to strengthen and more closely align risk management and strategic planning were identified and discussed. TUI has committed to the Science Based Targets initiative (SBTi) to reduce emissions by 2030. Our targets are: • Reduction of airline CO_2e per revenue passenger kilometer by 24% by 2030 • Reduction of absolute CO_2e from our cruise operations by 27.5% by 2030 • Reduction of absolute CO_2e from TUI Hotels & Resorts by 46.2% by 2030 Furthermore it is the commitment of TUI to achieve net-zero emissions by 2050. The reduction of emissions will be accomplished with investments in new technologies and the use of fuel with less CO_2 emissions. The results of the scenario analysis confirm that the Group's above described strategic initiatives and reduction pathway are suitable for minimising the respective risks and creating opportunities. We acknowledge that a number of assumptions described above had to be taken into account to derive the scenario analysis and the uncertainty of the impact and likelihood of certain effects increases mid- to long term. TUI has undertaken a qualitative assessment of all below summarized climate-related risks and opportunities. In addition, TUI has performed a high-level quantitative assessment for eight risks and opportunities. This assessment has shown the risks to be immaterial for financial planning, which was confirmed by a sensitivity analysis. One key assumption concerns the extent to which costs for low-emission fuels and emission certificates can be passed on to customers. Further information on the effect of climate-related risks on the useful lives and the measurement of assets can be found in the Notes, chapter 'Key judgements, assumptions and estimates', page 193 of this Annual Report.

RISK MANAGEMENT

TUI has a systematic and Group-wide approach in place to identify, assess and manage risks across the business. This is managed through the processes and structures described in more detail in the Risk Report on page 34.

TCFD RECOMMENDATION	TUI APPROACH
a) Describe the organisation's processes for identifying and assessing climaterelated risks.	TUI constantly considers existing and emerging regulatory requirements in the risk management process. The processes and structures to identify, assess and manage climate-related risks across the business are described in the Risk Report. They apply to all types of risks assessed throughout the whole company, including climate-related risks. Decisions are made to mitigate, transfer, accept or control risks based on a likelihood and impact scoring against an established risk appetite. By including the specialist teams, TUI prioritizes risks based on their assessed magnitude and significance. *For more information on the relative magnitude and significance compared to other risks, see overview on page 38 in the Risk Report.*
b) Describe the organisation's processes for managing climate-related risks.	Within the framework of TUI's integrated approach, the key business segments and climate risk owners work together in the management of climate-related risks and opportunities. In addition, specialists in the Group Sustainability team coordinate climate-relevant activities and support and facilitate the management of climate risks and opportunities within the Group. When necessary, the GEC deals with climate-related issues at board level.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Our systematic risk management process has identified sustainability risks including climate-related risks. The existing risk categories and definitions of our risk management framework have been used to assess and integrate the climate risks into our ERM. For further details on the risk management process please refer to page 34 in the Risk Report. Whilst the impact of some risks is medium to long term, the Group Risk Management time horizon is short to medium, covering the economic lifetime of an investment at a maximum. The climate change risk assessment has also highlighted risks and opportunities where the impact falls beyond the risk management time horizon. Nevertheless, all major climate-related risks and opportunities from this assessment will be covered by the Group's Risk Management process and will be managed. Where the impact of risks or chances detected in the assessment is in far future, they will be continuously monitored. Moreover, we see additional value in early identification to ensure risks are managed effectively and opportunities are capitalised on.

METRICS AND TARGETS

TCFD RECOMMENDATION	TUI APPROACH
a) Metrics used by TUI to assess climate related risks and opportunities in line with its strategy and risk management process	Climate change is a pressing global challenge. There is an urgency to act and for everyone to play a role in the transition to a low carbon economy. As a global tourism group, our business model inherently leads to a significant emission of greenhouse gases. In alignment with our reduction strategy, low emissions are the cornerstone for our pathway. This is reflected in our currently used metrics to assess climate related risks and opportunities. TUI is continuously working on improving its metrics and targets to ensuring an effective steering of the most material climate related risks and opportunities. Following the larger scale use of SAF, we will further develop our metrics to reflect the impact on CO_2 emissions. Emissions from TUI's airline, cruises and hotel segments represent 99% of the Group's emissions. Within our asset portfolio our airline emissions represent roughly 75% of the Group's total carbon dioxide (CO_2) emissions. We are working to reduce the environmental footprint of holidays and drive-up environmental standards in our industry. In order to measure and manage climate-related risks and in line with our strategic target to achieve net-zero emissions across our operations and supply chain by 2050 at the latest, we monitor our absolute CO_2 emissions, (specific) fuel consumption and specific carbon emissions. TUI has considered the cross-sector risks Following the larger scale use of SAF, we will further develop our metrics to reflect the impact on CO_2 emissions. TUI currently does not have an internal carbon pricing mechanism. For the reasons outlined above, CO_2 emissions form our key metric to assess climate related risks and opportunities.
b) Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and the related risks	*For details on our metrics please refer to the Non-Financial Group Declaration on page 76*

TCFD RECOMMENDATION	TUI APPROACH
c) Targets used by TUI to manage climate-related risks and opportunities and its performance against targets	For TUI Group, sustainability covering all three areas of economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our company. We firmly believe that sustainable development is critical to long-term economic success. Together with our many partners around the world, we are actively committed to shaping a more sustainable future for tourism. We already operate some of the most efficient aircraft and cruise ships. Our commitment is to be industry-leading in achieving net-zero emissions and we aim to achieve this target across our operations and supply chain by 2050 at the latest. TUI has committed to the Science Based Targets initiative (SBTi) to reduce emissions in line with the latest climate science by 2030 for airlines, cruises and hotels. The independent organisation has now checked and validated our reduction targets. It confirmed that they are in line with the latest climate science. Our intensity and absolute targets are: • Reduction of airline gCO_2e per revenue passenger kilometer by 24% by 2030[1, 3] • Reduction of absolute tCO_2e from our own cruise operations by 27.5% by 2030[1, 3] • Reduction of absolute tCO_2e from TUI Hotels & Resorts own operations by 46.2% by 2030[2, 3] 1 Baseline 2019. Level of ambition well below 2°C. CO_2e = CO_2 equivalents. Apart from carbon dioxide (CO_2), emissions include the other five greenhouse gases impacting the climate as listed in the Kyoto Protocol: methane (CH_4), nitrous oxide (N_2O), hydro-fluorocarbons (HFCs), perfluorocarbons (PFCs) and Sulphur hexafluoride (SF_6). TUI Group's science-based targets commitments include well-to-wake emissions for our airline and cruise operations (emissions from aviation and marine fuel, scope 1 and scope 3, category 3). 2 Airline, cruise and hotel GHG emissions figures published in the FY 2023 Non-Financial Group Declaration do not match the scope, boundaries or reporting methodology of our science-based targets. Therefore inferences of progress towards achieving SBTs based on figures in this or previous Non-Financial Group Declarations should not be made. 3 Baseline 2019. Level of ambition 1.5°C. For our hotels, the commitment includes emissions from all energy sources plus refrigerant gases (scope 1 and 2).

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CORPORATE GOVERNANCE

Supervisory Board and Executive Board

TUI AG Supervisory Board

Name	Function / Occupation	Location	Initial Appointments	Appointed until AGM	Other Board Memberships[2]		Number of TUI AG shares
Dr Dieter Zetsche	Chairman of the Supervisory Board of TUI AG	Stuttgart	13.2.2018	2027		b) Veta Health LLC Wallbox N.V.	37,460
Frank Jakobi[1]	Deputy Chairman of the Supervisory Board of TUI AG Chairman of Group Works Council of TUI AG	Hamburg	15.8.2007	2026			366
Ingrid-Helen Arnold	Interim CEO, KAKO Elektro GmbH	Dreieich	11.2.2020	2028			0
Sonja Austermühle[1]	Trade union secretary of ver.di – Vereinte Dienstleistungsgewerkschaft and Lawyer	Berlin	1.4.2022	2026			0
Christian Baier	Member of the Management Board (CFO), Covestro AG Covestro Deutschland AG	Dusseldorf	31.5.2022	2027			0
Andreas Barczewski[1]	Aircraft Captain, TUIfly GmbH	Grethem (OT Buechten)	10.5.2006	2026	a) TUIfly GmbH[4] (Court appointment as of 19.10.2023)		14,450
Peter Bremme[1]	Regional Head of the Special Service Division of ver.di – Vereinte Dienstleistungsgewerkschaft	Hamburg	2.7.2014	2026	a) TÜV Nord AG		0
Dr Jutta A. Dönges	Member of the Executive Board (CFO), Uniper SE	Frankfurt am Main	25.3.2021	2025	a) Commerzbank AG		0
Prof. Dr Edgar Ernst	Member of Supervisory Board	Bonn	9.2.2011	2025			0
Wolfgang Flintermann[1]	Group Director Financial Accounting & Reporting, TUI AG	Großburgwedel	13.6.2016	2026	a) Deutscher Reisepreis-Sicherungsverein VVaG	b) RIUSA II S.A. TUI Netherland N.V.	4,300
María Garaña Corces	Member of the Management Board Forterro UK Ltd. (since October 2023)	Madrid	11.2.2020	2028		b) Alantra Partners S.A.	0
Stefan Heinemann[1]	Technology Team Lead Airline Platform Services, Airline IT, TUI InfoTec GmbH	Nordstemmen	21.7.2020	2026			3,906
Janina Kugel	Supervisory Board Member & Senior Advisor	Munich	25.3.2021	2025		b) Kyndryl Inc. Swissport International Ltd.	0

TUI AG Supervisory Board

Name	Function / Occupation	Location	Initial Appointments	Appointed until AGM	Other Board Memberships[2]		Number of TUI AG shares
Coline McConville	Member of supervisory bodies in different companies	London	11.12.2014	2025		b) 3i Group PLC Kings Cross Central Partnership Ltd.	0
Helena Murano	Senior Advisor to Arcano Partners	Palma de Mallorca	31.5.2022	2027			0
Mark Muratovic[1]	Chairman of Works Council, Tour Operator, TUI Deutschland GmbH	Langenhagen	25.3.2021	2026	a) TUI Deutschland GmbH MER – Pensionskasse V.V.a.G.		1,252
Anette Strempel[1]	Chairman of Works Council, TUI Customer Operations GmbH	Hemmingen	2.1.2009	2026			3,357
Joan Trían Riu	Executive Board Member of Riu Hotels & Resorts	Palma de Mallorca	12.2.2019	2028		b) Pep Toni Hotels S.A. RIUSA II S.A. Riu Hotels S.A. Hotels San Francisco S.A. Saranja S.L. Hotel Obelisco S.A.	0
Tanja Viehl[1]	Lawyer (in-house lawyer), Vereinigung Cockpit e.V.	Wölfersheim	25.3.2021	2026			0
Stefan Weinhofer[1]	International Employee Relations Coordinator at TUI AG	Vienna	9.2.2016	2026		b) TUI Austria Holding GmbH	0

[1] Representative of the employees
[2] All information refers to 30 September 2024 or date of resignation from the Supervisory Board of TUI AG in financial year 2024.
[3] Chairman
[4] Deputy Chairman

a) Membership in supervisory boards within the meaning of section 125 of the German Stock Corporation Act (AktG)
b) Membership in comparable German and non-German bodies of companies within the meaning of section 125 of the German Stock Corporation Act (AktG)

TUI AG Executive Board

Name	Department	Other Board Memberships		Number of TUI AG shares[1]
Sebastian Ebel (Age: 61) Member of the Executive Board since December 2014 CEO since October 2022 Current appointment until September 2028	Chairman	a) BRW Beteiligungs AG Eves Information Technology AG[2] Compass Group Deutschland GmbH	b) RIUSA II S.A.[2]	40,948
Mathias Kiep (Age: 49) Member of the Executive Board since October 2022 Current appointment until September 2028	CFO	a) TUI Deutschland GmbH[1]	b) Börsen AG Hanover	7,550
Peter Krueger (Age: 48) Member of the Executive Board since January 2021 Current appointment until December 2026	CSO & CEO HEX		b) Midnight Canada Inc. Midnight Holdings Ltd. Midnight International Holdings Ltd Old Court Management Limited Pep Toni Hotels S.A. RIUSA II S.A.	44,059
Sybille Reiss (Age: 48) Member of the Executive Board since July 2021 Current appointment until June 2027	CPO / Labour Director	a) TUI Deutschland GmbH	b) Midnight Canada Inc.	3,315
David Schelp (Age: 49) Member of the Executive Board since January 2024 Current appointment until December 2026	CEO Markets + Airline	a) TUI Deutschland GmbH	b) Turbopass GmbH TUI Travel Ltd. TUI Nordic Holding AB	311

TUI AG Executive Board

Name	Department	Other Board Memberships		Number of TUI AG shares[1]
David Burling (Age: 56) Member of the Executive Board since June 2015 Retired in January 2024	CEO Markets & Airlines	a) TUI Deutschland GmbH	b) First Choice Holidays Ltd. First Choice Holidays & Flights Ltd. First Choice Olympic Ltd. Midnight Canada Inc. Sunwing Vacations Inc. TUI Northern Europe Ltd. TUI Nordic Holdings Sweden AB TUI Travel Group Management Services Ltd. TUI Travel Holdings Ltd. TUI Travel Ltd. TUI Travel Overseas Holdings Ltd. Vacation Express USA Corp	16,426

[1] All information, except those referring to the current appointment, refer to 30 Sep 2024 or date of resignation from the Exceutive Board in financial year 2024.
[2] Chairman

a) Membership in Supervisory Boards required by law within the meaning of section 125 of the German Stock Corporation Act (AktG)
b) Membership in comparable Boards of domestic and foreign companies within the meaning of section 125 of the German Stock Corporation Act (AktG)

Corporate Governance Report*

The actions of TUI AG's management and supervisory bodies are determined by the principles of good and responsible corporate governance.

The Executive Board and the Supervisory Board discussed Corporate Governance issues in FY 2024. In this chapter, the Executive Board provides – also for the Supervisory Board – the report on Corporate Governance in the Company pursuant to Principle 23 of the German Corporate Governance Code (GCGC) and Sections 289f and 315d of the German Commercial Code (HGB).

Declaration of Compliance with the German Corporate Governance Code

As a stock corporation company under German law, TUI AG's Executive Board and Supervisory Board are obliged to submit a declaration of compliance with the GCGC pursuant to section 161 of the German Stock Corporation Act.

https://www.dcgk.de/en/code//foreword.html

WORDING OF THE DECLARATION OF COMPLIANCE FOR 2024

'In accordance with section 161 of the German Stock Corporation Act, the Executive Board and Supervisory Board hereby declare:

Since the last declaration of compliance was submitted in December 2023, the recommendations of the German Corporate Governance Code in its applicable version have been and will be fully observed.'

Place of publication:

www.tuigroup.com/en-en/investors/corporate-governance

UK Corporate Governance Declaration of Compliance pursuant to DTR 7.2 and LR 9.8.7R

The TUI AG share has been included in the MDAX on the Frankfurt Stock Exchange with effect from 24 June 2024. In this context, the listing of TUI AG as a foreign company with a premium listing on the London Stock Exchange was terminated as of 21 June 2024. As a result, the company's obligation to report on compliance with the UK Corporate Governance Code (UK CGC) for FY 2024 no longer applies. Until the termination of the listing on the London Stock Exchange, TUI AG had complied with the UK CGC to a practicable extent. Information on compliance with the UK CGC in previous years can be found in the company's annual reports and is published at

https://www.tuigroup.com/en-en/investors/corporate-governance/UK-Corporate-Governance-Statement

Information on Corporate Governance

FUNCTIONING OF THE EXECUTIVE AND SUPERVISORY BOARDS

TUI AG is a company under German law. A fundamental principle of German stock corporation law is the dual management system. This assigns the management of the Company to the Executive Board and the monitoring of management to the Supervisory Board. TUI AG's Executive Board and Supervisory Board cooperate closely and in a spirit of trust, with strict separation between the two bodies in terms of their membership and competences. Both bodies are obliged to ensure the continued existence of the Company and sustainable creation of added value in harmony with the principles of the social market economy.

COMPENSATION REPORT / COMPENSATION SYSTEM

The Compensation Report and the Independent Auditor 's Report in accordance with section 162 of the German Stock Corporation Act, the compensation system for the Executive Board members pursuant to section 87a para. 1 and para. 2 sent. 1 of the German Stock Corporation Act and the decision of the Annual Shareholders' Meeting pursuant to section 113 para. 3 of the German Stock Corporation Act regarding the compensation of the Supervisory Board members are published at pages 148 and 277 and at

https://www.tuigroup.com/damfiles/default/tuigroup-15/en/investors/7_AGM/2021/AGM/TUI-AGM-2021---Einladung-ENG-FINAL.pdf-1ba1cc32a58dc9079923341880761951.pdf

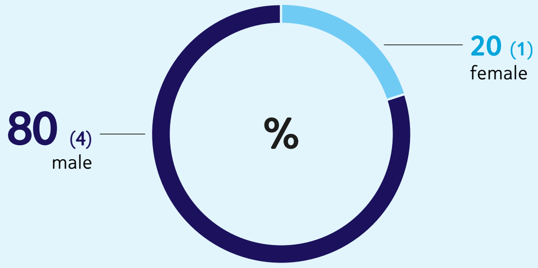
https://www.tuigroup.com/damfiles/default/tuigroup-15/en/investors/7_AGM/2024/AGM-2024---Invitation-Brochure---EN.pdf-24c6d2f16e3e7d3ebaccf071a5e9dca7.pdf

* As part of the combined Management Report

EXECUTIVE BOARD

TUI AG's Executive Board comprised five members as at the balance sheet date 30 September 2024. It is responsible for managing the Company's business operations in the interests of the Company. The work of the Executive Board is based on the German Stock Corporation Act, the Articles of Association, the terms of reference issued by the Supervisory Board and the resolutions of the Annual General Meeting. All members of the Executive Board are jointly responsible for the management of the Company. In addition, each member of the Executive Board is responsible for their own area of responsibility. The areas of responsibility of the Executive Board members are listed in a separate overview. Current CVs of all Executive Board members are published at www.tuigroup.com/en-en/investors/corporate-governance/management

Gender quote and average age of Executive Board members of TUI AG (30 SEP 2024) in %



51.20
years

Average age of Executive Board members

Absolute number in brackets. Total number of Executive Board members: 5

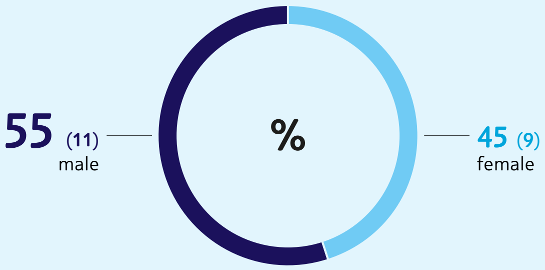
Further information on the composition of the Executive Board and the areas of responsibility of the Executive Board members can be found at page 132.

SUPERVISORY BOARD

In accordance with the law and the Articles of Association, the Supervisory Board had 20 members at the balance sheet date, i. e. 30 September 2024. TUI AG is subject to the German Industrial Co-Determination Act (MitbestG). The Supervisory Board is therefore composed of an equal number of shareholder representatives and employee representatives. Employee representatives within the meaning of the MitbestG also include one executive employee (section 5 (3) of the German Works Constitution Act) and three trade union representatives. In its function as the oversight body, the Supervisory Board continuously advised and monitored the Executive Board in the management of the Company in the past FY 2024, as required by the law, the Articles of Association and its own Terms of Reference. The Supervisory Board is involved in strategic and planning decisions and all decisions of fundamental importance to the Company. The Terms of Reference for the Executive Board require the approval of the Supervisory Board for major business transactions – such as the determination of the annual budget, major acquisitions and divestments. The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, chairs its meetings and represents the interests of the body externally. The Supervisory Board and the Audit Committee have adopted terms of reference for their own work. The Terms of Reference of the Supervisory Board are available on the Company's website.

The Supervisory Board had four committees in the reporting year. Their tasks, responsibilities and work processes comply with the requirements of the German Stock Corporation Act and the GCGC. The chairmen of the committees regularly report to the Supervisory Board on the committees' activities.

Gender quote and average age of Supervisory Board members of TUI AG (30 SEP 2024) in %

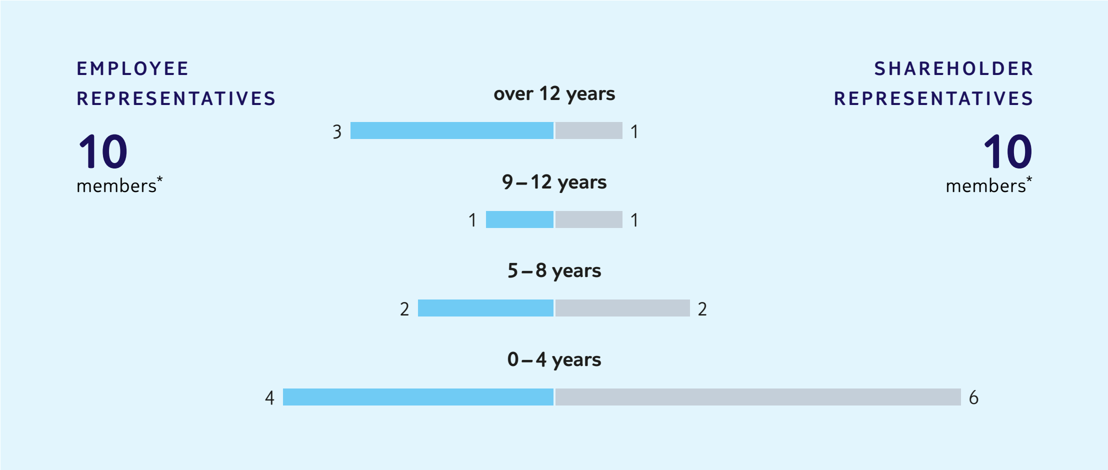


54.35
years

Average age of Supervisory Board members

Absolute number in brackets. Total number of Supervisory Board members: 20

Duration of appointment of the Supervisory Board members of TUI AG (30 SEP 2024) — Number of members



* Number of representatives on the Supervisory Board of TUI AG

For further details, please refer to the Report of the Supervisory Board on page 11. Current CVs of all Supervisory Board members are published at

www.tuigroup.com/en-en/investors/corporate-governance/management

D&O INSURANCE POLICY

TUI AG has taken out a D&O insurance policy for all members of the Executive Board and Supervisory Board, providing for a deductible for Executive Board members in accordance with the statutory requirements of the German Stock Corporation Act. The deductible amounts to 10% of the loss up to the amount of one and a half times the fixed annual compensation.

COMPETENCE PROFILE OF THE SUPERVISORY BOARD

In accordance with recommendation C. 1 of the GCGC, the Supervisory Board has developed a competence profile for the board as a whole and specified targets for its composition. The current status of implementation of the competence profile can be found in the qualification matrix.

The current competence profile of the Supervisory Board is published at https://www.tuigroup.com/damfiles/default/tuigroup-15/de/ueber-uns/management/Kompetenzprofil/Kompetenzprofil_V03-13-12-2022_EN-FINAL.pdf-473db0556f8dff912a59b-1b37696a1df.pdf.

QUALIFICATION MATRIX OF THE SUPERVISORY BOARD

The following individualized qualification matrix is based on the targets for the composition of the Supervisory Board. The competences shown are based on a self-assessment by the Supervisory Board members. Competence is deemed to exist if at least basic knowledge is available and thus the ability to understand the relevant facts well and to make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the context of the activity as a Supervisory Board member, or the further training measures regularly attended by all Supervisory Board members.

Individualised qualification matrix of the Supervisory Board of TUI AG (as of 30 September 2024)

	Dr Dieter Zetsche	Frank Jakobi	Ingrid-Helen Arnold	Sonja Austermühle	Christian Baier	Andreas Barczewski	Peter Bremme	Dr Jutta Dönges	Prof. Dr Edgar Ernst	Wolfgang Flintermann
Membership										
First appointment	2018	2007	2020	2022	2022	2006	2014	2021	2011	2016
Current appointment until	2027	2026	2028	2026	2027	2026	2026	2025	2025	2026
Duration of membership (in years, as of 30 Sep 2024)	6	17	4	2	2	18	10	3	13	8
Position	Chairman	Deputy Chairman	SHR	ER	SHR	ER	ER	SHR	SHR	ER
Committee membership										
Presiding Committee	yes	yes					yes	yes	yes	
Audit Committee	yes	yes			yes			yes	yes	
Nomination Committee	yes							yes	yes	
Diversity										
Gender	m	m	f	f	m	m	m	f	m	m
Birth year	5.5.1953	18.2.1962	5.10.1968	27.2.1978	6.11.1976	15.8.1967	15.3.1960	9.5.1973	10.1.1952	4.12.1969
Age (as of 30 Sep 2024)	71	62	55	46	47	57	64	51	72	54
Nationality	German	German	German	German	German	German	German	German	German	German
International experience	yes	no	yes	no	yes	yes	yes	yes	yes	yes
Personal qualification										
Independence[1]	yes	N/A	yes	N/A	yes	N/A	N/A	yes	yes	N/A
No overboarding[2]	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Integrity, commitment, engagement	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Professional qualification										
1. Tourism	√	√	√			√	√	√		√
2. Strategy, innovation	√	√	√	√	√	√	√	√	√	
3. IT, digitalisation	√	√	√	√	√		√	√		√
4. Accounting		√			√	√		√	√	√
5. Auditing		√			√	√		√	√	√
6. Sustainability reporting		√	√	√	√		√	√	√	√
7. Capital market	√	√			√			√	√	√
8. Risk management	√	√			√	√	√	√	√	√
9. Internal control system		√			√			√	√	√
10. Compliance	√	√		√	√		√	√	√	√
11. Human resources		√		√		√	√	√		√
12. Sustainability, Corporate Governance	√	√	√	√	√	√	√	√		√

1 In accordance with the GCGC, based on the assessment of the shareholder representatives on TUI AG's Supervisory Board
2 Within the meaning of Recommendation C.4 and C.5 of the GCGC

Table continues on next page

Continued from previous page

Individualised qualification matrix of the Supervisory Board of TUI AG (as of 30 September 2024)

	María Garaña Corces	Stefan Heinemann	Janina Kugel	Coline McConville	Helena Murano	Mark Muratovic	Anette Strempel	Joan Trían Riu	Tanja Viehl	Stefan Weinhofer
Membership										
First appointment	2020	2020	2021	2014	2022	2021	2009	2019	2021	2016
Current appointment until	2028	2026	2025	2028	2027	2026	2026	2028	2026	2026
Duration of membership (in years, as of 30 Sep 2024)	4	4	3	9	2	3	15	5	3	8
Position	SHR	ER	SHR	SHR	SHR	ER	ER	SHR	ER	ER
Committee membership										
Presiding Committee							yes			
Audit Committee		yes				yes				yes
Nomination Committee										
Diversity										
Gender	f	m	f	f	f	m	f	m	f	m
Birth year	4.3.1970	14.4.1979	12.1.1970	21.7.1964	12.7.1966	29.6.1973	28.11.1966	10.7.1983	24.3.1986	31.8.1974
Age (as of 30 Sep 2024)	54	45	54	60	58	51	57	41	38	50
Nationality	Spanish	German	German	Australian	Spanish	German	German	Spanish	German	Austrian
International experience	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Personal qualification										
Independence[1]	yes	N/A	yes	yes	yes	N/A	N/A	no	N/A	N/A
No overboarding[2]	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Integrity, commitment, engagement	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Professional qualification										
1. Tourism	√	√	√	√	√	√	√	√	√	√
2. Strategy, innovation	√	√	√	√	√		√	√	√	√
3. IT, digitalisation	√	√	√	√		√	√	√		
4. Accounting	√	√		√	√			√		
5. Auditing				√	√	√				√
6. Sustainability reporting			√	√			√			√
7. Capital market				√	√			√	√	√
8. Risk management	√	√		√	√	√	√	√		√
9. Internal control system			√	√	√	√	√			
10. Compliance		√	√	√	√		√	√	√	√
11. Human resources	√	√	√	√		√	√	√	√	√
12. Sustainability, Corporate Governance	√	√	√	√	√		√		√	√

1 In accordance with the GCGC, based on the assessment of the shareholder representatives on TUI AG's Supervisory Board
2 Within the meaning of Recommendation C.4 and C.5 of the GCGC

INDEPENDENCE OF THE SUPERVISORY BOARD MEMBERS

As of the balance sheet date, the Supervisory Board on the shareholder side has nine independent members according to their assessment. The names of these members are listed in the qualification matrix.

In its assessment, the Supervisory Board considered in particular the aspects set out below:

Prof. Dr Ernst has been a member of the Supervisory Board of TUI AG since 9 February 2011. According to the GCGC, it is an indication of a lack of independence from the Executive Board and the Company if a member has been on the Supervisory Board for more than twelve years. In view of this, the shareholder representatives on the Supervisory Board have taken a close look at how they assess Prof. Dr Ernst's independence. In particular in view of Prof. Dr Ernst's professional career, the shareholder representatives have come to the conclusion that Prof. Dr Ernst – also taking into account his membership on the Supervisory Board of TUI AG of over thirteen years – provides as before the necessary critical distance from the Executive Board and the Company and therefore consider him to be independent. In addition, due to the personnel changes on TUI AG's Executive Board, particularly on the position of the CFO, in recent years, Prof. Dr Ernst's independence from the Executive Board is strengthened. Prof. Dr Ernst also ensures continuity in the proper performance of the tasks of the Audit Committee, which has also seen personnel changes in recent years. Prof. Dr Ernst has continually exhibited his critical distance from the Executive Board and the Company in the past, especially in his position as Chairman of the Audit Committee. Against this background, the Annual General Meeting 2021 has re-elected Prof. Dr Ernst with a large majority. Prof. Dr Ernst will not seek re-election at the Annual General Meeting in 2025.

At TUI AG, Mr Joan Trían Riu (Riu Hotels S.A., 1.1% of the voting rights as of 30 September 2024) is linked to a major shareholder. In this context, he is considered a non-independent.

The company has no controlling shareholder.

MEMBERS OF TUI AG'S AUDIT COMMITTEE WITH EXPERTISE IN ACCOUNTING AND AUDITING (RECOMMENDATION D.3 OF THE GCGC)

Prof. Dr Edgar Ernst has, among other things, expertise in the field of accounting and in the field of auditing due to his activities as Chief Financial Officer of Deutsche Post AG, as President of the German Financial Reporting Enforcement Panel and due to his memberships in domestic supervisory boards. Further information, in particular on his activities in these areas, can be found in his curriculum vitae on the Company's website:

⊕ *https://www.tuigroup.com/damfiles/default/tuigroup-15/de/ueber-uns/management/lebenslaeufe-de0/lebenslaufe-de-neu/aufsichtsrat-de-neu/Ernst_Edgar-Lebenslauf-de_en/Ernst_SB_Curriculum-Vitae_04.10.2023.pdf-af2cdbb09cda997cc2549359db92a68f.pdf*

His expertise in the field of accounting also includes, in particular, knowledge and experience in the application of accounting principles and internal control and risk management systems. His expertise in the field of auditing also includes, in particular, knowledge and experience in auditing of financial statements. Accounting and auditing also include sustainability reporting and its auditing.

With regard to the Chairman of the Audit Committee, Prof. Dr Edgar Ernst, the Supervisory Board is of the opinion that he is independent from the Company and the Executive Board.

Mr Christian Baier has expertise in the field of accounting and in the field of auditing due to his professional career and in particular due to his function as CFO of Covestro AG and Metro AG (until July 2023). Further information, in particular on his activities in these areas, can be found in his curriculum vitae on the Company's website:

⊕ *https://www.tuigroup.com/damfiles/default/tuigroup-15/en/about-us/management/lebenslaeufe-en/aufsichtsrat-en/Baier_SB_Curriculum-Vitae_31.05.2022.pdf-e56d4eedf2399c6c8f58ca8cb0854609.pdf*

His expertise in the field of accounting also includes, in particular, knowledge and experience in the application of accounting principles and internal control and risk management systems. His expertise in the field of auditing also includes, in particular, knowledge and experience in the auditing of financial statements.

Since Covestro AG as well as Metro AG have also been publishing a non-financial statement for several years, which is prepared taking into account the Global Reporting Initiative (GRI) standards on sustainability reporting and the UN Global Compact, his expertise in the field of auditing also includes sustainability reporting and its audit.

Dr Jutta Dönges has expertise in the field of accounting and in the field of auditing due to her professional career and in particular because of her function as CFO at Uniper SE as well as managing director of the Federal Republic of Germany – Finance Agency GmbH (until 31 October 2022) as well as due to her several years of membership in domestic supervisory boards. Further information, in particular on her activities in these areas, can be found in her curriculum vitae on the Company's website:

⊕ *https://www.tuigroup.com/damfiles/default/tuigroup-15/en/about-us/management/lebenslaufe-en-neu/aufsichtsrat-en-neu/Do-nges_SB_Curriculum-Vitae_05.12.2022.pdf-70e9299c9ba0a333f8c6452cb23ad30d.pdf*

Her expertise in the field of accounting also includes, in particular, knowledge and experience in the application of accounting principles and internal control and risk management systems. Her expertise in the field of auditing includes, in particular, knowledge and experience in the auditing of financial statements. This includes sustainability reporting and its audit, whereby this is oriented, among other things, to the standards of the Global Reporting Initiative (GRI).

INFORMATION ON COMPLIANCE WITH THE PARTICIPATION REQUIREMENT FOR APPOINTMENTS TO THE EXECUTIVE BOARD AND MINIMUM PROPORTIONS FOR APPOINTMENTS TO THE SUPERVISORY BOARD; TARGETS IN ACCORDANCE WITH SECTION 76 (4) OF THE GERMAN STOCK CORPORATION ACT FOR THE PROPORTION OF WOMEN IN THE TWO MANAGEMENT LEVELS BELOW THE EXECUTIVE BOARD

Pursuant to the German Stock Corporation Act at least one woman and at least one man must be members of the Executive Board of listed companies with more than three Executive Board members that are subject to equal co-determination. TUI AG complied with this requirement with the membership of Ms Sybille Reiss in the reporting period.

45% of the Supervisory Board members were women and 55% were men at the balance sheet date. The Supervisory Board was therefore compliant with section 96 (2) sentence 1 of the German Stock Corporation Act.

Pursuant to section 76 (4) of the German Stock Corporation Act, the Executive Board has resolved that the proportion of women in the first management level below the Executive Board should be 30% and in the second management level below the Executive Board 30%. The cut-off date for both targets is 30 September 2026. TUI AG has therefore implemented various measures in recent years that are designed to increase the proportion of women on a long-term and sustainable basis These include, among other things, promoting women in talent programmes and specifically addressing them in the recruitment process. In addition, at least one woman should be on the shortlist for positions in the Senior Leadership Team. Despite all the measures taken, the suitability and qualifications of candidates are still of primary importance when filling vacant positions. With 33% of the positions in the second management level held by women, these measures are already having an effect and an increase over the previous year can be seen. With 21% of the positions in the first management level below the Executive Board held by women, the Company is getting closer to our goal.

SELF-ASSESSMENT OF THE SUPERVISORY BOARD

The Supervisory Board and its committees regularly review, either internally or with the involvement of external consultants, how effectively the Supervisory Board as a whole and its committees fulfil their duties.

The second-last self-assessment was conducted internally at the end of September 2020. For this purpose, a questionnaire was distributed to all members, in which they could give their assessment of the effectiveness of the working methods of the Supervisory Board and its committees. The Presiding Committee and the Supervisory Board have subsequently dealt with the results and derived measures from them. These primarily concerned the work of the Supervisory Board, the organisation of the meetings and the main topics that the Supervisory Board dealt with in more detail.

The last self-assessment took place in 2024 and was conducted externally by the consulting firm ECBE (European Centre for Board Effectiveness GmbH). The Supervisory Board discussed the results and the measures to be derived from them in detail at its meeting on 19 September 2024. The results show a professional and, in essential aspects, effective body. Above all, the Supervisory Board is characterised by a high level of performance. The current composition of the body, with a broad and balanced mix of skills, is perceived as a key strength. The atmosphere for discussion in the Supervisory Board is described as professional, open, appreciative and confidential. In particular, the cooperation with the Executive Board is perceived as open, trusting and goal-oriented. In light of the challenges of recent years, the further development of the business model and the global economic environment, various areas of potential for the work of the body have also emerged, which will be addressed and implemented during the year. The potential for improvement that has been identified includes, among other things, the increased inclusion of external expertise on selected topics in the meetings. In addition, suggestions have been put forward to further increase the efficiency of the work of the body, including its committees and meetings. The results of the self-evaluation also show that the onboarding process and the training and development measures should be critically reviewed and new concepts added.

TRAINING AND DEVELOPMENT CONCEPT AND MEASURES

Information on training and development concepts and measures for members of the Supervisory Board can be found in the Report of the Supervisory Board.

CONFLICTS OF INTEREST

Executive and Supervisory Board members are bound to observe TUI AG's best interests. In addition, Executive Board members are subject to comprehensive non-compete clauses throughout the duration of their appointment. They may only take on secondary employment with the approval of the Supervisory Board. In the past FY 2024, no conflicts of interest arose that were disclosed to the Chairman of the Supervisory Board or the Executive Board. None of the Executive Board or Supervisory Board members have a board role or a consultancy contract with one of TUI's competitors.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

TUI AG shareholders exercise their co-determination and monitoring rights at the AGM, which takes place at least once a year. The AGM takes decisions on all statutory matters, and these are binding on all shareholders and the Company. For voting on resolutions, each share confers one vote.

All shareholders registering in due time are entitled to participate in the AGM. Shareholders who are not able to attend the AGM in person are entitled to have their voting rights exercised by a shareholder association, one of the representatives provided by TUI AG and acting on the shareholders' behalf in accordance with their instructions, or some other proxy of their own choosing. Shareholders also have the opportunity of authorising the representative provided by TUI AG via the web or by postal vote in the run-up to the AGM. Shareholders can, moreover, register for electronic dispatch of the AGM documents.

The invitation to the AGM and the reports and information required for voting are published in accordance with the provisions of the German Stock Corporation Act and provided in German and English on TUI AG's website. During the AGM, the presentations by the Chairman of the Supervisory Board and the Executive Board members can be followed live over the Internet.

By resolution of the Annual General Meeting on 14 February 2023, the Articles of Association of TUI AG were amended and the Executive Board has been authorised to stipulate that the Annual General Meeting be held without the physical presence of shareholders or their proxies at the location of the Annual General Meeting (virtual Annual General Meeting). This authorisation applies to the holding of the company's virtual Annual General Meetings until 28 February 2025.

RISK MANAGEMENT

Good corporate governance entails the responsible handling of commercial risks. The Executive Board of TUI AG and the management of the TUI Group have comprehensive general and company-specific reporting and monitoring systems available to identify, assess and manage these risks. These systems are continually developed, adjusted to match changes in overall conditions and reviewed by the auditors. The Executive Board regularly informs the Supervisory Board about existing risks and changes to these risks. The Audit Committee deals in particular with monitoring the accounting process, including reporting, the effectiveness of the internal control and risk management systems and the internal auditing system, compliance and audit of the annual financial statements. The chairman of the Audit Committee reports to the Supervisory Board on the work of the committee at the next Supervisory Board meeting at the latest.

More detailed information about risk management in the TUI Group is presented in the Risk Report. It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Commercial Code (sections 289 (5), 315 (2) no. 5 HGB).

Risk Report see page 34

TRANSPARENCY

TUI provides immediate, regular and up-to-date information about the Group's economic situation and new developments to capital market participants and the interested public. The Annual Report and the Interim Reports are published within the applicable timeframes. The Company publishes press releases and ad hoc announcements, if required, on topical events and any new developments. Moreover, the company website at www.tuigroup.com provides comprehensive information on TUI Group and the TUI share.

The scheduled dates for the principal regular events and publications – such as the AGM, Annual Report and Interim Reports – are set out in a financial calendar. The calendar is published well in advance and made permanently accessible to the public on TUI AG's website.

DIRECTORS' DEALINGS

The Company was informed by Mr Sebastian Ebel, Mr Wolfgang Flintermann, Mr Frank Jakobi und Mr Mathias Kiep of notifiable purchase and sale transactions of TUI AG shares or related financial instruments by directors (directors' dealings or managers' transactions) concerning FY 2024. Details are provided on the Company's website.

Purchase and sales transactions by members of the boards are governed by the Group Manual Share Dealings by Restricted Persons, approved by the Executive Board and the Supervisory Board, alongside corresponding statutory provisions. Above all, this provides for an obligation to approve transactions in financial instruments of TUI AG by members of the Executive Board, the Supervisory Board or the Group Executive Committee as well as by persons on the insider lists.

ACCOUNTING AND AUDITING

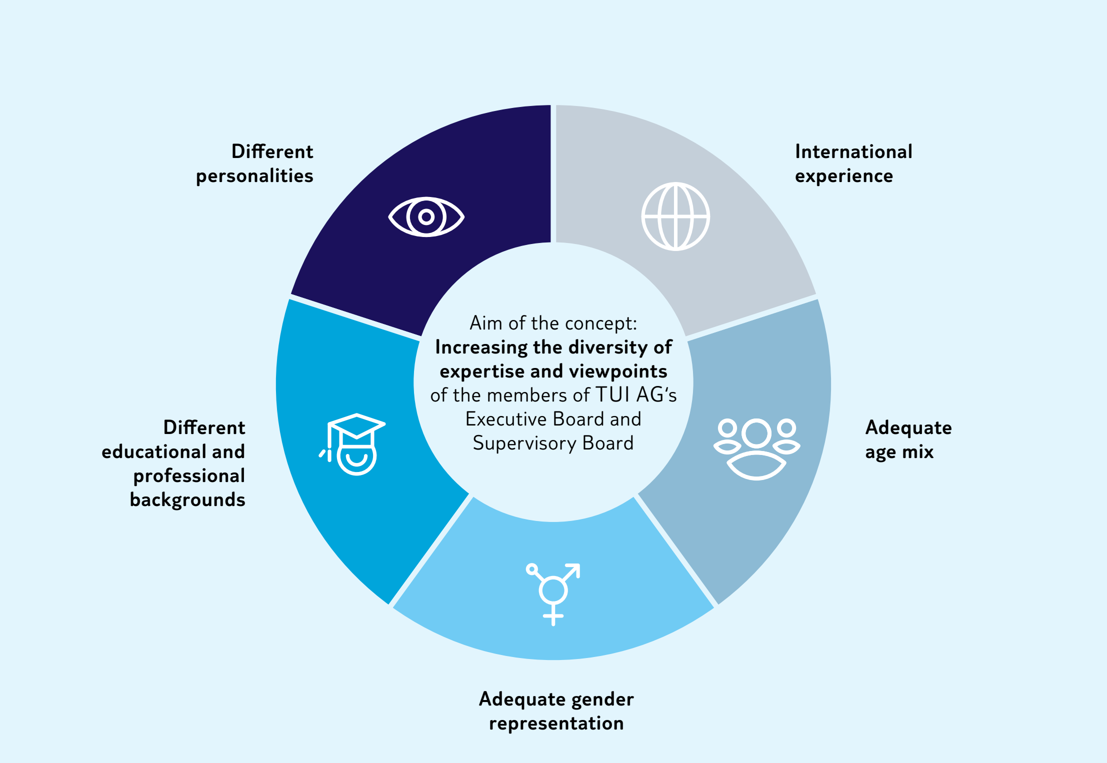
TUI AG prepares its consolidated financial statements and consolidated interim financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The statutory annual financial statements of TUI AG, which form the basis for the dividend payment, are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared by the Executive Board, audited by the auditors and approved by the Supervisory Board. The interim report is discussed between the Audit Committee and the Executive Board prior to publication. The consolidated financial statements and the financial statements of TUI AG were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover, the auditors elected by the 2024 Annual General Meeting. The audit was based on German auditing rules, taking account of the generally accepted auditing standards issued by the German Auditors' Institute as well as the International Standards on Auditing. It also covered the risk detection system.

See audit opinion by the auditors on page 277.

The Audit Committee has agreed with the auditor that the latter will immediately inform the Audit Committee about all findings and issues of importance for its tasks which come to the knowledge of the auditors during the performance of the audit. Furthermore, it was agreed with the auditors that they inform the Supervisory Board or the Audit Committee and note in the audit report if during the performance of the audit, any facts were identified that indicate an inaccuracy in the Declaration of Compliance regarding the recommendations of the GCGC issued by the Executive Board and Supervisory Board. There were no grounds to provide such information in the framework of the audit of FY 2024.

Diversity concepts for the composition of the Executive Board and Supervisory Boards

Diversity concept for the Executive Board and the Supervisory Board



DIVERSITY CONCEPT FOR THE COMPOSITION OF THE EXECUTIVE BOARD

The following diversity concept for the composition of the Executive Board was updated in FY 2025 and the current version will be published on the company's website.

The diversity concept for the composition of the Executive Board takes into account the following diversity aspects:

(a) Age
As a rule, the employment contracts of members of the Executive Board end once the standard retirement age for statutory retirement insurance has been reached (currently 67).

(b) Gender
The Executive Board should include one woman.

(c) Educational / professional background
The necessity for a variety of educational and professional backgrounds already arises from the obligation to manage the company in accordance with the law, the company's articles of association and its terms of reference. In addition, the Executive Board as a whole, through its individual members, should possess the following essential background qualities:

- management experience, some of which ideally has been acquired abroad, and intercultural competence for successful management and motivation of global teams;
- in-depth practical experience in stakeholder dialogue (i. e. with managers and employees, including their representative bodies, with shareholders and the public);
- experience in IT management and an understanding of digitalisation of vertically integrated value chains;
- profound experience in value-driven, KPI-based strategy development and implementation and corporate governance;
- profound knowledge of the intricacies and requirements of the capital market (shareholder management);
- knowledge of accounting and financial management (controlling, financing);
- in-depth understanding of and experience with change management.

GOALS OF THE DIVERSITY CONCEPT FOR THE COMPOSITION OF THE EXECUTIVE BOARD

Inclusion of both genders in Executive Board work is on the one hand an expression of the conviction of the Supervisory Board that mixed-gender teams lead to the same or better outcomes as teams with representation from only one gender. But it is also the logical continuation of the gender diversity measures implemented by the Executive Board within the wider company, which aim to increase the proportion of women in leadership roles. These measures are only to be applied and implemented in a credible manner if the Executive Board does not consist solely of male members ('proof of concept').

A variety of professional and educational backgrounds is necessary on the one hand to properly address the tasks and obligations of the law, the company's articles of association and its terms of reference. In addition, it is the view of the Supervisory Board that they are a guarantee of ensuring diverse perspectives on the challenges and associated approaches to overcoming them that are faced in the day-to-day work of the company. International management experience is of particular importance. Without such skill and experience with integrating, leading and motivating global teams, it is impossible to take into consideration the different cultural backgrounds of managerial staff and the workforce as a whole.

The standard retirement age on the one hand enables incumbent members of the Executive Board to contribute their professional and life experience for the good of the company for as long a time as possible. On the other hand, adherence to the standard retirement age is intended to promote regular rejuvenation of the board.

IMPLEMENTATION OF THE DIVERSITY CONCEPT FOR THE COMPOSITION OF THE EXECUTIVE BOARD; LONG-TERM SUCCESSION PLANNING FOR THE EXECUTIVE BOARD

A key aspect of applying the diversity concept to the composition of the Executive Board is inclusion of the Supervisory Board within the corporate organisation, as is prescribed by law, the company's articles of association and its terms of reference. This ensures the Supervisory Board is familiar with the strategic, economic and actual situation of the company.

In its role as supervisor of the management of the Executive Board, the Supervisory Board of TUI AG makes decisions on the allocation of business responsibilities within the Executive Board, appointments to the Executive Board and thus also workforce and succession planning within the Executive Board in line with recommendation B.2 of the GCGC. As part of that workforce and succession planning, the Presiding Committee or the Supervisory Board itself regularly meets with the Executive Board or its members to discuss suitable internal succession candidates for Executive Board positions (short-term, medium-term and long-term scenarios). The contract terms and renewal options for current Executive Board members are discussed, as well as possible successors. As part of these Supervisory Board and Committee meetings, or in preparation for them, members of the Supervisory Board have the opportunity to meet up with so-called high potentials within the Group in a professional and personal setting. The Presiding Committee and Supervisory Board make their own deliberations about these matters and also discuss them in the absence of the Executive Board. This includes evaluation and possible inclusion of external candidates for Executive Board positions in the selection process. If needed, external consultants support the Supervisory Board in the preparation and implementation of concrete succession decisions. In all of these deliberations, the above-mentioned diversity aspects of Executive Board appointments play a part in the decision-making of the Supervisory Board. Long-term succession planning is primarily oriented towards the corporate strategy and takes into account the diversity concept defined by the Supervisory Board. The Supervisory Board also asks the Executive Board to report on current progress and implementation of family-friendly concepts and concrete measures for promotion of women (e. g. at least one woman on the final shortlist for any new or replacement appointments to roles within the senior leadership team).

RESULTS ACHIEVED IN FY 2024

Mr David Burling, CEO Markets & Airlines, has decided to terminate his mandate as a member of the Executive Board of TUI AG with effect from the end of 5 January 2024. Mr Burling was responsible for the Group's tour operators and airlines. As his successor, Mr David Schelp was appointed as a member of the Executive Board of TUI AG from 1 January 2024. In the opinion of the Supervisory Board, Mr Schelp's professional background and wide-ranging international experience contribute to the diversity of the Executive Board.

The current composition of the Executive Board meets all the requirements of the diversity concept. The Executive Board members cover a comprehensive range of knowledge and experience as well as educational and professional backgrounds and have international experience. In addition, with Ms Sybille Reiss as a member of the Executive Board, the legal requirement that at least one woman should be a member of the Executive Board was met in the reporting period. Different age groups are represented on the Executive Board. More information on all members of the Executive Board can be found in the CVs on the Company's website and in the communication on the occasion of the appointment decisions of the Supervisory Board.

DIVERSITY CONCEPT FOR THE COMPOSITION OF THE SUPERVISORY BOARD

The following diversity concept for the composition of the Supervisory Board was updated in FY 2025 and the current version will be published on the company's website.

The Supervisory Board revised and updated objectives for its composition in addition to the competence profile in the 2023 financial year. In accordance with the applicable legal requirements, the Supervisory Board of TUI AG shall be composed in such a way that its members as a whole have the knowledge and professional experience required to properly perform their duties. In this context, sufficient diversity shall be ensured. This includes in particular cultural and ethnic origin, gender, nationality and professional and life experience as well as age. A gender quota of 30% is to be guaranteed. The standard age limit for election to the Supervisory Board is 68 years.

GOALS OF THE DIVERSITY CONCEPT FOR THE COMPOSITION OF THE SUPERVISORY BOARD; IMPLEMENTATION OF THE DIVERSITY CONCEPT FOR THE COMPOSITION OF THE SUPERVISORY BOARD

The goals set with regard to the composition of the Supervisory Board reflect the demands placed on the advisory and supervisory body to perform its task in a globally operating company with a challenging competitive environment. For example, multicultural and international experience is just as important as knowledge of the value and success drivers of the sector. In all of this, the impact and cultural features of the so-called stakeholder approach of a social market economy must be taken into account, which is ensured by the codetermination of employee representatives on the Supervisory Board as well. For the shareholder side on the Supervisory Board, the Nomination Committee also ensures that targets are met with regard to the composition of the Supervisory Board. The Supervisory Board also undergoes a self-assessment, which includes aspects of its composition.

RESULTS ACHIEVED IN FY 2024

The Supervisory Board is of the opinion that it meets the composition targets and fills out the competence profile and the diversity concept. The status of implementation of the competence profile, diversity concept and composition targets has been published in the form of a qualification matrix.

The competence profile of TUI AG's Supervisory Board is published at https://www.tuigroup.com/damfiles/default/tuigroup-15/de/ueber-uns/management/Kompetenzprofil/Kompetenzprofil_V03-13-12-2022_EN-FINAL.pdf-473db0556f8dff912a59b1b37696a1df.pdf

The qualification matrix can be found at page 137.

The diversity of professional and educational backgrounds of the individual members of the board is also evident from the CVs of Supervisory Board members published on the corporate website.

Description of the main features of the internal control and risk management system

TUI Group's internal control system comprises all systematically designed rules within the Group that serve to methodically manage operational, financial and compliance-related risks. These rules may result from published statements or take the form of policies, work instructions, process descriptions or risk control matrices. A Group-wide framework is in place for the creation, approval, revision and communication of rules. With its Integrity Passport, TUI Group commits to implementing its Group-wide Code of Conduct that sets minimum standards and provides guidance on how to deal with ethical and legal challenges in day-to-day work, and provides orientation for conflict situations.

On that basis, the business units define an appropriate framework of processes and rules where necessary for the criticality of the process in question. These rules may vary from business unit to business unit as the process of processing the transactions involves different systems, workflows or volumes. For certain risks, addressed through a uniform Group framework, TUI has established central functions, operating as a 'second line' for their area, in order to create appropriate Group-wide standards and support or monitor implementation of these standards.

A Group function has also been established for the area of sustainability. For years, TUI Group has collected certain sustainability-related indicators for management and reporting purposes in the framework of separate sustainability reports or the non-financial statement. The methodologies used to gather this data have been published. These ensure uniform understanding and collection throughout the Group. A reporting software specifically introduced for non-financial data points allows a sufficiently disaggregated and secured recording of information and builds the foundation of the sustainability related internal control system.

To ensure that our businesses are scalable, almost all business processes are supported by IT solutions. Where possible and appropriate, we use the controls integrated in these applications or services. This offers greater security and efficiency in implementation compared with manual controls. The IT solutions themselves are protected by a Group-wide framework of general IT controls. The internal control system is completed by a set of manual process controls to prevent or detect errors.

We have a clear approach for identifying and mitigating information security risks. TUI undergoes external auditing, has an IT security risk insurance policy in place and provides a training and compliance programme. The Executive Boards sees that the Audit Committee is regularly updated above TUI's risk position on this topic.

In the case of business processes, the respective process owners are responsible for the effectiveness of the controls put in place; in the case of Group-wide control frameworks, the respective second line is responsible. Depending on the risk assessment, they use a different degree of monitoring intensity.

As an independent third line, Internal Audit reviews business processes, including IT solutions, according to its own risk assessment and provides recommendations to enhance the effectiveness and efficiency of processes and controls.

The Supervisory Board of TUI AG, in particular the Audit Committee, is involved in TUI Group's internal monitoring system with process-independent auditing activities.

Our Risk Report presents the key elements of our risk management system.

Details in our Risk Report, page 34.

The internal control system and the risk management system are dynamic systems that are continuously adapted in response to changes in the business model, the nature and scope of business transactions or responsibilities. As a result, there is potential for improvement in terms of both the appropriateness (lack of suitable controls) and the effectiveness (inadequate execution) of controls, both from the reviews carried out by the second line, from internal audit engagements, and from the audit activities of the external auditor. In addition, potential for improvement may also arise from compliance incidents. In our overall assessment of these management systems, we find that none of the potential improvements identified in the period under review speak against the appropriateness and effectiveness of the two management systems.

However, there can be no absolute certainty, despite the internal control and risk management systems in place, that the controls will detect every single process weakness or, in particular, that newly emerging material risks will always be immediately identified and effectively addressed.

Integrity & Compliance

Anti-corruption and bribery

In implementing our business activities, and along our supply chain, compliance with many national and international laws and rules as well as internal policies is essential. However, our understanding of Compliance goes beyond respecting laws and regulations, as we shift our Company's culture away from a purely rule-based approach towards a living culture of integrity. Behaviour violating integrity principles may not only have legal consequences, but can also result in lasting damage to TUI's reputation. TUI's Compliance Management System aims to promote integrity and prevent potential misconduct, to make liability risks manageable for TUI and its employees and in this way to protect the Company's reputation. It is a fundamental component in our commitment to corporate, environmental and social responsibility.

In the completed financial year, Integrity & Compliance focused on training programmes, on the whistleblower hotline and on digitalisation.

Raising employee awareness of Compliance issues by means of training is a pivotal component of the preventative work carried out by the Integrity & Compliance team. A new workshop format called 'TUIltegrity – Exploring your inner compass' was developed and rolled out in the regions and segments (UK& I, Central Region, Musement) in order to tap an additional path alongside traditional online and face-to-face training. Unlike traditional training programmes, participation in the workshops is voluntary and the focus lies on a dialogue between participants. The workshops discuss Compliance-related cases, not from a strictly legal perspective, but from an everyday perspective with a view to what is considered the correct way for everyone personally. Relevant cases were presented and then discussed by the plenary or in small groups. These discussions contributed to bringing the topic of Compliance closer to employees through interaction and to identify areas in which Compliance issues may be relevant and important in their everyday business lives.

Moreover, Integrity & Compliance again provided online training sessions on the Integrity Passport (mandatory for all employees) and on Fair Competition (mandatory for employees in Finance, Legal, Purchasing, Procurement, Corporate & External Affairs and Aviation), which had to be completed by the target audience. As competition law remains a crucial topic, personal training sessions were additionally offered to selected groups of employees with an expert in anti-trust law, facilitating an in-depth consideration of specific legal issues relating to their current business activities. Moreover, preparations were made to change the provider of the whistleblower hotline. The decision to replace the provider was prompted by the need for greater efficiency in working with the system and easier access for employees and external parties. Under the new provider, whistleblowers can now reach the hotline via the web, on mobile devices and directly by phone. Whistleblowers choosing the telephone option will be put in direct contact with trained staff working for an external service provider. The whistleblowers can discuss their concerns in person and are guided through a structured conversation. The relevant information is stored directly in the whistleblower system. The change of provider does not impact protection for whistleblowers in any way.

In line with TUI's digitalisation strategy and in cooperation with the Common Data Science department, an AI was developed to categorise the messages submitted to the Compliance Mailbox. The underlying Large Language Model was designed to pre-sort the contents of the messages received into different categories according to predefined criteria, pre-filtering customer complaints, Compliance and other topics. Thanks to the automated pre-sorting process, the processing efficiency of the Mailbox is being significantly enhanced.

TUI Compliance Management System

1 PREVENT

- *Risk Analysis*
- *Training and Communication*
- *Policy Management*
- *System Management*
- *Advice*

2 DETECT

- *Incident Management*
- *Monitoring*
- *Process Management*

3 REACT

- *Information Management*
- *Process Improvement*

COMPLIANCE MANAGEMENT SYSTEM

TUI Group's Compliance Management System is based on a risk management approach. It is built around three pillars: prevent, detect and react, which, in turn, comprise a variety of measures and processes.

The Integrity & Compliance team is in charge of the core areas anti-corruption, fair competition and trade sanctions. Our Compliance Management System defines pilot and standard operation and the documentation of roles, responsibilities and processes in these areas.

The Compliance Management System applies to TUI AG and all companies majority-owned, directly or indirectly, by TUI AG, whether domestic or foreign, and of any other shareholdings where management control directly or indirectly lies with TUI AG ('Managed Group Companies'). Implementation of the Compliance Management System is recommended for companies where management control does not lie with TUI AG ('Non-Managed Group Companies').

INTEGRITY & COMPLIANCE STRUCTURE

The Chief Compliance Officer is responsible for drawing up, maintaining and developing our Compliance Management System and is supported by our central Integrity & Compliance department, forming part of Legal, and its Group Director. All Compliance Officers are in close contact with local management, who remain generally responsible of observing all the Compliance rules, and together they are in charge for implementing our Compliance requirements and Integrity values, above all:

- Raising awareness of Integrity & Compliance and the associated core issues through communication campaigns
- Performing risk analysis relating to the core Compliance issues and self-assessments or Pulse Checks
- Implementing measures to ensure that we comply with our commitment to integrity in line with the Integrity Passport
- Providing training on the Integrity Passport and Fair Competition
- Advising employees, primarily with regard to trade sanctions, anti-corruption & anti-bribery and fair competition
- Securing the necessary exchange of information between local management and the Integrity & Compliance team
- Monitoring new national and international legislation
- Providing regular reports to the Group Executive Committee and to the Audit Committee of the Supervisory Board

INTEGRITY & COMPLIANCE CULTURE

The Integrity & Compliance culture influences people's behaviour and their views about complying with the applicable rules. It therefore forms the basis for an effective Compliance Management System. Our culture reflects our corporate values and the fundamental attitude and conduct of management all the way up to the Executive Board and Supervisory Board of TUI AG, i. e. the 'tone from the top'. It is expressed, in particular, in our corporate value 'Trusted', appealing to our employees' personal responsibility and their honesty and sincerity in handling guests, fellow employees and other stakeholders.

INTEGRITY PASSPORT – TUI'S CODE OF CONDUCT

Our Integrity Passport is binding on all employees, from Executive Board members to trainees, and on all managed Group companies. The Integrity Passport serves as the guiding principle for our Executive Board, executives, managers and employees alike. It provides orientation in key areas of people's day-to-day work and in conflict situations: fair competition, anti-bribery and anti-corruption, appropriate gifts and hospitality, protection of our business secrets, data privacy, handling conflicts of interest, prevention of insider trading, maintaining proper accounts and financial records, anti-money laundering, trade restrictions, respectful dealings with each other, sustainability, public communications about TUI, and how to raise a concern.

SUPPLIERS' CODE OF CONDUCT

The Integrity Passport is complemented by the Suppliers' Code of Conduct, which details TUI's ethical, social and legal expectations of its business partners. Moreover, all business partners are required by contract to observe all national and international anti-corruption laws applicable to the supplier relationship. The Suppliers' Code of Conduct has been revised to reflect the Supply Chain Due Diligence Act: additional legal obligations resulting from the Act that must be observed both in our own business operations and in the supply chain have now been incorporated or set out in more detail. This places our business relationships with our business partners on a solid basis.

MANAGEMENT OF INTEGRITY & COMPLIANCE POLICIES

The principles anchored in the Integrity Passport are communicated to and implemented in TUI Group through our policies, statements and manuals. Our Group-wide policy management develops the standards for Group-wide policies and coordinates the involvement of relevant internal stakeholder groups, e. g. other departments and the works council. This approach is designed to provide employees with a set of policies which are as comprehensible as possible. TUI Group's Compliance policies offer guidance on a range of issues, including how to react appropriately to gifts and hospitality and how to ensure fair competition.

INTEGRITY & COMPLIANCE TRAINING

Training, with its focus on preventing misconduct, is a key element of TUI's Compliance Management System and a crucial component of TUI Group's Integrity & Compliance culture. It is carried out according to a graded concept: managers and staff at TUI have all benefited from face-to-face teaching and online programmes. The online training programme on the Integrity Passport, which explains integrity and the underlying corporate values, is mandatory for all employees. In addition, the voluntary workshop format 'TUItegrity – Exploring your inner compass' was developed and rolled out in the individual regions and segments (UK& I, Central Region, Musement). Moreover, specific risk groups carried out the online training on Fair Competition. In order to handle the topic in greater detail in Legal and Purchasing and engage in dialogue on specific legal issues, training sessions were again offered and carried out in the past financial year, this time by a specialist colleague in competition law. The topics of anti-corruption measures and the appropriate handling of gifts and hospitality were also addressed in order to raise awareness of the risk-related challenges employees might face in a risk-oriented manner.

WHISTLEBLOWER SYSTEM: SPEAKUP LINE

TUI offers its employees a Group-wide whistleblower system to enable suspected infringements of laws or the policies anchored in TUI's Integrity Passport to be reported anonymously and without reprisals. This whistle-blowing system is available around the world. All reports are consistently followed up in the interests of all stakeholders and the Company. Our top priority is to ensure confidentiality and handle information discreetly. Any incident reported through the whistleblower system is reviewed by the Integrity & Compliance team and investigated and followed up by the team in cooperation with various departments, depending on the issue at stake.

In the completed financial year, a total of 75 reports (previous year 50 reports[1]) relating to Compliance issues came in through the SpeakUp Line. Apart from the SpeakUp Line, employees took the opportunity to report infringements through other channels, e.g. directly to their line managers or to the appropriate Compliance contact, or else to use the Compliance Mailbox, which is also available externally. A further 14 reports (previous year 21 reports) were received through these channels. They were followed up whenever there were any indications suggesting potential infringements of internal policies or law. All of the 89 reports (previous year 71 reports) submitted in total, displayed prima facie indications of a Compliance infringement (Fair Competition, Anti Bribery and Corruption, Sanctions, Money Laundering) and led to further investigations, which in four cases (previous year four cases) resulted in further measures.

Twenty-three reports regarding potential infringements of human rights or environmental obligations under the German Supply Chain Due Diligence Act were received through the SpeakUp Line (previous year 31 reports). In four cases (previous year 18 cases), use was made of the opportunity to report infringements directly to the relevant line manager, the appropriate Compliance contact or the Compliance Mailbox. All 27 reports submitted in total (previous year 49 reports) displayed prima facie indications of a infringement regarding human rights or environmental obligations and led to further investigations, which in three cases (previous year four cases) resulted in further measures.

BUSINESS PARTNER SCREENING (DUE DILIGENCE PROCESSES)

There is a risk of active and passive corruption because we operate in countries with a high corruption index. Moreover, the risk of TUI business partners being subject to trade sanctions or similar listings cannot be ruled out.

Drawing on the provider's internet database, the names of business partners were screened against international sanctions lists, anti-terror lists and wanted persons lists. In the event of a red flag, further measures were launched, in the severest cases terminating the business relationship.

DATA PROTECTION

Data protection remains important for the TUI Group. We evaluate the compliance with data protection law permanently and report indicators to the Group Executive Committee. In financial year 2024 we have reported four data breaches in accordance with Art. 33 GDPR (previous year three)[2]. However, no fines are imposed so far.

[1] All key figures on compliance violations reported in the previous year had to be adjusted due to a change in the calculation methodology.
[2] Previous year adjusted due to a change in the survey method

Remuneration report

The remuneration report explains the remuneration of the members of TUI AG's Executive Board and the remuneration of the members of the Supervisory Board in accordance with the Articles of Association. The underlying remuneration systems are based in particular on the recommendations of the German Corporate Governance Code (GCGC) and the requirements of the German Stock Corporation Act (AktG). In addition, the remuneration report contains the disclosures required by section 162 AktG.

Executive Board and Executive Board remuneration

REVISION OF THE REMUNERATION SYSTEM AND CONFIRMATION BY THE SHAREHOLDERS

The complete repayment of the stabilisation measures of the Economic Stabilization Fund (WSF) and the associated termination of the remuneration restrictions in financial year 2023, as well as the remarks from shareholders and investors, prompted the Supervisory Board to critically review the previously applied remuneration system for the Executive Board. Based on a corresponding analysis, the previous remuneration system was further developed. In December 2023, the Supervisory Board of TUI AG resolved a revised remuneration system for the members of the Executive Board with retroactive effect from the beginning of financial year 2024, i.e. 1 October 2023. The revised remuneration system applies to active members of the Executive Board. The exceptions are former members of the Executive Board with current service agreements or those whose service agreements have already ended but who still have remuneration entitlements against TUI AG. These are in particular Mr Joussen, Mr Burling, Ms Conix, Dr Eller and Mr Rosenberger. There was no migration to the amended remuneration system for these former members of the Executive Board.

In the revised remuneration system, the individual performance factor in the short-term variable remuneration (annual performance bonus, short-term incentive – STI) in particular was replaced by an ESG factor for the entire Executive Board, which consists of sub-targets from the areas of environment, social and / or governance. In addition, total cash flow before dividends has replaced free cash flow before dividends. For the long-term variable remuneration (long-term incentive – LTI), target achievement is now based on absolute earnings per share (EPS) target values instead of EPS growth. In the current remuneration system, reported EPS is relevant, whereas in the previous system, target achievement was determined on the basis of pro forma underlying EPS. In addition, Share Ownership Guidelines from financial year 2025 were introduced and thus the obligation of the members of the Executive Board to acquire shares in TUI AG of a fixed minimum amount and to hold them for a defined period. The main changes to the revised Executive Board remuneration system are summarized in the chart below.

Significant changes to the amended Executive Board remuneration system of TUI AG (effective since 1 October 2023)

REMUNERATION ELEMENTS	PREVIOUS SYSTEM (UNTIL FY 2023)	AMENDED SYSTEM (SINCE FY 2024)
Financial figures (STI / LTI)	STI: Reported EBIT, Cash flow before dividends	STI: Reported EBIT, **Total** cash flow before dividends
	LTI: Pro forma underlying EPS	LTI: **Reported** EPS
STI multiplier	Individual performance indicator	**ESG factor** for **entire** Executive Board
LTI target achievement	Average EPS growth p.a.	Average EPS target achievement based on **absolute target figures** p.a.
Share ownership guidelines	./.	**Introduction** from FY 2025

An ESG element was deliberately not integrated into the LTI. The integration of an ESG factor in the STI enables an annual tracking of the strategic milestone plan, thus simplifying target setting and reducing the complexity of the system. The structure of the LTI in the form of a virtual performance share plan was also retained. This is in line with common market practice and meets the requirement for a share-based approach. An additional component based on real shares has been introduced through the implementation of share ownership guidelines from financial year 2025 in order to focus even more strongly on the requirements of investors. The Supervisory Board was supported by a renowned, independent external remuneration consultant, MB Board Advisory GmbH with the configuration of the Executive Board remuneration system.

In accordance with the German Stock Corporation Act (AktG), the Supervisory Board must submit the remuneration system to the Annual General Meeting for approval whenever significant changes are made, but at least every four years. As part of the resolution passed on 13 February 2024, the Annual General Meeting approved the revised remuneration system for the members of the Executive Board with 88.94%. In accordance with the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board also have to prepare an annual remuneration report, which must meet certain requirements (Section 162 AktG). The auditor has to check whether the remuneration report in accordance with Section 162 AktG contains all legally required information and also issue an audit opinion. In accordance with Section 120a (4) AktG, the audited remuneration report must be submitted to the Annual General Meeting for a decision on its approval. The prepared and audited remuneration report within the meaning of section 162 AktG for the financial year ended 30 September 2023 was approved by the shareholders of TUI AG on 13 February 2024 with 87.53% of the votes. The decision of the Annual General Meeting on the approval of the remuneration report is of recommendatory nature. The resolution of the Annual General Meeting is taken into account against the background of transparent reporting, in particular through additional explanations, such as a more detailed graphical representation of facts.

COMPOSITION OF THE EXECUTIVE BOARD

In the financial year 2024, the Executive Board consisted of the following members:

- Sebastian Ebel: CEO
- Mathias Kiep: CFO
- Peter Krueger: CSO & CEO HEX
- Sybille Reiss: CPO / Labor Director
- David Schelp: CEO Markets + Airline (since 1 January 2024)
- David Burling: CEO Markets & Airlines (until the end of 5 January 2024)

GENERAL PRINCIPLES

On the recommendation of the Presiding Committee, the Supervisory Board determines the remuneration of the individual members of the Executive Board in accordance with Section 87 para. 1 sentence 1 AktG. The Supervisory Board also regularly reviews the remuneration system for the Executive Board.

In particular, the following principles are taken into account:

- Comprehensibility and transparency
- Economic situation, success and sustainable development of the Company
- Linking the shareholders' interest in value enhancement and profit distribution with corresponding performance incentives for the members of the Executive Board
- Competitiveness in the market for highly qualified managers
- Appropriateness and orientation towards the tasks, responsibilities and success of each individual member of the Executive Board, also in a relevant environment of comparable international companies, taking into account typical practice in other large German companies
- Linking a significant portion of total remuneration to the achievement of ambitious long-term performance targets
- Appropriate relationship between the amount of the fixed remuneration and the performance-related remuneration
- Appropriateness in horizontal and vertical comparison

The remuneration system and the service agreements of the members of the Executive Board stipulate in particular,

- how the target total remuneration is determined for the individual members of the Executive Board and what amount the total remuneration may not exceed (maximum remuneration),
- the relative share of fixed remuneration on the one hand and short-term variable and long-term variable remuneration components on the other in the target total remuneration,
- which financial and non-financial performance criteria are decisive for the granting of variable remuneration components,
- what the link is between the achievement of the previously agreed performance criteria and the variable remuneration,
- in what form and when the member of the Executive Board can dispose of the variable remuneration amounts.

Like the previous remuneration system, the remuneration system adopted by the Supervisory Board in December 2023 and approved by the Annual General Meeting 2024 contains a compliance malus and clawback provision that applies to both the STI and the LTI. Accordingly, in the event of a serious breach by the beneficiary of the principles contained in the company's Code of Conduct or of duties of care in the management of the company during the assessment period of the corresponding variable remuneration components, the company may reduce the amounts paid out, cancel them completely or reclaim them in full or in part after payment. The Supervisory Board decides on this on a case-by-case basis at its due discretion and must take particular account of the severity of the breach and the amount of the financial or reputational damage caused by it in its decision.

In the financial year 2024, the Supervisory Board did not make use of the option to withhold or reclaim variable remuneration components.

REMUNERATION ADJUSTMENTS IN THE EXECUTIVE BOARD

At its meeting in February 2023, the Supervisory Board reappointed Mr Krueger for a further three years with effect from 1 January 2024. The Supervisory Board also discussed the level of Mr Krueger's remuneration and resolved in July 2023 to adjust his target amounts to the level of long-standing members of the Executive Board as part of the extension of his appointment. In July 2023, the Supervisory Board also extended the appointment of Ms Reiss to the Executive Board by further three years with effect from 1 July 2024. With regard to the target amounts, the same system was applied as for Mr Krueger.

I. REMUNERATION OF THE EXECUTIVE BOARD IN FINANCIAL YEAR 2024

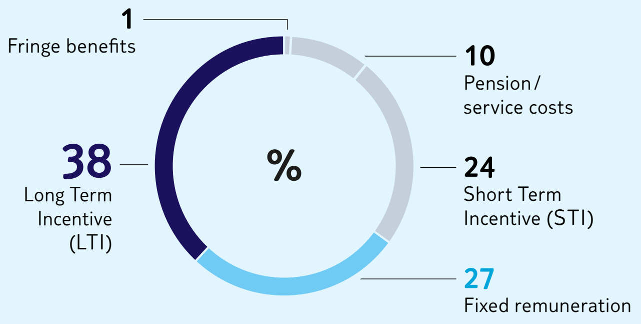
In financial year 2024, the remuneration structure for the members of the Executive Board consisted of (1) fixed remuneration, (2) a performance-related annual bonus (Short Term Incentive – STI), (3) virtual shares in TUI AG under the Long Term Incentive (LTI), (4) fringe benefits and (5) pension benefits. The following table provides an overview of the individual components of the applicable remuneration system approved by the Annual General Meeting for the members of the Executive Board appointed at the balance sheet date and the structure of the individual remuneration components.

Target total remuneration

TARGET

The target total remuneration of the members of the Executive Board was determined as follows:

COMPOSITION OF THE TARGET TOTAL REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD



€ '000	Fixed remuneration*	STI	LTI
Sebastian Ebel	1,100.0	1,270.0	1,830.0
Mathias Kiep	600.0	465.0	765.0
Peter Krueger (until 31.12.2023)	600.0	465.0	765.0
Peter Krueger (from 1.1.2024)	680.0	500.0	920.0
Sybille Reiss (until 30.6.2024)	600.0	465.0	765.0
Sybille Reiss (from 1.7.2024)	680.0	500.0	920.0
David Schelp (from 1.1.2024)	600.0	465.0	765.0

* Fixed amount, no cap applied

(1) Fixed remuneration

TARGET

Fixed remuneration paid in twelve equal instalments in arrears at the end of each month, taking into account the applicable tax and social security regulations

Together with the other remuneration components, the fixed remuneration forms the basis for attracting and retaining the highly qualified members of the Executive Board required for the development and implementation of the corporate strategy.

INTRA-GROUP MANDATES

No separate remuneration / offset against fixed remuneration

MANDATES OUTSIDE THE GROUP

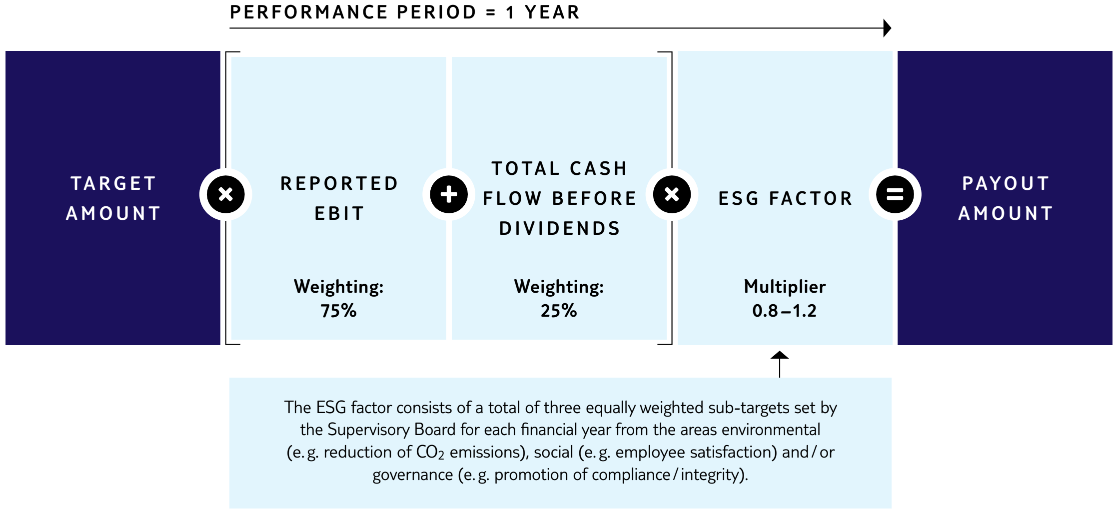
No offsetting against fixed remuneration, subject to approval by the Supervisory Board

(2) STI

TARGET

The STI is designed to motivate the members of the Executive Board to achieve ambitious and challenging financial, operational and strategic targets during a financial year. The targets reflect the corporate strategy and are aimed at increasing the value of the company. The one-year variable remuneration is linked to the achievement of a key Group performance indicator in the respective financial year, in particular through the link to reported EBIT.

DESCRIPTION STI

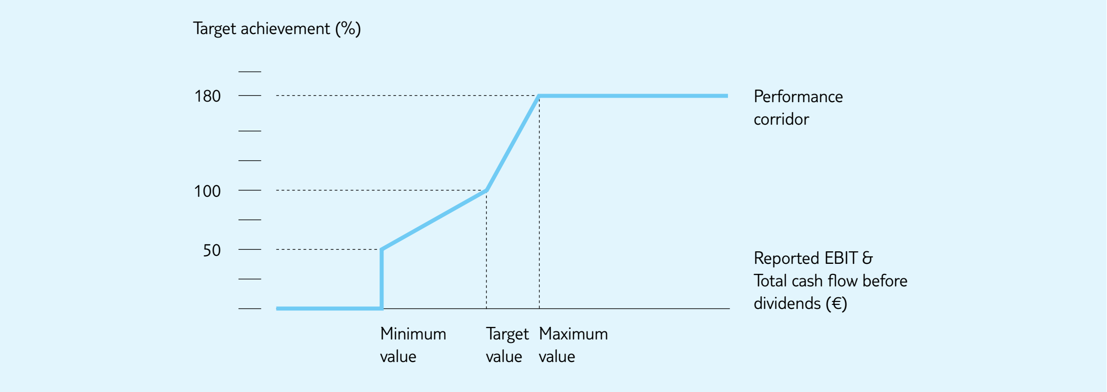


TARGET AMOUNT	Contractually agreed, individual target amount
OVERALL TARGET ACHIEVEMENT	• Total target achievement of the financial ratios • Interpolation of financial ratios: 0% – 180% • ESG factor: 0.8 – 1.2 • Adjustment element in accordance with section G.11 GCGC • Compliance malus and clawback

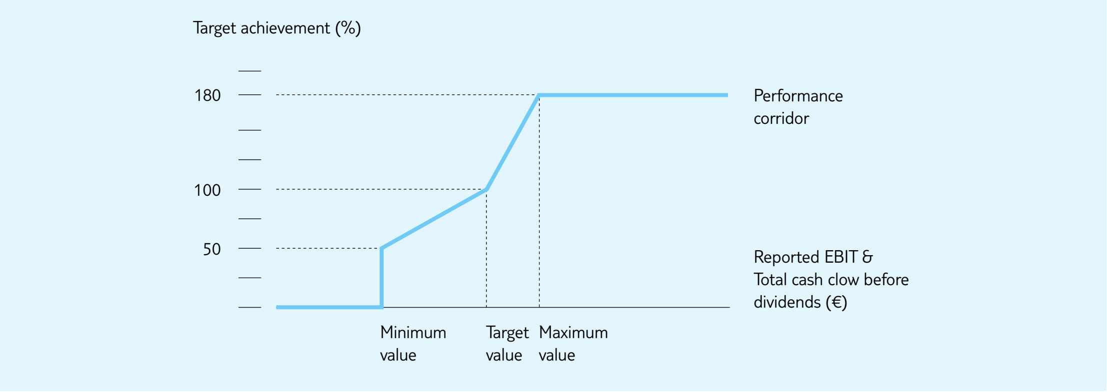
Group key figure 1

GROUP KEY FIGURE	Reported EBIT
TARGET ACHIEVEMENT	Actual vs. target value based on constant currency
TARGET ACHIEVEMENT CORRIDOR	Minimum, target and maximum values are set by the Supervisory Board for each financial year

TARGET ACHIEVEMENT CORRIDOR EBIT IN %



WEIGHTING 75%

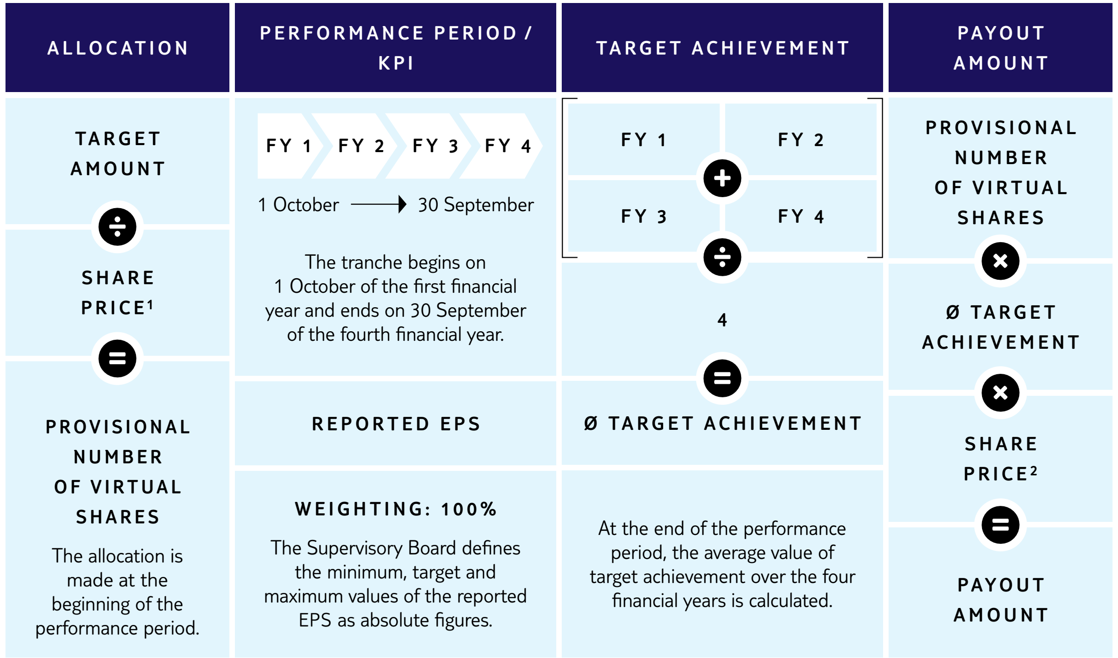
Group key figure 2	GROUP KEY FIGURE	Total cash flow before dividends
	TARGET ACHIEVEMENT	Actual vs. target value
	TARGET ACHIEVEMENT CORRIDOR	Minimum, target and maximum values are set by the Supervisory Board for each financial year
	TARGET ACHIEVEMENT CORRIDOR CASH FLOW IN %	
	WEIGHTING	25%
ESG factor	TARGET	The Supervisory Board sets a total of three equally weighted sub-targets from the areas of *environmental, social and/or governance* (ESG) as sustainability targets for each financial year and all members of the Executive Board.
	TARGET ACHIEVEMENT CORRIDOR	0.8 – 1.2

(3) LTI

TARGET

The company value and the value for shareholders (so-called shareholder value) are to be increased in the long term by setting ambitious targets that are closely linked to the company's earnings, the share price performance and the dividend. The link to earnings per share (EPS) and the development of the share price creates a congruence between interests and expectations of shareholders and Executive Board remuneration. The performance period of four years helps to ensure that the actions of the Executive Board in the current financial year are also geared towards the long-term development of the company.

DESCRIPTION LTI



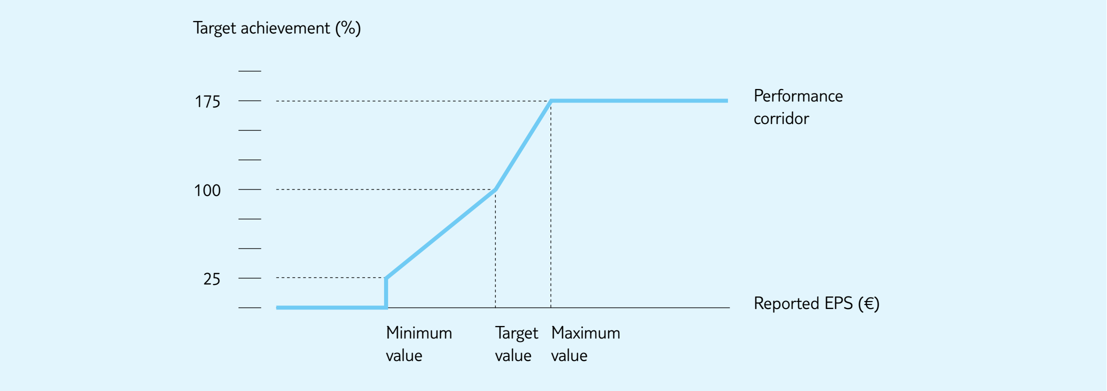
[1] Average XETRA price of TUI AG shares over the 20 trading days prior to the first day of the performance reference period
[2] Average XETRA price of TUI AG shares over the last 20 trading days of in the respective performance reference period

TARGET AMOUNT

Contractually agreed individual target amount

TOTAL TARGET ACHIEVEMENT

- Interpolation key figure: 0%–175%
- Compliance malus and clawback

Group key figure	GROUP KEY FIGURE	Reported EPS
	TARGET ACHIEVEMENT	Actual vs. target value of average annual EPS over the performance period
	TARGET ACHIEVEMENT CORRIDOR	Minimum, target and maximum values are set by the Supervisory Board for each financial year
	TARGET ACHIEVEMENT CORRIDOR EPS IN %	
Shares		• Allocation of a provisional number of virtual shares, calculated as the quotient of the agreed individual target amount and the average Xetra share price of TUI AG for the twenty trading days prior to the first day of the performance period. • The final number of virtual shares is calculated as the product of the provisional number of virtual shares and the degree of target achievement of the key figures.
Payout		Multiplication of the final number of virtual shares by the average Xetra share price of TUI AG over the last twenty trading days prior to the end of the performance period

(4) Fringe benefits	TARGET	The fringe benefits should be competitive in the market for highly qualified members of the Executive Board so that TUI can attract suitable candidates to the company and retain them in the long term. Furthermore, an attractive working environment should be created for the members of the Executive Board. • Reimbursement of travel expenses for business trips • Accident insurance • Subsidy for health and long-term care insurance • Assumption of costs for medical check • Criminal law protection and D&O insurance • Company car / car allowance

(5) Maximum remuneration

TARGET

- CEO: €7,500k
- Other members of the Executive Board: €3,500k
- Contractually defined upper limit for total remuneration (incl. fixed remuneration, STI, LTI, (company) pension scheme and fringe benefits). If the contractually defined upper limit for total remuneration is exceeded, the LTI is reduced proportionately in the inflow. The contractually defined upper limit for total remuneration corresponds to the respective maximum total remuneration for the members of the Executive Board determined by the Supervisory Board.

MAXIMUM REMUNERATION

€ '000	Fixed remuneration*	STI	LTI	Maximum total remuneration
Sebastian Ebel	1,100.0	2,743.2	4,392.0	7,500.0
Mathias Kiep	600.0	1,004.4	1,836.0	3,500.0
Peter Krueger	680.0	1,080.0	2,208.0	3,500.0
Sybille Reiss	680.0	1,080.0	2,208.0	3,500.0
David Schelp	600.0	1,004.4	1,836.0	3,500.0

* Fixed amount, no cap applied

(6) Severance payment cap in the event of early termination of contract

TARGET

- Severance payment limited to the value of two years' remuneration
- No change of control clauses agreed

(7) Pension benefits

TARGET

Highly qualified members of the Executive Board required for the development and implementation of the corporate strategy should be recruited and retained. The pension benefits and the pension subsidy should be competitive on the market for highly qualified members of the Executive Board and offer them an appropriate level of pension benefits in retirement.

Contributions to the company pension scheme

- Mr Ebel: €454.5k per year. In the case of Mr Ebel, the resulting pension can be paid when he reaches the age of 62, if the pension event has occurred

Fixed annual payment amounts for the purpose of retirement benefits

- Mr Kiep: €230.0k per year
- Mr Krueger: €230.0k per year
- Ms Reiss: €230.0k per year
- Mr Schelp: €230.0k per year

(8) Share ownership guidelines

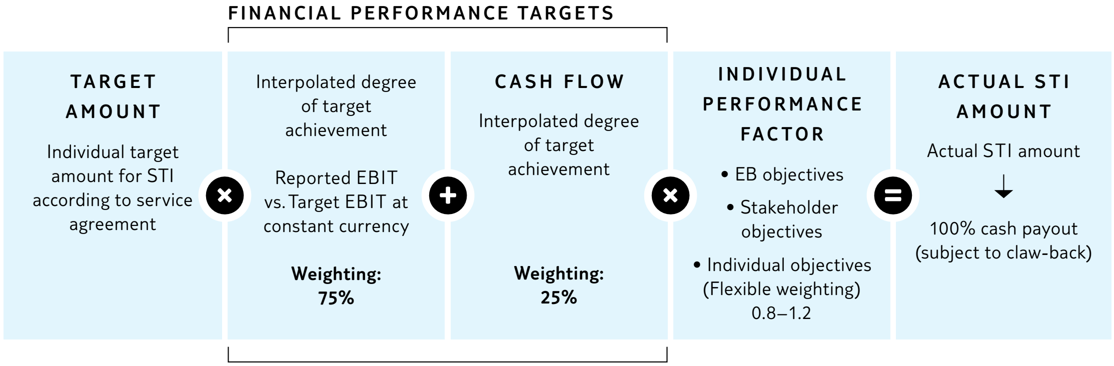
- From financial year 2025, the members of the Executive Board are obliged to acquire shares of TUI AG up to a defined minimum amount and to hold them for a defined period of time.
- The purpose of the shareholding obligation is to strengthen the joint interests of the Executive Board and shareholders.
- The amount of the shareholding obligation is determined as a percentage of the fixed remuneration: Chairman of the Executive Board: 150%, other members of the Executive Board: 100%.
- A stake of 25% of the STI payout amount (net) must be invested in shares each year until the minimum amount is reached.
- The shares must be held until the end of the period of service or (in the event of premature termination of the period of service and continuation of the service agreement) until the end of the service agreement.

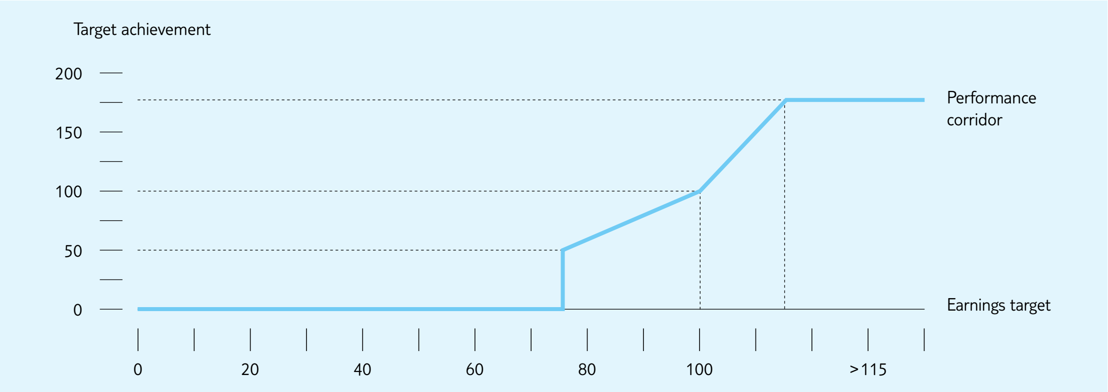
OVERVIEW OF REMUNERATION COMPONENTS TO BE APPLIED TO DEPARTED MEMBERS OF THE EXECUTIVE BOARD

The revised remuneration system does not apply to former members of the Executive Board with remuneration entitlements. The previous remuneration system continues to apply to them. Compared to the revised remuneration system, the main difference is the structure of the variable components of the STI and the LTI, which are shown in the table below. Compared to the revised remuneration system, there are no significant differences in the system of fixed remuneration, so that no presentation has been made. The fringe benefits and pension benefits are not relevant for members who have left the company, so a display of these components has also been waived for reasons of clarity.

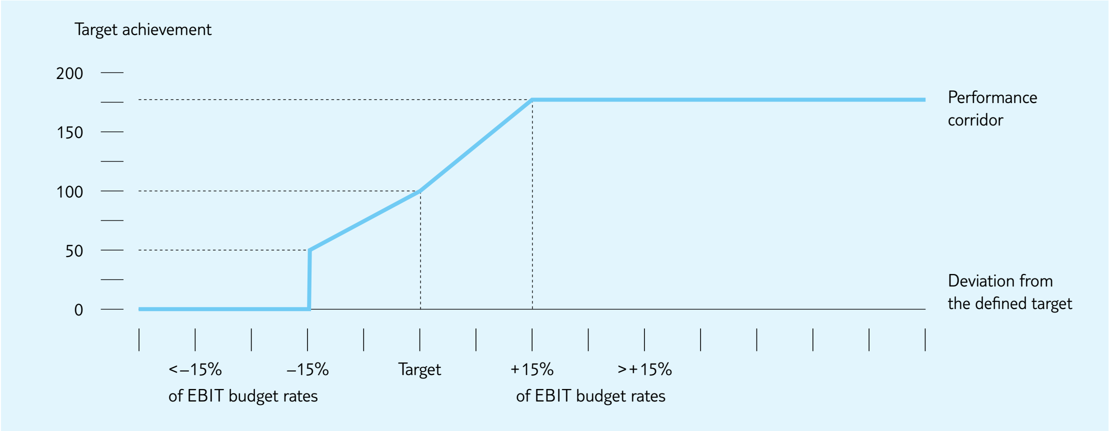
STI

DESCRIPTION STI



	TARGET AMOUNT	Contractually agreed individual target amount
	TOTAL TARGET ACHIEVEMENT	• Total target achievement of the financial ratios • Interpolation of financial ratios: 0% – 180% • Individual performance: 0.8 – 1.2 • Adjustment element in accordance with section G.11 GCGC • Compliance malus and clawback
Group key figure 1	GROUP KEY FIGURE	Reported EBIT
	TARGET ACHIEVEMENT	Actual vs. target value at constant currency
	TARGET ACHIEVEMENT CORRIDOR	75% – 115%
	TARGET ACHIEVEMENT CORRIDOR EBIT IN %	
	WEIGHTING	75%
Group key figure 2	GROUP KEY FIGURE	Cash flow before dividends
	TARGET ACHIEVEMENT	Target value against + / – 15% of EBIT on budget rates
	TARGET ACHIEVEMENT CORRIDOR	85% – 115%

TARGET ACHIEVEMENT CORRIDOR CASH FLOW IN %



WEIGHTING: 25%

Individual performance

TARGET: For each financial year, the Supervisory Board defines performance criteria for the individual performance of the beneficiary, the performance of the entire Executive Board and the achievement of stakeholder targets, as well as their relative weighting. ESG targets are always taken into account.

TARGET ACHIEVEMENT CORRIDOR: 0.8 – 1.2

LTI

DESCRIPTION LTI

TARGET AMOUNT: Contractually agreed individual target amount

TOTAL TARGET ACHIEVEMENT:

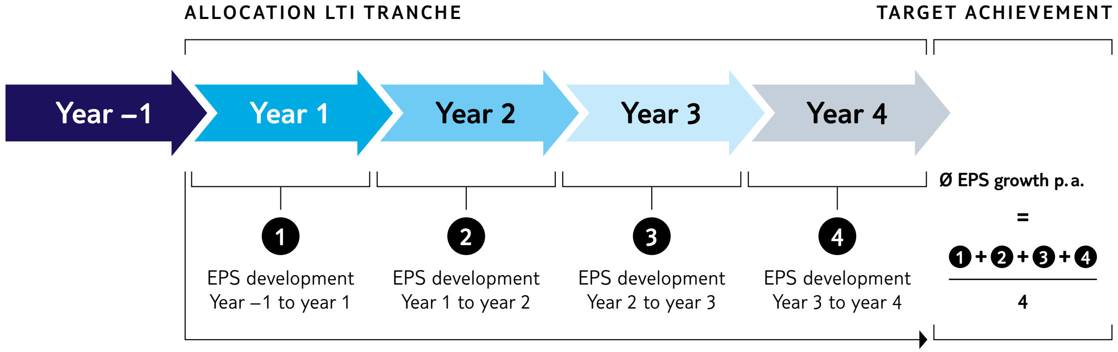
- Interpolation key figure: 0% – 175%
- Adjustment: EPS < € 0.50
- Compliance malus and clawback

Group key figure

GROUP KEY FIGURE: EPS

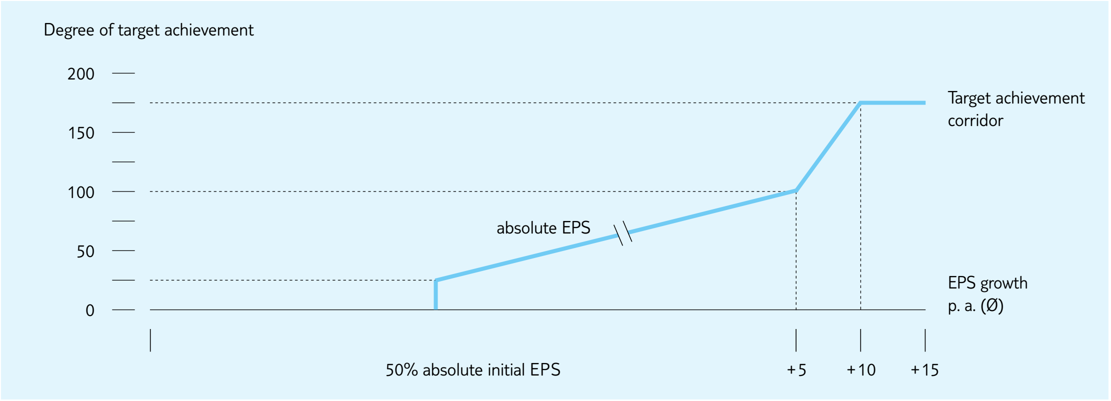
TARGET ACHIEVEMENT: EPS p. a. on the basis of four weighted annual amounts

ALLOCATION OF VIRTUAL SHARES



TARGET ACHIEVEMENT CORRIDOR: Ø 50% Start EPS to Ø 10% p. a.

TARGET ACHIEVEMENT CORRIDOR EPS IN %



Shares

- Allocation of a provisional number of virtual shares, calculated as the quotient of the agreed individual target amount and the average Xetra share price of TUI AG for the twenty trading days prior to the first day of the performance period
- The final number of virtual shares is calculated as the product of the provisional number of virtual shares and the degree of target achievement of the key figures.

Payment

Multiplication of the final number of virtual shares by the average Xetra share price of TUI AG over the last twenty trading days in the respective performance period

I.1 PENSION PROVISIONS FOR APPOINTED MEMBERS OF THE EXECUTIVE BOARD UNDER TUI AG'S PENSION SCHEME

The pension obligations for the appointed members of the Executive Board in accordance with IAS 19 amounted to € 7,700.9 k as at 30 September 2024 (previous year € 11,805.2 k). Of this amount, € 4,122.8 k (previous year € 3,796.0 k) related to entitlements earned by Mr Ebel in the framework of his service for the TUI Group until 31 August 2006.

Pensions and the amounts spent or accrued for this purpose by the appointed member of the Executive Board under TUI AG's pension plan

	Addition to / reversal from pension provisions		Net present value	
€ '000	**2024**	2023	**30 Sep 2024**	30 Sep 2023
Sebastian Ebel	571.2	727.9	3,578.1	3,006.9

For Mr Ebel's pension obligations, corresponding assets were transferred to a trustee in accordance with the contractual agreement in order to finance the pension rights and secure them in the event of a security case.

I.2 BENEFITS IN THE EVENT OF PREMATURE TERMINATION OF BOARD MEMBERSHIP

The payments to be made to a member of the Executive Board on premature termination of his or her service agreement without good cause may not exceed the value of the remuneration for the remaining term of the service agreement and in any case may not exceed two years' remuneration (severance payment cap).

The severance payment cap is calculated on the basis of the target direct remuneration (fixed remuneration, target amount of the STI and target amount of the LTI) for the past financial year and, if applicable, the expected target direct remuneration for the current financial year. If the service agreement is terminated for cause, the members of the Executive Board do not receive any benefits.

If the appointment of a member of the Executive Board is revoked, the respective service agreement shall also end. If the revocation is not based on a reason that also constitutes good cause for termination of the service agreement without notice, the service agreement shall end at the end of a period of up to 24 months to the end of the month or at the end of the term of the service agreement, if it ends earlier.

In the event of premature termination of the service agreement, the STI and payments from the LTI are regulated as follows:

- STI:
  - If the service agreement is terminated by the company before the end of the one-year performance period for good cause for which the member of the Executive Board is responsible, or if the member of the Executive Board resigns without good cause, the entitlement to the short-term incentive for the relevant performance period lapses without replacement or compensation.
  - In all other cases of premature termination of the service agreement before the end of the one-year performance period, the STI is paid out pro rata temporis.
- LTI:
  - Entitlements under the LTI lapse without replacement or compensation for all tranches not yet paid out if the service agreement is terminated extraordinarily by TUI AG before the end of the performance period for good cause for which the Executive Board member is responsible or by the Executive Board member without good cause.
  - If the service agreement ends before the end of the performance period for other reasons, the entitlements from the LTI for tranches not yet paid out are retained. The tranche for the current financial year is reduced pro rata temporis. The amount paid out is calculated in the same way as if service agreement were continued.

In connection with the stabilisation measures and the associated remuneration restrictions, it was agreed with Mr Joussen that he could unilaterally resign from his office as a member of the Executive Board from 1 June 2022 with three months' notice to 30 September 2022, whereby the STI and LTI would be paid out in accordance with the service agreement and would not expire. On 24 June 2022, Mr Joussen exercised his right to resign from his office as a member of the Executive Board of TUI AG prematurely as of 30 September 2022. During the agreed expiry period of 24 months, TUI AG has agreed to process the service agreement in accordance with the service agreement until the termination date.

TUI AG is entitled to release the members of the Executive Board in connection with the ending of the service agreement, in particular following the termination of this service agreement, irrespective of the party declaring the termination, or following the conclusion of a termination agreement, in whole or in part from the obligation to perform work with continued payment of remuneration. The release shall be initially irrevocable for the duration of any remaining vacation entitlements, which are thus settled. Subsequently, the release shall be maintained until the end of the service agreement. It is revocable if questions arise in connection with the handling of the employment relationship or if temporary activity becomes necessary for operational reasons. The service agreement is not otherwise affected by this.

The service agreements of the members of the Executive Board do not contain any change of control clauses.

I.3 BENEFITS AND BENEFIT COMMITMENTS TO MEMBERS OF THE EXECUTIVE BOARD WHO HAVE LEFT THE EXECUTIVE BOARD IN FINANCIAL YEAR 2024

Mr Burling resigned from the Executive Board of TUI AG in financial year 2024. Mr Burling was originally appointed as a member of TUI AG's Executive Board until the end of 31 May 2026. The Supervisory Board of TUI AG and Mr Burling terminated his appointment to the Executive Board by mutual agreement before the end of 5 January 2024. On the occasion of the termination, TUI AG concluded a termination agreement with Mr Burling. The subject matter of the termination agreement included the continuation of the service agreement until the end of the resignation date, i.e. until the end of 5 January 2024. Variable remuneration components from the STI and LTI will be calculated pro rata temporis for financial year 2024. The personal performance factor in accordance with the STI terms and conditions is set at 1.0. In addition, TUI AG has promised Mr Burling a severance payment of € 4.2 m as compensation for the premature termination of his service agreement. Of this amount, € 3.15 m was due at the time of resignation, while the partial amount of € 1.05 m will be paid out in 12 monthly installments as compensation for a 12-month non-competition clause.

II. OVERVIEW: INDIVIDUAL REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD

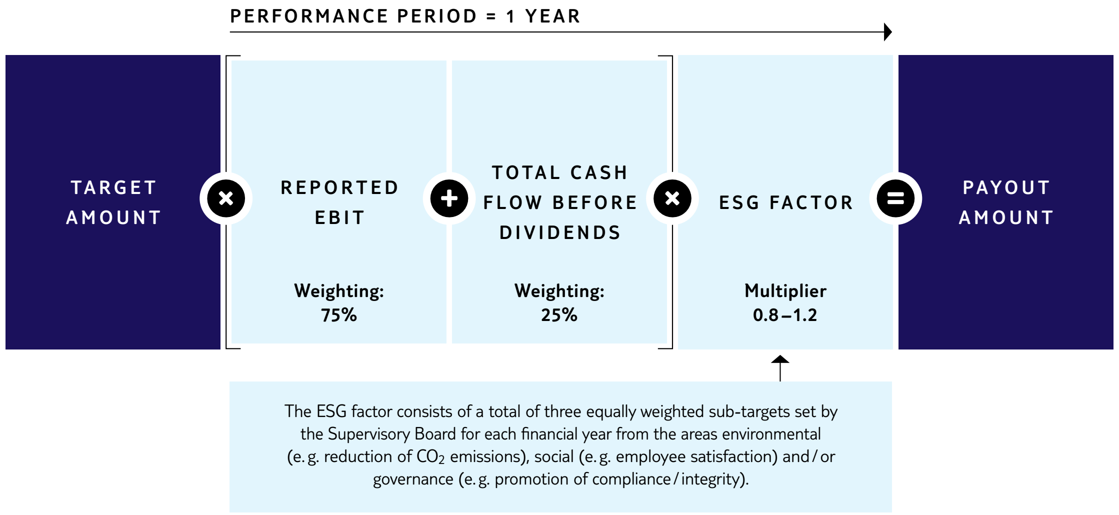
II.1 ACHIEVEMENT OF TARGETS

The following describes how the performance criteria were applied and the targets for the variable remuneration components were achieved in the financial year 2024.

II.1.1 STI

Multiplying the target amounts by the weighted target achievement levels for EBIT and cash flow and the ESG factor results in the amount taken into account for the payment of the STI for each member of the Executive Board.

Description STI



The Supervisory Board confirmed that the targets for reported EBIT and cash flow were achieved. The 2024 summer program showed positive momentum in short-term bookings. As a result, and thanks to the further expansion of the customer base, bookings were up compared to previous year's level. Average selling prices also improved compared to the previous season and helped to offset the higher inflation-related cost base. Reported earnings increased significantly compared to the previous year, resulting in a target achievement level for reported EBIT of 96%. A target achievement level of 71% was recorded for cash flow. Taking into account the weighting of the key figures, this results in an overall target achievement for the STI 2024 of 90%.

The following table relates to the ESG factor. It shows the ESG sub-targets set for financial year 2024: Increase in customer satisfaction measured using the Net Promoter Score, increase in employee satisfaction measured using the Engagement Index of the annual employee survey and reduction in CO_2 emissions derived from the targets of the TUI Sustainability Agenda 2030 published on the company's website and reviewed by the Science Based Targets Initiative. The table also shows the achievement of the ESG sub-targets in financial year 2024.

ESG Targets

	Metric	Target	Performance
1A: Reduction of CO_2 emissions: Airline	g CO_2e per rpk (Scope 1 and 2)	– 6.5% vs. FY 2019	– 6.7% vs. FY 2019
1B: Reduction of CO_2 emissions: Hotels	t CO_2e (Scope 1 and 2)	– 10.0% vs. FY 2019	– 17.0% vs FY 2019
2: Customer satisfaction	Net Promoter Score (NPS) in %	+ 3% points	+ 4% points
3: Employee satisfaction	Engagement Index	+ 1	+ 4

While the target of reducing CO_2 emissions was slightly overachieved in the Airline segment, it was exceeded significantly in the Hotels & Resorts segment. The ambitious targets for customer and employee satisfaction were also exceeded significantly. Following its evaluation, the Supervisory Board came to the conclusion to apply the multiplier 1.1 regarding the ESG factor for the active members of TUI AG's Executive Board. For the former members of the Executive Board Mr Joussen and Mr Rosenberger, who still had service agreements expiring in financial year 2024 and for whom the previous remuneration system is relevant (see also section Overview of remuneration components to be applied to departed members of the Executive Board), a factor of 1.0 was set in each case. A factor of 1.0 was also set for Mr Burling in accordance with the termination agreement for the pro rata STI in financial year 2024.

Thus, in financial year 2024, remuneration has been granted and is owed within the meaning of § 162 para. 1 sentence 1, sentence 2 no. 1 of the German Stock Corporation Act (AktG) from the STI for the financial year 2024. The value of the STI therefore corresponds to the amount for the STI for financial year 2024, which will not be paid out until financial year 2025 in accordance with the service agreement. Overall, multiplying the target amounts by the weighted target achievement levels for EBIT and cash flow as well as the ESG factor results in an STI for the members of the Executive Board that is in the opinion of the Supervisory Board commensurate with the results for the financial year.

II.1.2 LTI

The payment of the LTI tranche 2021 – 2024 is governed by the provisions of the previous remuneration system.

At the time of allocation of the LTI tranche, an average share price of TUI AG of € 3.44 had to be taken as a basis. At the end of the performance period, the average share price of TUI AG amounted to € 6.27. EPS for both the financial year 2021 and the financial year 2022 was below the € 0.50 mark at which the Supervisory Board – in accordance with the previous remuneration system – is to set new absolute EPS targets and minimum and maximum values for determining the percentage target achievement. Following the end of the remuneration restrictions in financial year 2023, the Supervisory Board has defined corresponding absolute values. A target achievement of 0 was defined for past financial years with negative EPS. For the respective remaining terms, the absolute EPS target values were determined on the basis of the originally approved plan at the beginning of the respective performance period. For the financial years 2021, 2022 and 2023, the target achievement for the LTI tranche 2021 – 2024 was 0%. Target achievement for financial year 2024 was 51%. This results in an average annual target achievement of 13% for the performance period. For the LTI tranche 2021 – 2024, remuneration has therefore been granted and is owed within the meaning of Section 162 para. 1 sentence 1, sentence 2 no. 1 AktG. The value of the LTI tranche 2021 – 2024 therefore corresponds to the amount for the LTI whose four-year term ended on 30 September 2024, but which will not be paid out until financial year 2025 in accordance with the service agreement.

II.2 LOANS OR ADVANCES

As in the previous year and previous years, no loans or advances were granted to the members of the Executive Board in financial year 2024.

II.3 APPLICATIONS

II.3.1 'REMUNERATION GRANTED AND OWED' WITHIN THE MEANING OF SECTION 162 PARA. 1 SENTENCE 1 AKTG IN FINANCIAL YEAR 2024

Pursuant to Section 162 para. 1 sentence 1 and sentence 2 no. 1 AktG, all fixed and variable remuneration components 'granted and owed' to the individual members of the Executive Board in financial year 2024 must be disclosed. The values stated for both the STI and the LTI for financial year 2024 relate to the remuneration components 'granted and owed' in the respective financial year in accordance with Section 162 para. 1 sentence 1 AktG. They thus include all benefits earned in the respective financial year. The value of the STI therefore corresponds to the amount for the STI for financial year 2024, which will not be paid out until financial year 2025 in accordance with the service agreement. The value of the LTI tranche 2021 – 2024 therefore corresponds to the amount for the LTI whose four-year term ended on 30 September 2024, but which would not be paid out until financial year 2025 in accordance with the service agreement.

In financial year 2024, the members of the Executive Board neither received nor were promised benefits from third parties with regard to their activities on the Executive Board.

Active members of the Executive Board of TUI AG – Remuneration 'granted and owed remuneration' pursuant to section 162 (1) sentence 1 AktG

	Sebastian Ebel CEO, since 1 October 2022				**Mathias Kiep** Member of the Executive Board, since 1 October 2022				**Peter Krueger** Member of the Executive Board, since 1 January 2021			
	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**
Fixed remuneration	1,100.0	37.2	1,100.0	40.6	600.0	41.7	600.0	45.8	600.0	41.7	660.0	46.3
Fringe benefits[2]	18.0	0.6	18.0	0.7	18.0	1.3	19.7	1.5	18.0	1.3	18.0	1.3
Total	**1,118.0**	**37.8**	**1,118.0**	**41.3**	**618.0**	**42.9**	**619.7**	**47.3**	**618.0**	**42.9**	**678.0**	**47.6**
STI	1,615.5	54.6	1,253.8	46.3	591.5	41.1	459.1	35.1	591.5	41.1	485.0	34.0
LTI												
LTI tranche (2020 – 2023)	0.0	0.0										
LTI tranche (2021 – 2024)			52.0	1.9							32.4	2.3
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claw back according to § 162 para. 1 sen. 2 no. 4 AktG[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**2,733.5**	**92.4**	**2,423.8**	**89.6**	**1,209.5**	**84.0**	**1,078.8**	**82.4**	**1,209.5**	**84.0**	**1,195.4**	**83.9**
Pension / service costs[4]	225.7	7.6	282.8	10.4	230.0	16.0	230.0	17.6	230.0	16.0	230.0	16.1
Total remuneration incl. pension / service costs	**2,959.2**	**100.0**	**2,706.6**	**100.0**	**1,439.5**	**100.0**	**1,308.8**	**100.0**	**1,439.5**	**100.0**	**1,425.4**	**100.0**

[1] The relative shares stated here refer to the remuneration components 'granted and owed' in the respective financial year in accordance with section 162 (1) sentence 1 AktG. They thus include all benefits actually granted in the respective financial year, irrespective of the financial year for which they were paid to the Executive Board members. The relative shares are therefore not comparable with the relative shares in the description of the remuneration system pursuant to section 87a (1) no. 3 AktG, which will be submitted to the Annual General Meeting together with this Remuneration Report. The shares stated in the remuneration system refer to the respective target values.

[2] Without insurance from group contracts

[3] The service agreements of the members of the Executive Board include – in accordance with the remuneration system adopted by the Supervisory Board in December 2023 – a compliance malus and clawback provision. In financial year 2024 TUI AG did not use this provision.

[4] For Mr Ebel, Mr Joussen and Mr Rosenbeger service costs according to IAS 19, therefore not constituting 'awarded and owed' remuneration' within the meaning of section 162 (1) sentence 1 AktG. For Mr Burling, Mr Kiep, Mr Krueger, Ms Reiss and Mr Schelp payments for pension contribution and therefore part of 'awarded and owed' remuneration within the meaning of Section 162 (1) sentence 1 AktG; adjusted previous year's figures for Mr Ebel and Mr Joussen

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Active members of the Executive Board of TUI AG – Remuneration 'granted and owed remuneration' pursuant to section 162 (1) sentence 1 AktG

	Sybille Reiss Member of the Executive Board since 1 July 2021				David Schelp Member of the Executive Board since 1 January 2024			
	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**
Fixed remuneration	600.0	41.7	620.0	46.0	0.0	0.0	450.0	45.9
Fringe benefits[2]	18.0	1.3	18.0	1.3	0.0	0.0	13.5	1.4
Total	**618.0**	**42.9**	**638.0**	**47.4**	**0.0**	**0.0**	**463.5**	**47.3**
STI	591.5	41.1	467.7	34.7	0.0	0.0	344.3	35.1
LTI								
LTI tranche (2020 – 2023)								
LTI tranche (2021 – 2024)			10.8	0.8				
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claw back according to § 162 para. 1 sen. 2 no. 4 AktG[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**1,209.5**	**84.0**	**1,116.5**	**82.9**	**0.0**	**0.0**	**807.8**	**82.4**
Pension / service costs[4]	230.0	16.0	230.0	17.1	0.0	0.0	172.5	17.6
Total remuneration incl. pension / service costs	**1,439.5**	**100.0**	**1,346.5**	**100.0**	**0.0**	**0.0**	**980.3**	**100.0**

1 The relative shares stated here refer to the remuneration components 'granted and owed' in the respective financial year in accordance with section 162 (1) sentence 1 AktG. They thus include all benefits actually granted in the respective financial year, irrespective of the financial year for which they were paid to the Executive Board members. The relative shares are therefore not comparable with the relative shares in the description of the remuneration system pursuant to section 87a (1) no. 3 AktG, which will be submitted to the Annual General Meeting together with this Remuneration Report. The shares stated in the remuneration system refer to the respective target values.

2 Without insurance from group contracts

3 The service agreements of the members of the Executive Board include – in accordance with the remuneration system adopted by the Supervisory Board in December 2023 – a compliance malus and clawback provision. In financial year 2024 TUI AG did not use this provision.

4 For Mr Ebel, Mr Joussen and Mr Rosenbeger service costs according to IAS 19, therefore not constituting 'awarded and owed' remuneration' within the meaning of section 162 (1) sentence 1 AktG. For Mr Burling, Mr Kiep, Mr Krueger, Ms Reiss and Mr Schelp payments for pension contribution and therefore part of 'awarded and owed' remuneration within the meaning of Section 162 (1) sentence 1 AktG; adjusted previous year's figures for Mr Ebel and Mr Joussen

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Former members of the Executive Board of TUI AG with current service agreements in the reporting period – Remuneration 'granted and owed remuneration' pursuant to section 162 (1) sentence 1 AktG

	Friedrich Joussen CEO, since 14 February 2013[5]				David Burling Member of the Executive Board, since 1 June 2015[6]				Frank Rosenberger Member of the Executive Board, since 1 January 2017[7]			
	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**	€ '000 2023	in %[1]	**€ '000 2024**	**in %[1]**
Fixed remuneration	1,100.0	38.0	1,100.0	39.3	680.0	43.3	180.2	4.1	600.0	54.2	150.0	50.4
Fringe benefits[2]	0.0	0.0	0.0	0.0	30.3	1.9	4.8	0.1	13.3	1.2	0.0	0.0
Total	**1,100.0**	**38.0**	**1,100.0**	**39.3**	**710.3**	**45.2**	**185.0**	**4.2**	**613.3**	**55.4**	**150.0**	**50.4**
STI	1,346.2	46.5	1,139.8	40.8	636.0	40.5	118.9	2.7	492.9	44.6	104.3	35.1
LTI												
LTI tranche (2020 – 2023)	0.0	0.0			0.0	0.0			0.0	0.0		
LTI tranche (2021 – 2024)			103.8	3.7			52.0	1.2			43.2	14.5
Others	0.0	0.0	0.0	0.0	0.0	0.0	3,937.5	90.5	0.0	0.0	0.0	0.0
Claw back according to § 162 para. 1 sen. 2 no. 4 AktG[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**2,446.2**	**84.4**	**2,343.6**	**83.8**	**1,346.3**	**85.7**	**4,293.4**	**98.6**	**1,106.2**	**100.0**	**297.5**	**100.0**
Pension / service costs[4]	451.8	15.6	452.9	16.2	225.0	14.3	59.6	1.4	0.0	0.0	0.0	0.0
Total remuneration incl. pension / service costs	**2,898.0**	**100.0**	**2,796.5**	**100.0**	**1,571.3**	**100.0**	**4,353.0**	**100.0**	**1,106.2**	**100.0**	**297.5**	**100.0**

1 The relative shares stated here refer to the remuneration components 'granted and owed' in the respective financial year in accordance with section 162 (1) sentence 1 AktG. They thus include all benefits actually granted in the respective financial year, irrespective of the financial year for which they were paid to the Executive Board members. The relative shares are therefore not comparable with the relative shares in the description of the remuneration system pursuant to section 87a (1) no. 3 AktG, which will be submitted to the Annual General Meeting together with this Remuneration Report. The shares stated in the remuneration system refer to the respective target values.
2 Without insurance from group contracts
3 The service agreements of the members of the Executive Board include – in accordance with the remuneration system adopted by the Supervisory Board in December 2023 – a compliance malus and clawback provision. In financial year 2024 TUI AG did not use this provision.
4 For Mr Ebel, Mr Joussen and Mr Rosenbeger service costs according to IAS 19, therefore not constituting 'awarded and owed' remuneration' within the meaning of section 162 (1) sentence 1 AktG. For Mr Burling, Mr Kiep, Mr Krueger, Ms Reiss and Mr Schelp payments for pension contribution and therefore part of 'awarded and owed' remuneration within the meaning of Section 162 (1) sentence 1 AktG; adjusted previous year's figures for Mr Ebel and Mr Joussen
5 Member of the Executive Board since 15 October 2012 until 30 September 2022; Co-Chairman of the Executive Board from 9 December 2014 to 9 February 2016
6 Member of the Executive Board until 5 January 2024
7 Member of the Executive Board until 31 October 2022

II.3.2 COMPLIANCE WITH THE MAXIMUM REMUNERATION AS REMUNERATION CAPS

For financial year 2024, in addition to the maximum amounts for the one-year and multi-year variable remuneration in accordance with Section 87a para. 1 sentence 2 no. 1 AktG, a maximum amount for the remuneration for the financial year as a whole (including fringe benefits and pension commitments) is also provided for. This maximum remuneration is € 7.5 m for the CEO and € 3.5 m for an ordinary member of the Executive Board and relates to the remuneration granted for a financial year. If the remuneration for financial year 2024 exceeds the aforementioned maximum limit, the LTI will be reduced accordingly. As the multi-year variable remuneration component is not available until the third year after the end of the reporting year due to the four-year performance period, a final report on compliance with the maximum remuneration for financial year 2024 can only be provided in the remuneration report for financial year 2027.

With the end of the performance period of the LTI tranche 2021 – 2024, compliance with the maximum remuneration for financial year 2021 has now also been determined. It should be noted that no member of the Executive Board exceeded the defined maximum remuneration amounts in financial year 2021.

II.3.3 COMPARISON OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD WITH THE DEVELOPMENT OF EARNINGS AND THE AVERAGE REMUNERATION OF EMPLOYEES OF TUI AG

The following table shows a comparison of the percentage change in the remuneration of the members of the Executive Board with the development of TUI AG's earnings and the average remuneration of employees on a full-time equivalent basis compared with the previous financial year. The remuneration of the members of the Executive Board shown in the table reflects the benefits earned in the respective financial year. For active members of the Executive Board, these values for financial year 2024 correspond to the values shown in the table 'Remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG'.

As a matter of principle, the development of earnings is presented on the basis of the development of TUI AG's profit for the year in accordance with section 275 (2) no. 17 of the German Commercial Code (HGB). Since the remuneration of the members of the Executive Board is also largely dependent on the development of Group key performance indicators, the development of the TUI Group's underlying EBIT for financial years 2020, 2021, 2022, 2023 and 2024 as reported in the consolidated financial statements and the TUI Group's underlying EBITA for financial year 2019 as reported in the consolidated financial statements are also presented as the TUI Group's earnings performance.

The comparison with the development of average employee remuneration is based on the average remuneration of TUI AG's workforce. Since the employee and remuneration structures in the subsidiaries are diverse, in particular with regard to employees abroad, it is appropriate to base the comparison of the development of average remuneration only on the workforce of TUI AG. The remuneration of all employees, including senior executives within the meaning of section 5 (3) German Works Council Constitution Act (Betriebsverfassungsgesetz – BetrVG), was taken into account. Where employees also receive remuneration as members of TUI AG's Supervisory Board, this remuneration was not taken into account. To ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

Comparison of annual change to Executive Board remuneration according to section 162 (para 1) no. 2 AktG

Annual change (in %)	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021[6]	2021 vs. 2020	2020 vs. 2019
Executive Board remuneration[1]					
Sebastian Ebel (CEO since 1 October 2022)	– 10	252	0	4	– 2
Mathias Kiep (CFO since 1 October 2022)	– 9				
Peter Krueger[7]	– 1	70	33		
Sybille Reiss[7]	– 6	70	300		
David Schelp (CEO M+A since 1 January 2024)					
Friedrich Joussen (CEO until 30 September 2022)	– 4	80	0	5	– 1
David Burling (CEO M+A until 5 January 2024)	– 74	70	0	7	– 8
Frank Rosenberger (CIO until 31 October 2022)	– 78	56	– 1	5	– 1
Horst Baier (CFO until 30 September 2018)[2]	5	7	0	5	10
Birgit Conix (CFO until 31 December 2020)			– 100	– 32	– 4
Dr Elke Eller (CHRO until 30 June 2021)		– 100	– 97	– 1	0
Earnings performance					
TUI AG[3]	133	3	– 8	78	– 1,994
TUI Group[4]	33	139	120	31	– 435
Average employee remuneration on FTE basis					
Company employees[5]	– 3	31[8]	10	6	– 2

1 Remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG (fixed remuneration, STI, LTI, fringe benefits and fixed annual pension payment for Mr Burling, Mr Kiep, Mr Krueger, Ms Reiss and Mr Schelp). In addition to the active members of the Executive Board, those former Executive Board members were taken into account who still received remuneration from their active activities within the comparison period.

2 Mr Baier received a payout from his pension plan in financial years 2019 to 2024. In financial year 2021, he received a final payout from the remuneration paid and owed from the 2017 / 2020 LTI tranche.

3 Annual result within the meaning of section 275 para 2 no. 17 HGB

4 Adjusted EBIT of TUI Group for financial years 2024, 2023, 2022, 2021 and 2020. For financial year 2019, adjusted EBITA of TUI Group

5 This development 2024 vs 2023 reflects the lower target achievement of variable compensation components compared to the previous year.

6 The comparison for financial years 2021 and 2022 was based on the amended definition of remuneration granted and owed pursuant to section 162 (1) no. 2 AktG.

7 Pro rata remuneration in financial year 2021

8 Due to the slightly higher actual target achievement, which could only be calculated at the beginning of the FY 2024, there is a slight deviation in the variable remuneration, which resulted in a retrospective adjustment of the percentage rate.

REVIEW OF THE APPROPRIATENESS OF EXECUTIVE BOARD REMUNERATION AND PENSIONS

The Supervisory Board carried out the annual review of the Executive Board remuneration and pensions for financial year 2024. It came to the conclusion that the amount of the Executive Board remuneration and the pensions are appropriate from a legal perspective within the meaning of Section 87 (1) of the German Stock Corporation Act (AktG).

To assess the appropriateness of the Executive Board's remuneration and pension, the Supervisory Board also regularly seeks external advice. On the one hand, the ratio between the amount and structure of Executive Board remuneration and the remuneration of senior management and the workforce as a whole is assessed from a company-external perspective (vertical comparison). In addition to a status quo analysis, the vertical comparison also takes into account the development of remuneration ratios over time. Secondly, the remuneration level and structure are assessed on the basis of TUI AG's positioning in a comparative market (horizontal comparison). The entirety of the companies listed in the DAX and MDAX were used as the peer group. The horizontal comparison includes fixed remuneration as well as short-term and long-term remuneration components and the level of the company pension scheme.

In financial year 2023, the consulting firm hkp group was commissioned to prepare an expert opinion on the appropriateness of the remuneration of the members of the Executive Board. The partner of the hkp group responsible for conducting the survey was not dependent on the Executive Board of TUI AG or the company. The findings of the external consultant confirmed the Supervisory Board's assessment that the level of Executive Board remuneration in financial year 2023 complies with the requirements of section 87(1) of the German Stock Corporation Act (AktG) and the recommendations of the GCGC. For financial year 2024, the Supervisory Board did not commission a corresponding expert opinion on the market level of remuneration for members of the Executive Board to assess its appropriateness. This is due to the fact that the target remuneration of newly appointed and reappointed members of the Executive Board did not exceed the level of existing members of the Executive Board and was not above the pre-COVID-19 level.

III.3.4 BENEFITS TO FORMER MEMBERS OF THE EXECUTIVE BOARD

Total pension payments for former members of the Executive Board and their surviving dependants amounted to € 6,641.6 k in financial year 2024 (previous year € 6,361.9 k). Of this amount, 1,036.5 k in financial year 2024 was attributable to Michael Frenzel, who left the Executive Board on 31 March 2014, and € 1,121.9 k to Horst Baier, who left the Executive Board on 30 September 2018. The remaining payments related to former members of the Executive Board who left TUI AG's Executive Board more than ten years ago.

Pension provisions for former members of the Executive Board and their surviving dependants amounted to € 63,793.6 k (previous year € 59,098.9 k) at the balance sheet date, measured in accordance with IAS 19 – excluding the entitlements of Mr Ebel of € 4,122.8 k (previous year € 3,796.0 k), which he earned in the framework of his service for the TUI Group prior to 31 August 2006.

TUI AG and Ms Conix have agreed on the early termination of her Executive Board mandate with effect from the end of 31 December 2020. For the 2021 – 2024 tranche, an LTI of € 41.0 k will be granted for financial year 2021.

TUI AG and Dr Eller have agreed on the early termination of her Executive Board mandate and the Labour Director mandate as of 30 June 2021. For the 2021 – 2024 tranche, an LTI of € 49.2 k will be granted for the 2021 financial year.

On 24 June 2022, Mr Joussen exercised his right to resign from his office as a member of the Executive Board prematurely as of 30 September 2022. During the 24-month expiry period, TUI AG has given an assurance that the service agreement will be processed in accordance with the service agreement until the termination date. Until this date, TUI AG will also continue to make contributions to the company pension scheme. In financial year 2024, Mr Joussen was granted fixed remuneration of € 1,100.0 k and variable remuneration of € 1,243.6 k.

TUI AG and Mr Rosenberger have agreed on the premature termination of his Executive Board mandate with effect from the end of 31 October 2022. On the occasion of the termination, TUI AG concluded a termination agreement with Mr Rosenberger. The subject matter of the termination agreement included the continuation of the service agreement until the end of the regular termination date, i.e. until the end of 31 December 2023. TUI AG had promised Mr Rosenberger that his remuneration would be processed in accordance with the service agreement until the termination date of the service agreement. Until this date, TUI AG also continued to make contributions to the company pension scheme. In financial year 2024, Mr Rosenberger was granted fixed remuneration of € 150.0 k and variable remuneration of € 147.6 k.

TUI AG and Mr Burling have agreed on the premature termination of his Executive Board mandate with effect from the end of 5 January 2024. On the occasion of the termination, TUI AG concluded a termination agreement with Mr Burling. The subject matter of the termination agreement included the continuation of the service agreement until the end of the resignation date, i.e. until the end of 5 January 2024. TUI AG continued to make contributions to the company pension scheme until this date. Variable remuneration components from the STI and LTI will be calculated pro rata temporis for financial year 2024. In financial year 2024, Mr Burling was granted fixed remuneration of € 180.2 k and variable remuneration of € 170.9 k. In addition, TUI AG granted Mr Burling a severance payment of € 4.2 m as compensation for the premature termination of his service agreement. Of this amount, € 3.15 m was due at the time of resignation, while the partial amount of € 1.05 m will be paid out in 12 monthly instalments as compensation for a 12-month non-competition clause.

Supervisory Board and Supervisory Board Remuneration

CONFIRMATION OF THE REMUNERATION SYSTEM BY THE SHAREHOLDERS

In accordance with the German Stock Corporation Act, the Annual General Meeting of a listed company must pass a resolution on the remuneration system for the members of the Supervisory Board at least every four years. A resolution confirming the existing remuneration is also permissible. Such a resolution was passed by the Annual General Meeting on 25 March 2021. The remuneration system for the members of the Supervisory Board was approved by 99.7%. In addition, the prepared and audited remuneration report within the meaning of Section 162 AktG for the financial year ending 30 September 2023 was approved by the shareholders of TUI AG on 13 February 2024 with 87.53%. Any comments made will be taken into account for discussion with the Supervisory Board and may be taken into account in the review of the remuneration system for the members of the Supervisory Board for resolution by the Annual General Meeting at the 2025 Annual General Meeting.

COMPOSITION OF THE SUPERVISORY BOARD

In accordance with the Articles of Association, the Supervisory Board of TUI AG comprises a total of 20 members. At the Annual General Meeting on 13 February 2024, four mandates on the shareholder representatives' side had to be filled or reappointed.

Composition of the Supervisory Board

Dr Dieter Zetsche	Member since 13 February 2018, Chairman
Frank Jakobi*	Member since 15 August 2007, Vice-Chairman
Ingrid-Helen Arnold	Member since 11 February 2020
Sonja Austermühle*	Member since 1 April 2022
Christian Baier	Member since 31 May 2022
Andreas Barczewski*	Member since 10 May 2006
Peter Bremme*	Member since 2 July 2014
Dr Jutta Dönges	Member since 25 March 2021
Prof. Dr Edgar Ernst	Member since 9 February 2011
Wolfgang Flintermann*	Member since 13 June 2016
María Garaña Corces	Member since 11 February 2020
Stefan Heinemann*	Member since 21 July 2020
Janina Kugel	Member since 25 March 2021
Helena Murano	Member since 31 May 2022
Mark Muratovic*	Member since 25 March 2021
Coline McConville	Member since 11 December 2014
Anette Strempel*	Member since 2 January 2009
Joan Trían Riu	Member since 12 February 2019
Tanja Viehl*	Member since 25 March 2021
Stefan Weinhofer*	Member since 9 February 2016

* Employee representatives

I. REMUNERATION OF THE SUPERVISORY BOARD IN THE FINANCIAL YEAR 2024

The rules and remuneration of the members of the Supervisory Board are set out in section 18 of TUI AG's Articles of Association, which are permanently accessible to the public on the internet. Supervisory Board remuneration is reviewed at appropriate intervals. This takes into account the time commitment for the mandate and the practice in companies of comparable size, industry and complexity.

(1) Fixed remuneration Supervisory Board	TARGET	The aim is to attract and retain highly qualified members of the Supervisory Board. This promotes the efficiency of the Supervisory Board's work and the long-term development of TUI AG. • Chairman: € 270.0 k • Vice-Chairman: € 180.0 k • Member: € 90.0 k • In each case plus the sales tax due on the remuneration In accordance with the provisions of TUI AG's Articles of Association, retired members of the Supervisory Board shall receive fixed remuneration (pro rata temporis) from TUI AG for the last time immediately after the end of the financial year in which they resigned for the duration of their membership of TUI AG's Supervisory Board. After the final payment of the fixed remuneration (pro rata temporis), retired Supervisory Board members shall no longer receive remuneration from TUI AG for their former Supervisory Board activities.
(2) Fixed remuneration Committees	PRESIDING COMMITTEE	• Chairman: € 42.0 k • Member: € 42.0 k
	AUDIT COMMITTEE	• Chairman: € 126.0 k • Member: € 42.0 k
	NOMINATION COMMITTEE	• None
	TRANSACTION COMMITTEES	• None
(3) Attendance fees		• Supervisory Board: € 1.0 k per meeting • Presiding Committee: € 1.0 k per meeting • Audit Committee: € 1.0 k per meeting • Nomination Committee: € 1.0 k per meeting • Transaction committees: none
(4) Maximum remuneration		As the remuneration of the members of the Supervisory Board is not made up of variable but exclusively of fixed components, there is no need to set a maximum total remuneration for the members of the Supervisory Board. The provisions of the German Stock Corporation Act (AktG) expressly only stipulate a maximum remuneration for the members of the Executive Board, but not for the members of the Supervisory Board.
(5) D&O	TARGET	In addition, the members of the Supervisory Board are included in a pecuniary damage liability insurance policy (so-called D&O insurance) taken out by the Company in the interest of the Company at an appropriate amount. The premiums for this are paid by the Company. There is no deductible.

I.1 TOTAL REMUNERATION OF THE SUPERVISORY BOARD

I.1.1 'REMUNERATION GRANTED AND OWED' WITHIN THE MEANING OF SECTION 162 PARA. 1 SENTENCE 1 AKTG IN THE FINANCIAL YEAR 2024

Pursuant to Section 162 (1) sentence 1, sentence 2 no. 1 AktG, all fixed and variable remuneration components 'granted and owed' to the individual members of the Supervisory Board in financial year 2024 must be disclosed. The values stated refer to the remuneration components 'granted and owed' in the respective financial year pursuant to Section 162 (1) sentence 1 AktG. They thus include all benefits earned in the respective financial year, regardless of whether they were received by the members of the Supervisory Board in the respective financial year. In terms of value, the amounts for financial year 2024 are therefore also taken into account, which, according to the Articles of Association, will only be paid out in financial year 2025. The remuneration granted and owed to the Supervisory Board includes the fixed remuneration earned for financial year 2024, although, according to the Articles of Association, it will only be paid in financial year 2025. The attendance fees, on the other hand, are usually paid immediately after the respective meetings, hence the attendance fees for the Supervisory Board meetings in 2024 were also paid in the financial year 2024.

Total remuneration granted and owed to the Supervisory Board

€ '000	**2024**	2023
Fixed remuneration	2,070.0	2,070.0
Remuneration for committee memberships	672.0	672.0
Attendance fees	154.0	292.0
Total remuneration for TUI AG Supervisory Board mandate	2,896.0	3,034.0
Remuneration for Supervisory Board mandates in the Group	34.9	47.7
Total	**2,930.9**	**3,081.7**

Travel costs and expenses of € 42.7 k (previous year € 41.9 k) were also reimbursed. The remuneration of the Supervisory Board in financial year 2024, together with the reimbursement of travel costs and expenses, therefore amounted to € 2,973.6 k (previous year € 3,123.6 k).

I.2. 'REMUNERATION GRANTED AND OWED' WITHIN THE MEANING OF SECTION 162 PARA. 1 SENTENCE 1 AKTG IN THE FINANCIAL YEAR 2024

Pursuant to Section 162 (1) sentence 1, sentence 2 no. 1 of the German Stock Corporation Act (AktG), all fixed and variable remuneration components 'granted and owed' to the individual members of the Supervisory Board in financial year 2024 must be disclosed. The values stated refer to the remuneration components 'granted and owed' in the respective financial year pursuant to Section 162 (1) sentence 1 AktG. They thus include all benefits earned in the respective financial year, regardless of whether they were received by the members of the Supervisory Board in the respective financial year. In terms of value, the amounts for financial year 2024 are therefore also taken into account, although according to the Articles of Association, they will only be paid out in financial year 2025.

Granted and owed remuneration of the Supervisory Board (individual) in FY 2024

	Fixed remuneration		Remuneration for committee		Attendance fees		Remuneration for Supervisory Board mandates in the Group		
	€ '000	in %	€ '000	in %	€ '000	in %	€ '000	in %	**Total**
Dr Dieter Zetsche (Chairman)	270.0	73.0	84.0	22.7	16.0	4.3			370.0
Frank Jakobi (Vice Chairman)	180.0	64.7	84.0	30.2	14.0	5.0			278.0
Ingrid-Helen Arnold	90.0	95.7		0.0	4.0	4.3			94.0
Sonja Austermühle	90.0	95.7		0.0	4.0	4.3			94.0
Christian Baier	90.0	63.8	42.0	29.8	9.0	6.4			141.0
Andreas Barczewski	90.0	78.9		0.0	4.0	3.5	20.0	17.5	114.0
Peter Bremme	90.0	63.8	42.0	29.8	9.0	6.4			141.0
Dr Jutta Dönges	90.0	47.6	84.0	44.4	15.0	7.9			189.0
Prof. Dr Edgar Ernst	90.0	32.8	168.0	61.3	16.0	5.8			274.0
Wolfgang Flintermann	90.0	95.7		0.0	4.0	4.3			94.0
María Garaña Corces	90.0	95.7		0.0	4.0	4.3			94.0
Stefan Heinemann	90.0	63.8	42.0	29.8	9.0	6.4			141.0
Janina Kugel	90.0	95.7		0.0	4.0	4.3			94.0
Coline McConville	90.0	96.8		0.0	3.0	3.2			93.0
Helena Murano	90.0	95.7		0.0	4.0	4.3			94.0
Mark Muratovic	90.0	57.7	42.0	26.9	9.0	5.8	14.9	9.6	155.9
Anette Strempel	90.0	63.8	42.0	29.8	9.0	6.4			141.0
Joan Trían Riu	90.0	95.7		0.0	4.0	4.3			94.0
Tanja Viehl	90.0	95.7		0.0	4.0	4.3			94.0
Stefan Weinhofer	90.0	63.8	42.0	29.8	9.0	6.4			141.0
Total	**2,070.0**	**70.6**	**672.0**	**22.9**	**154.0**	**5.3**	**34.9**	**1.2**	**2,930.9**

I.3 COMPARISON OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD WITH THE DEVELOPMENT OF EARNINGS AND THE AVERAGE REMUNERATION OF TUI AG EMPLOYEES

The following table discloses a comparison of the percentage change in the remuneration of the members of the Supervisory Board with the development of TUI AG's earnings and the average remuneration of employees on a full-time equivalent basis compared with the previous financial year. The remuneration of the members of the Supervisory Board included in the table reflects the amounts earned in the respective financial year. For financial year 2024, these values correspond to the values shown in the table 'Remuneration granted and owed within the meaning of Section 162 (1) sentence 1 AktG'. If members of the Supervisory Board had previously belonged to the Executive Board of TUI AG and had received remuneration for this, this would not be included in the comparative presentation. However, this does not apply to any member of the Supervisory Board.

The development of earnings is generally presented on the basis of the development of TUI AG's profit for the year in accordance with section 275 (2) no. 17 of the German Commercial Code (HGB).

The comparison with the development of average employee remuneration is based on the average remuneration of TUI AG's workforce. Since the employee and remuneration structures in the subsidiaries are diverse, in particular with regard to employees abroad, it is appropriate to base the comparison of the development of average remuneration only on the workforce of TUI AG. The remuneration of all employees, including senior executives within the meaning of section 5 (3) of the German Works Constitution Act (BetrVG), was taken into account. Employee remuneration did not include remuneration received by employees as members of TUI AG's Supervisory Board. To ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

Comparison of annual change to Supervisory Board remuneration according to section 162 para 1 no. 2 AktG

Annual change (in %)	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021[6]	2021 vs. 2020	2020 vs. 2019
Supervisory Board remuneration[1]					
Dr Dieter Zetsche	–2	–18	2	17	71
Frank Jakobi	–3	–13	–3	18	0
Ingrid-Helen Arnold	–5	2	–5	91	
Sonja Austermühle	–16	84			
Christian Baier	–4	198			
Andreas Barczewski	–5	1	–22	–6	–13
Peter Bremme	–5	2	–5	9	–14
Dr Jutta Dönges	–3	–7	111		
Prof. Dr Edgar Ernst	–3	–13	4	15	–6
Wolfgang Flintermann	–6	3	–8	16	–10
María Garaña Corces	–5	2	–6	96	
Angelika Gifford[2]				–47	12
Stefan Heinemann	–6	3	12	814	
Dr Dierk Hirschel[2]				–46	–15
Janina Kugel	–6	3	81		
Peter Long[2]				–46	–8
Vladimir Lukin[2]		–100	–54	47	279
Coline McConville	–7	–29	–8	10	–16
Alexey Mordashov[2]		–100	–96	8	–8
Helena Murano	–6	210			
Mark Muratovic	–5	2	92		
Michael Pönipp[2]				–34	–8
Carola Schwirn[2]			–62	16	–21
Anette Strempel	–5	2	–5	8	–14
Joan Trían Riu	–6	3	–8	16	41
Tanja Viehl	–6	3	78		
Stefan Weinhofer	–6	3	12	44	–10
Earnings performance					
TUI AG[3]	133	3	–8	78	–1,994
TUI Group[4]	33	139	120	31	–435
Average employee remuneration on FTE basis					
Company employees[5]	–3	31[7]	10	6	–2

1 Table includes all members of the Supervisory Board that have been active during the 5-year comparison period. Changes airse in particular from the date of entry into the Supervisory Board, committee membership, the respective date of resignation and the number of meetings.
2 Former members of the Supervisory Board
3 Annual result within the meaning of section 275 (2) no. 17 HGB
4 Adjusted EBIT of the TUI Group for financial years 2024, 2023, 2022, 2021 and 2020. For financial year 2019, adjusted EBITA of the TUI Group
5 The development takes into account the lower target achievement of variable remuneration components compared to the previous year.
6 The comparison for 2021 and 2022 was based on the amended definition of remuneration granted and owed pursuant to Section 162 (1) no. 2 AktG.
7 Due to the slightly higher actual target achievement, which could only be calculated at the beginning of the FY 2024, there is a slight deviation in the variable remuneration, which resulted in a retrospective adjustment of the percentage rate.

Apart from the work performed by the employee representatives in the framework of their employment contracts, the members of the Supervisory Board did not provide any personal services, such as consulting or agency services, for TUI AG or its subsidiaries in financial year 2024 and therefore did not receive any additional remuneration for such services.

4

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Consolidated Financial Statements

Consolidated Income Statement of TUI AG for the period from 1 Oct 2023 to 30 Sep 2024

€ million	Notes	2024	2023
Revenue	(1)	23,167.3	20,665.9
Cost of sales	(2)	21,221.2	19,052.9
Gross profit		**1,946.1**	**1,613.0**
Administrative expenses	(2)	1,045.8	1,015.6
Other income	(3)	14.4	37.6
Other expenses	(3)	17.1	32.0
Impairment (+) / reversals (–) of impairment of financial assets	(39)	–0.9	18.4
Financial income	(4)	109.7	87.6
Financial expenses	(5)	518.3	533.6
Share of result of investments accounted for using the equity method	(6)	371.7	407.2
Impairment (+) / reversals (–) of impairment of net investments in joint ventures and associates	(6)	0.2	–5.4
Earnings before income taxes		**861.4**	**551.2**
Income taxes (expense (+), income (–))	(7)	154.0	95.5
Group profit		**707.4**	**455.7**
Group profit attributable to shareholders of TUI AG	(8)	507.1	305.8
Group profit attributable to non-controlling interest	(9)	200.3	149.9

Earnings per share

€	Notes	2024	2023
Basic earnings	(10)	**1.00**	**0.80**
Diluted earnings*	(10)	**0.99**	**0.80**

* Previous year adjusted

Consolidated Statement of Comprehensive Income of TUI AG for the period from 1 Oct 2023 to 30 Sep 2024

€ million	Notes	2024	2023
Group profit		**707.4**	**455.7**
Remeasurements of defined benefit obligations and related fund assets		–120.7	–241.4
Other comprehensive income of investments accounted for using the equity method that will not be reclassified		–0.1	1.3
Fair value profit on investments in equity instruments designated as at FVTOCI		0.9	23.7
Income tax related to items that will not be reclassified (expense (–), income (+))	(11)	33.9	47.6
Items that will not be reclassified to profit or loss		**–85.9**	**–168.7**
Foreign exchange differences		–245.2	–65.6
Foreign exchange differences outside profit or loss		–245.4	–75.9
Reclassification		0.1	10.3
Cash flow hedge reserve (OCI I)		–591.2	169.3
Changes in the fair value		–569.3	106.9
Reclassification		–21.9	62.4
Cost of hedging reserve (OCI II)		5.7	–
Changes in the fair value		5.7	–
Other comprehensive income of investments accounted for using the equity method that may be reclassified		–18.9	1.4
Changes in the measurement outside profit or loss		–18.9	1.4
Income tax related to items that may be reclassified (expense (–), income (+))	(11)	131.0	–37.1
Items that may be reclassified to profit or loss		**–718.5**	**68.1**
Other comprehensive income		**–804.4**	**–100.7**
Total comprehensive income		**–97.0**	**355.1**
attributable to shareholders of TUI AG		–235.3	197.7
attributable to non-controlling interest		138.3	157.3

Consolidated Statement of Financial Position of TUI AG as at 30 Sep 2024

€ million	Notes	30 Sep 2024	30 Sep 2023
Assets			
Goodwill	(12)	2,998.7	2,949.2
Other intangible assets	(13)	589.6	538.0
Property, plant and equipment	(14)	3,697.4	3,480.3
Right-of-use assets	(15)	2,538.7	2,763.4
Investments in joint ventures and associates	(16)	1,507.5	1,198.2
Trade and other receivables	(17), (39)	131.7	74.7
Derivative financial instruments	(39)	16.7	10.3
Other financial assets	(39)	11.2	10.8
Touristic payments on account	(18)	168.8	152.5
Other non-financial assets	(19)	81.2	100.7
Income tax assets		17.2	17.2
Deferred tax assets	(20)	389.2	310.6
Non-current assets		**12,148.0**	**11,605.9**
Inventories	(21)	66.4	62.1
Trade and other receivables	(17), (39)	1,145.7	1,090.4
Derivative financial instruments	(39)	14.1	258.2
Other financial assets	(39)	53.4	48.6
Touristic payments on account	(18)	917.3	787.4
Other non-financial assets	(19)	188.6	129.9
Income tax assets		35.0	41.0
Cash and cash equivalents	(22), (39)	2,848.2	2,060.3
Assets held for sale	(23)	–	68.6
Current assets		**5,268.8**	**4,546.5**
Total assets		**17,416.7**	**16,152.4**

Consolidated Statement of Financial Position of TUI AG as at 30 Sep 2024

€ million	Notes	30 Sep 2024	30 Sep 2023
Equity and liabilities			
Subscribed capital	(24)	507.4	507.4
Capital reserves	(25)	7,980.4	9,090.1
Revenue reserves	(26)	–7,531.5	–8,474.6
Equity before non-controlling interest		**956.4**	**1,122.9**
Non-controlling interest	(28)	817.9	824.3
Equity		**1,774.3**	**1,947.2**
Pension provisions and similar obligations	(29)	630.7	637.1
Other provisions	(30)	884.6	848.5
Non-current provisions		**1,515.3**	**1,485.7**
Financial liabilities	(31), (39)	1,543.6	1,198.5
Lease liabilities	(31), (39)	2,057.4	2,216.9
Derivative financial instruments	(39)	44.1	1.7
Other financial liabilities	(39)	43.3	2.6
Other non-financial liabilities	(33)	297.5	252.9
Income tax liabilities		8.5	11.0
Deferred tax liabilities	(20)	103.2	159.0
Non-current liabilities		**4,097.7**	**3,842.6**
Non-current provisions and liabilities		**5,613.0**	**5,328.3**
Pension provisions and similar obligations	(39)	33.7	33.3
Other provisions	(30)	445.7	333.4
Current provisions		**479.3**	**366.7**
Financial liabilities	(31), (39)	358.8	98.5
Lease liabilities	(31), (39)	582.4	701.2
Trade payables	(39)	3,393.2	3,373.7
Derivative financial instruments	(39)	415.3	35.3
Other financial liabilities	(39)	125.1	121.8
Touristic advance payments received	(32)	4,017.1	3,530.2
Other non-financial liabilities	(33)	557.6	534.1
Income tax liabilities		100.5	113.8
Current liabilities		**9,550.0**	**8,508.6**
Liabilities related to assets held for sale	(34)	–	1.6
Current provisions and liabilities		**10,029.3**	**8,876.9**
Total equity, liabilities and provisions		**17,416.7**	**16,152.4**

Consolidated Statement of Changes in Equity of TUI AG for the period from 1 Oct 2023 to 30 Sep 2024

€ million	Subscribed capital	Capital reserves	Other revenue reserves	Foreign exchange differences	Financial assets at FVTOCI	Cash flow hedge reserve (OCI I)	Cost of hedging reserve (OCI II)	Revaluation reserve	Revenue reserves	Silent participation	Equity before non-controlling interest	Non-controlling interest	**Total**
Notes	(24)	(25)							(26)			(28)	
Balance as at 1 Oct 2022	**1,785.2**	**6,085.9**	**–7,410.3**	**–1,050.4**	**–25.2**	**40.4**	**–**	**12.8**	**–8,432.8**	**420.0**	**–141.7**	**787.3**	**645.7**
Dividends	–	–	–	–	–	–	–	–	–	–	–	–120.4	–120.4
Coupon on silent participation	–	–	–16.8	–	–	–	–	–	–16.8	–	–16.8	–	–16.8
Capital increase	328.9	1,432.0	–	–	–	–	–	–	–	–	1,760.9	–	1,760.9
Capital reduction	–1,606.7	1,606.7	–	–	–	–	–	–	–	–	–	–	–
WSF repurchase agreement	–	–34.5	–222.8	–	–	–	–	–	–222.8	–420.0	–677.4	–	–677.4
Group profit for the year	**–**	**–**	**305.8**	**–**	**–**	**–**	**–**	**–**	**305.8**	**–**	**305.8**	**149.9**	**455.7**
Foreign exchange differences	–	–	–6.8	–60.1	–0.1	–6.3	–	–	–73.3	–	–73.3	7.7	–65.6
Financial assets at FVTOCI	–	–	–	–	23.7	–	–	–	23.7	–	23.7	–	23.7
Cash flow hedges	–	–	–	–	–	169.3	–	–	169.3	–	169.3	–	169.3
Remeasurements of defined benefit obligations and related fund assets	–	–	–241.0	–	–	–	–	–	–241.0	–	–241.0	–0.3	–241.4
Other comprehensive income of investments accounted for using the equity method	–	–	2.7	–	–	–	–	–	2.7	–	2.7	–	2.7
Taxes attributable to other comprehensive income	–	–	47.6	–	–	–37.1	–	–	10.5	–	10.5	–	10.5
Other comprehensive income	**–**	**–**	**–197.5**	**–60.1**	**23.7**	**125.9**	**–**	**–**	**–108.1**	**–**	**–108.1**	**7.4**	**–100.7**
Total comprehensive income	–	–	108.3	–60.1	23.7	125.9	–	–	197.7	–	197.7	157.3	355.1
Balance as at 30 Sep 2023	**507.4**	**9,090.1**	**–7,541.6**	**–1,110.6**	**–1.5**	**166.3**	**–**	**12.8**	**–8,474.6**	**–**	**1,122.9**	**824.3**	**1,947.2**

Table continues on next page

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Consolidated Statement of Changes in Equity of TUI AG for the period from 1 Oct 2023 to 30 Sep 2024

€ million	Subscribed capital	Capital reserves	Other revenue reserves	Foreign exchange differences	Financial assets at FVTOCI	Cash flow hedge reserve (OCI I)	Cost of hedging reserve (OCI II)	Revaluation reserve	Revenue reserves	Silent participation	Equity before non-controlling interest	Non-controlling interest	**Total**
Notes	(24)	(25)							(26)			(28)	
Balance as at 1 Oct 2023	**507.4**	**9,090.1**	**–7,541.6**	**–1,110.6**	**–1.5**	**166.3**	**–**	**12.8**	**–8,474.6**	**–**	**1,122.9**	**824.3**	**1,947.2**
Dividends	–	–	–	–	–	–	–	–	–	–	–	–144.8	–144.8
Issuance of bonds with warrant and convertible bonds	–	69.7	–	–	–	–	–	–	–	–	69.7	–	69.7
Capital reduction	–	–0.8	–	–	–	–	–	–	–	–	–0.8	–	–0.8
Withdrawal from the capital reserves	–	–1,178.5	1,178.5	–	–	–	–	–	1,178.5	–	–	–	–
Group profit for the year	**–**	**–**	**507.1**	**–**	**–**	**–**	**–**	**–**	**507.1**	**–**	**507.1**	**200.3**	**707.4**
Foreign exchange differences	–	–	–48.1	–130.4	–0.1	–4.6	–	–	–183.2	–	–183.2	–62.0	–245.2
Financial assets at FVTOCI	–	–	–	–	0.9	–	–	–	0.9	–	0.9	–	0.9
Cash flow hedges	–	–	–	–	–	–591.2	5.7	–	–585.5	–	–585.5	–	–585.5
Remeasurements of defined benefit obligations and related fund assets	–	–	–120.7	–	–	–	–	–	–120.7	–	–120.7	–	–120.7
Other comprehensive income of investments accounted for using the equity method	–	–	–18.9	–	–	–	–	–	–18.9	–	–18.9	–	–18.9
Taxes attributable to other comprehensive income	–	–	33.9	–	–	131.7	–0.7	–	165.0	–	165.0	–	165.0
Other comprehensive income	**–**	**–**	**–153.8**	**–130.4**	**0.8**	**–464.1**	**5.0**	**–**	**–742.5**	**–**	**–742.5**	**–62.0**	**–804.4**
Total comprehensive income	–	–	353.3	–130.4	0.8	–464.1	5.0	–	–235.3	–	–235.3	138.3	–97.0
Balance as at 30 Sep 2024	**507.4**	**7,980.4**	**–6,009.8**	**–1,241.0**	**–0.7**	**–297.8**	**5.0**	**12.8**	**–7,531.5**	**–**	**956.4**	**817.9**	**1,774.3**

Consolidated Cash Flow Statement of TUI AG for the period from 1 Oct 2023 to 30 Sep 2024

€ million	Notes	**2024**	2023
Group profit		707.4	455.7
Depreciation, amortisation and impairment (+) / write-backs (–)		846.6	859.1
Other non-cash expenses (+) / income (–)		– 390.1	– 404.4
Interest expenses		512.8	525.1
Dividends from joint ventures and associates		67.2	24.1
Profit (–) / loss (+) from disposals of non-current assets		6.2	3.0
Increase (–) / decrease (+) in inventories		– 3.9	– 6.2
Increase (–) / decrease (+) in receivables and other assets		– 88.4	– 266.5
Increase (+) / decrease (–) in provisions		– 63.7	– 278.5
Increase (+) / decrease (–) in liabilities (excl. financial liabilities)		316.7	726.0
Cash inflow from operating activities	(41)	**1,910.8**	**1,637.3**
Payments received from disposals of property, plant and equipment and intangible assets		81.9	142.9
Payments received / made from disposals of consolidated companies (less disposals of cash and cash equivalents due to divestments)		45.1	– 0.7
Payments received from disposals of other non-current assets		62.4	115.7
Payments made for investments in property, plant and equipment and intangible assets		– 712.5	– 666.2
Payments made for investments in consolidated companies (less cash and cash equivalents received due to acquisitions)		2.9	0.4
Payments made for investments in other non-current assets		– 84.0	– 84.3
Cash outflow from investing activities	(42)	**– 604.3**	**– 492.2**
Payments received from capital increase			
by issuing new shares		–	1,760.9
through equity components of the convertible bond issued		101.8	–
Payments made for the repurchase of equity instruments		–	– 682.4
Payments made for capital reductions from the partial repurchase of the convertible bond 2021		– 1.2	–
Dividend payments			
Coupon on silent participation (dividends)		–	– 16.8
Subsidiaries to non-controlling interest		– 145.8	– 120.3
Payments received from the raising of financial liabilities		1,104.4	217.8
Transaction costs related to loans and borrowings		– 15.2	– 15.5
Payments made for redemption of loans and financial liabilities		– 571.1	– 947.7
Payments made for principal of lease liabilities		– 619.6	– 595.1
Interest paid		– 384.7	– 435.6
Cash outflow from financing activities	(43)	**– 531.4**	**– 834.6**
Net change in cash and cash equivalents		**775.1**	**310.5**
Development of cash and cash equivalents	(44)		
Cash and cash equivalents at beginning of period		**2,060.5**	**1,736.9**
Change in cash and cash equivalents due to exchange rate fluctuations		12.5	13.1
Net change in cash and cash equivalents		775.1	310.5
Cash and cash equivalents at end of period		**2,848.2**	**2,060.5**
of which included in the balance sheet as assets held for sale		–	0.2

Notes

Principles and Methods underlying the Consolidated Financial Statements

General

TUI Group and its major subsidiaries and shareholdings operate in tourism.

TUI AG, based in Karl-Wiechert-Allee 23, 30625 Hanover, Germany, is TUI Group's parent company and a listed corporation under German law. The Company is registered in the commercial registers of the district courts of Berlin-Charlottenburg (HRB 321) and Hanover (HRB 6580). The shares in the company are traded on the Frankfurt and Hanover Stock Exchanges. Until the delisting on June 24, 2024, the company's shares were also traded on the London Stock Exchange.

These consolidated financial statements of TUI AG were prepared for financial year 2024 comprising the period from 1 October 2023 to 30 September 2024. Where any of TUI's subsidiaries have different financial years, financial statements were prepared as at 30 September in order to include these subsidiaries in TUI AG's consolidated financial statements.

The Executive Board and the Supervisory Board have submitted a Declaration of Compliance with the German Corporate Governance Code required pursuant to section 161 of the German Stock Corporation Act (AktG) and made it permanently available to the general public on the Company's website (www.tuigroup.com).

The consolidated financial statements are prepared in euros. Unless stated otherwise, all amounts are indicated in million euros (€m). Due to the utilisation of rounded amounts, there may be minor rounding differences in total and percentages.

The consolidated financial statements were approved for publication by TUI AG's Executive Board on 9 December 2024.

Accounting principles

DECLARATION OF COMPLIANCE

Pursuant to Regulation EEC No. 1606/2002 of the European Parliament and Council, TUI AG's consolidated financial statements as at 30 September 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union. Moreover, the commercial-law provisions listed in section 315e (1) of the German Commercial Code (HGB) were also observed in preparing the consolidated financial statements.

With the delisting from the London Stock Exchange, TUI AG is no longer subject to the extended obligations arising from the Listing Rules, the Disclosure and Transparency Rules of the United Kingdom, and the UK Corporate Governance Code. Consequently, the 'Going Concern Reporting according to the UK Corporate Governance Code' is no longer required in the consolidated financial statements.

The accounting and measurement methods and the explanatory information and Notes to these annual financial statements for financial year 2024 are generally consistent with those followed in preparing the previous consolidated financial statements for financial year 2023, with the exception of the initial application of new or amended standards, as outlined below.

NEWLY APPLIED STANDARDS

Since the beginning of financial year 2024, TUI Group has applied the following standards and interpretations, amended or newly issued by the IASB and endorsed by the EU, on a mandatory or voluntary basis:

Newly applied standards in financial year 2024

Standard	Applicable from	Amendments	Impact on financial statements
IFRS 17 Insurance Contracts	1 Jan 2023	IFRS 17 establishes the principles for the accounting for insurance contracts and replaces IFRS 4. The scope of IFRS 17 includes insurance contracts, reinsurance contracts and investment contracts with discretionary profit participation.	No material impact
Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 Jan 2023	The amendment addresses implementation challenges in the presentation of comparative information that were identified after IFRS 17 was published.	No impact
Amendments to IAS 1 Disclosure of Accounting Policies	1 Jan 2023	The amendments to IAS 1 and IFRS Practice Statement 2 are to help preparers in deciding which accounting and measurement methods to disclose in their financial statements. The amendments require entities to disclose their material accounting and measurement policy information instead of their significant accounting and measurement policies.	No material impact
Amendments to IAS 8 Definition of Accounting Estimates	1 Jan 2023	The amendments to IAS 8 are to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates is replaced with a new definition of accounting estimates. It is clarified that a change in an accounting estimate that results from new information or new development is not the correction of an error.	No material impact
Amendments to IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023	The amendments clarify that deferred tax assets and liabilities have to be formed when a transaction gives rise to equal amounts of deductible and taxable temporary differences at the same time. The initial recognition exemption, according to which deferred tax assets or liabilities are not recognised on initial recognition of an asset or a liability, does not apply to transactions of this type.	No material impact
Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules	Immediately or, respectively, 1 Jan 2023	The amendments to IAS 12 introduce a temporary recognition exception for the accounting for deferred taxes as part of the implementation of the global minimum taxation (so-called 'Pillar Two' regulations of the OECD). Following the endorsement of the amendments by the European Union, TUI had already applied that exception in the financial year 2023. In financial year 2024 TUI first applies the new disclosure requirements, which are intended to help users better understand the impact that the reform will have on the company, before the country-specific laws to implement the minimum taxation become effective.	No material impact

IFRS 9: FINANCIAL INSTRUMENTS

In the financial year 2018/19, TUI adopted IFRS 9 Financial Instruments for the first time. On transition, TUI made use of an accounting choice to continue applying the IAS 39 hedge accounting requirements unchanged under IFRS 9.

From 1 April 2024, TUI has adopted the IFRS 9 hedge accounting requirements. In accordance with the transition guidance on IFRS 9, the new requirements were applied prospectively. All existing hedging relationships designated under IAS 39 as at 1 April 2024 also qualified for hedge accounting under IFRS 9 and were hence assessed to be continuing hedging relationships. There were no financial impacts because of recalibration of the hedging relationships (so-called rebalancing).

- When hedging cash flows from forecast transactions that subsequently result in the recognition of a non-financial asset or a non-financial liability, IFRS 9 requires that the gains and losses previously recognized in other comprehensive income and accumulated in equity be transferred out of the cashflow hedge reserve and be considered in the initial measurement of the non-financial item (so-called 'basis adjustment'). This corresponds to TUI's accounting practice prior to the transition to the IFRS 9 hedge accounting requirements.

- When hedging foreign currency risks with forward contracts, TUI exclusively applies the spot-to-spot method from 1 April 2024. The spot element of a forward contract is designated as the hedging instrument. The forward element of the forward contract is recognised in a separate reserve in equity, the cost of hedging reserve. For the continuing hedging relationships designated under the spot-to-spot method before 1 April 2024, changes in the fair value of the forward element continue to be recognized in profit or loss.
- TUI does not make use of the election available under IFRS 9 to not designate the so-called foreign currency basis spreads as part of the respective hedging relationship, but rather to recognise them separately in equity as costs of hedging. The foreign currency basis spreads are recognised in profit or loss.
- When TUI uses options to hedge forecast transactions, only the intrinsic value of the option is designated as the hedging instrument. Under IAS 39, changes in the fair value of the time value of the option (i.e., the non-designated component) were immediately recognised in profit or loss. Under IFRS 9, changes in the fair value of the time value of options that relate to the underlying transaction ('aligned time value') are recognised in other comprehensive income and accumulated in the cost of hedging reserve within equity. The amounts accumulated in equity are reclassified to profit or loss when the hedged transaction affects profit or loss, or directly transferred from equity to the carrying amount of the underlying non-financial item. The new requirements for the accounting for non-designated time value of options are generally to be applied retrospectively under IFRS 9. Since TUI did not have any options in the previous year or in the financial year under review up to 1 April 2024, the previous year did not need to be restated.

Application of the provisions of IFRS 9 for hedge accounting had no significant impact on TUI's earnings and financial position in the financial year 2024 or the previous financial year. For detailed information on risk management activities, refer to Note 39.

For more information about the introduction of a global minimum taxation at TUI, refer to the chapter 'Deferred taxes and income taxes' within the section accounting and measurement methods.

Principles and methods of consolidation

PRINCIPLES

The consolidated financial statements include all significant subsidiaries directly or indirectly controlled by TUI AG. Control exists where TUI AG has power over the relevant activities, is exposed to variable returns or has rights to the returns, and has the ability to affect those variable returns through its power over the investee.

Generally, the control is exercised by means of a direct or indirect majority of voting rights. If TUI Group holds less than the majority of voting rights in a shareholding, it may exercise control due to contractual or similar agreements, as in the case of the participation in the RIUSA II Group. Due to the contractual agreements between the shareholders and the framework agreements with TUI Group as well as the considerable importance of tour operation for the economic success of RIUSA II Group, TUI Group is able to exercise a controlling influence on decisions about the most relevant activities and consequently the amount of returns. TUI Group is subject to variable returns from RIUSA II Group, in particular due to dividend payments and fluctuations in the fair value of the stake itself. RIUSA II Group is therefore consolidated although TUI Group only holds a 50% equity stake.

In assessing control, the existence and effect of potential voting rights are taken into account that are currently exercisable when decisions about the direction of relevant activities are made. Consolidation of subsidiaries starts from the date TUI gains control. When TUI ceases to control the corresponding companies, they are removed from the group of consolidated companies.

The consolidated financial statements are prepared from the separate or single-entity financial statements of TUI AG and its subsidiaries, drawn up on the basis of uniform accounting, measurement and consolidation methods and usually audited or reviewed by auditors.

Associates for which TUI Group is able to exert significant influence over the financial and operating policy decisions within these companies are accounted for using the equity method. Generally, significant influence is assumed if TUI AG directly, or indirectly, holds voting rights of between 20 to 50 per cent.

Stakes in joint ventures are also measured using the equity method. A joint venture is a company managed jointly by TUI Group with one or several partners based on a contractual agreement, in which the parties that jointly exercise control have rights to the company's net assets. Joint ventures also include companies in which TUI Group holds a majority or minority of voting rights but in which decisions about the relevant activities may only be taken on an unanimous basis due to contractual agreements.

The dates on which associates and joint ventures are included in or removed from the group of companies measured at equity are determined in a manner consistent with that applied to subsidiaries. At equity measurement in each case is based on the last annual financial statements available or the interim financial statements as at 30 September if the balance sheet dates differ from TUI AG's balance sheet date. This affects 29 companies with a financial year from 1 January to 31 December, three companies with a financial year from 1 November to 31 October and two companies with a financial year from 1 April to 31 March.

GROUP OF CONSOLIDATED COMPANIES

In financial year 2024, the consolidated financial statements included a total of 252 subsidiaries. The table below presents changes in the number of companies since 1 October 2023.

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

	Consolidated subsidiaries	Associates	Joint ventures
Number at 30 Sep 2023	**266**	**20**	**27**
Additions	7	1	1
Incorporation	7	1	–
Acquisition	–	–	1
Disposals	22	4	2
Liquidation	14	–	1
Sale	1	4	1
Merger	7	–	–
Change in ownership stake	1	–	–1
Number at 30 Sep 2024	**252**	**17**	**25**

* Excl. TUI AG

TUI AG's direct and indirect subsidiaries, associates and joint ventures are listed under 'Other Notes – TUI Group Shareholdings'.

25 subsidiaries were not included in the consolidated financial statements. Even when taken together, these companies are of minor significance to the presentation of a true and fair view of the financial position and performance of the Group.

Acquisitions – divestments

ACQUISITIONS OF THE CURRENT FINANCIAL YEAR

A company was acquired that did not comprise any business operations.

In addition, the remaining 50% stake in TRAVELStar GmbH, a travel agency company based in Hanover, was acquired by way of a purchase agreement dated 29 August 2023 and effective as of 19 October 2023. The consideration determined in the framework of a purchase price allocation totals €2.3 m and relates in full to purchase price payments offset from the sale of the stake in Raiffeisen-Tours RT-Reisen GmbH. With the acquisition of the shares in TRAVELStar GmbH, the 50% stake previously held by TUI Group was increased to 100%. The interest already held at the date of acquisition, carried as a joint venture accounted for using the equity method, was remeasured to fair value through profit or loss in the framework of the transitional consolidation (€2.3 m). The transaction resulted in a gain of €0.4 m, carried in Other income. In the period under review, the impact on revenues and earnings was insignificant.

Condensed statement of financial position of TRAVELStar GmbH as at the date of acquisition

€ million	
Assets	**7.0**
Other intangible assets	0.7
Inventories	0.1
Trade and other receivables	1.2
Other current assets	2.1
Cash and cash equivalents	2.9
Equity and liabilities	**7.0**
Current provisions	0.2
Deferred tax liabilities	0.2
Other liabilities	2.1
Equity	4.5

No company acquisitions were made after the balance sheet date.

ACQUISITIONS OF THE PRIOR FINANCIAL YEAR

In financial year 2023, one company was acquired under IFRS 3. The acquisition was immaterial and is not explained in greater detail here.

DIVESTMENTS

Six companies were divested in financial year 2024. Two of these disposals are immaterial and are not explained in greater detail here. Another company sold had no business operations.

The shares in the joint venture WOT Hotels Adriatic Asset Company d.o.o., a company accounted for using the equity method, were sold by way of an agreement dated 30 August 2023 and effective as of 20 October 2023. The purchase price totals € 12.0 m and corresponds to the carrying amount of the equity method investment at the divestment date. The purchase price was paid on 10 November 2023. The loss on disposal from this transaction amounts to €– 0.1 m and is carried in Other expenses.

The shares in the associated company Raiffeisen-Tours RT-Reisen GmbH, accounted for using the equity method, were sold by way of a purchase agreement dated 29 August 2023 and effective as of 19 October 2023. The consideration determined in the framework of a purchase price allocation amounts to € 3.1 m and corresponds to the carrying amount of the equity method investment at the divestment date. The payment was made on 30 October 2023. The divestment of the company resulted in the disposal of goodwill of the Central Region cash-generating unit totalling € 1.2 m. A loss on disposal of € 1.2 m was realised from this transaction and is carried in Other expenses.

On 31 March 2023, an agreement was signed with TUI Global Hospitality Fund S.C.S. to sell Club Hotel CV, S.A. (Robinson Club Cabo Verde), consolidated in the Hotels & Resorts segment. The divestment was completed on 31 October 2023. The purchase price was € 45.6 m. Of that amount, € 44.8 m related to the settlement of intra-Group loans. The purchase price was paid on 31 October 2023. The divestment of the company resulted in the disposal of goodwill amounting to € 2.5 m of the 'Robinson' cash-generating unit. Most of this deduction in goodwill (€ 2.3 m) had already been recognised in the previous year through reclassification to assets held for sale. At the time of the transaction in October 2023, the final calculation resulted in a further disposal of goodwill of € 0.2 m. This transaction resulted in a gain on disposal of € 1.0 m, carried under Other income.

Condensed balance sheet of 'Robinson Club Cabo Verde' as at 31 Oct 2023

€ million	
Assets	
Property, plant and equipment and intangible assets	41.0
Trade receivables	0.8
Other current assets	0.4
Cash and cash equivalents	1.5
	43.7
Provisions and liabilities	
Intra-group financial liabilities	44.8
Trade payables	1.1
Touristic advance payments received	0.2
Other current liabilities	0.3
	46.4

No companies were divested after the balance sheet date.

FOREIGN EXCHANGE TRANSLATION

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rates at the date of the transaction. Any gains and losses resulting from the execution of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies at the foreign exchange rate at the date of the transaction are shown in the income statement, with the exception of gains and losses to be recognised in equity as qualifying cash flow hedges.

The annual financial statements of companies are prepared in the respective functional currency. The functional currency of a company is the currency of the primary economic environment in which the company operates.

Where subsidiaries prepare their financial statements in functional currencies other than the Euro, being the Group's reporting currency, the assets and liabilities are translated at the rate of exchange applicable at the balance sheet date (closing rate). Goodwill allocated to these companies and adjustments of the fair value arising on the acquisition of a foreign company are treated as assets and liabilities of the foreign company and also translated at the rate of exchange applicable at the balance sheet date. The items of the income statement and hence the result for the year shown in the income statement are translated at the average rate of the month in which the respective transaction takes place.

Differences arising on the translation of the annual financial statements of foreign subsidiaries are reported outside profit and loss and separately shown as foreign exchange differences in the consolidated statement of changes in equity. When a foreign company or operation is sold, any foreign exchange differences previously included in equity outside profit and loss are recognised as a gain or loss from disposal in the income statement through profit and loss.

Translation differences relating to non-monetary items with changes in their fair values eliminated through profit and loss (e.g. equity instruments measured at their fair value through profit and loss) are included in the income statement. In contrast, translation differences for non-monetary items with changes in their fair values taken to equity are included in revenue reserves.

Some TUI Group subsidiaries operate their business in a hyperinflation country (previous year equally Group companies in hyperinflationary economies). As the Euro is the functional currency for these companies, accounting in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies, is not required.

The translation of the financial statements of foreign companies measured at equity follows the same principles for adjusting carrying amounts and translating goodwill as those used for consolidated subsidiaries.

NET INVESTMENT IN A FOREIGN OPERATION

Monetary items receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, essentially constitute part of a net investment in this foreign operation. Foreign exchange differences from the translation of these monetary items are recognised in other comprehensive income. As at 30 September 2024, TUI Group had granted loans of this type in particular to hotel companies in North Africa and a TUI Musement entity in Mexico.

Exchange rates of currencies of relevance to TUI Group

	Closing rate		Annual average rate	
1 € equivalent	**30 Sep 2024**	30 Sep 2023	**2024**	2023
Sterling	0.83	0.87	0.86	0.87
US dollar	1.11	1.06	1.08	1.07
Swiss franc	0.94	0.97	0.96	0.98
Swedish krona	11.31	11.55	11.43	11.34

CONSOLIDATION METHODS

The recognition of the assets and liabilities of acquired businesses is based on the acquisition method. Accordingly all identifiable assets, all liabilities and certain contingent liabilities assumed are measured at fair value as of the acquisition date. Subsequently, the consideration for the stake is measured at fair value and eliminated against the acquiree's revalued equity attributable to the acquired share. The option to measure the non-controlling interests at their fair value (full goodwill method) was not used.

Any excess of acquisition costs over net assets acquired is capitalised as goodwill and recognised as an asset in accordance with the provisions of IFRS 3. Any negative goodwill is recognised immediately in profit and loss and presented as other income.

When additional shares are purchased after obtaining control, the difference between the purchase price and the carrying amount of the stakes acquired is recognised directly in equity. The effects from sales of stakes not entailing a loss of control are also recognised directly in equity. By contrast, when control is obtained or lost, gains or losses are recognised in profit and loss. In the case of business combinations achieved in stages (where the acquirer held an equity interest before he obtained control), the equity stake previously held in the acquired company is revalued at the fair value applicable at the acquisition date and the resulting gain or loss is recognised in profit or loss. For transactions involving a loss of control, the profit or loss does not only comprise the difference between the carrying amounts of the disposed stakes and the consideration received but also the result from the revaluation of the remaining shares.

On loss of control of a subsidiary, the gain or loss on derecognition will be calculated as the total of the fair value of the consideration plus the fair value of any investment retained in the former subsidiary less the share of the book value of the net assets of the subsidiary. Any gains or losses previously recognised in other comprehensive income from currency translations or the valuation of financial assets and liabilities will be reclassified to the income statement. When a subsidiary is sold, any goodwill allocated to the respective subsidiary is taken into account in the calculation of the profit or loss of disposal.

The Group's associates and joint ventures are measured at equity and included at the cost to purchase as at the acquisition date. The Group's stake in associates and joint ventures includes the goodwill arising from the respective acquisition.

The Group's share in profits and losses of associates and joint ventures is carried in the income statement from the date of acquisition (Share of result from joint ventures and associates), while the Group's share in the total other comprehensive income is shown in its revenue reserves. The accumulated changes arising after the acquisition are shown in the carrying amount of the shareholding. When the share in the loss of an associated company or joint venture equals or exceeds the Group's original stake in this company, including other unsecured receivables, no further losses are recognised. Any losses exceeding that stake are only recognised to the extent that obligations have been assumed or payments have been made for the associated company or joint venture.

Where the accounting and measurement methods applied by associates and joint ventures differ from the uniform accounting rules applied in the Group, the differences are adjusted.

Intercompany receivables and payables or provisions are eliminated, as are intercompany revenue, other income and the corresponding expenses. Intercompany results from intercompany deliveries and services are reversed through profit and loss, taking account of deferred taxes. However, intercompany losses are an indicator that an asset may be impaired. Intercompany profits from transactions with companies measured at equity are eliminated in relation to the Group's stake in the companies. Intercompany transactions are entered into on an arm's length basis.

Accounting and measurement methods

The consolidated financial statements are prepared according to the historical cost principle, with the exception of certain financial instruments such as financial assets and derivatives as well as plan assets from externally funded pensions benefit obligations held at fair value at the balance sheet date.

The financial statements of the consolidated subsidiaries are prepared in accordance with uniform accounting and measurement principles. The amounts recognised in the consolidated financial statements are not determined by tax regulations but solely by the commercial presentation of the financial position and performance as set out in the rules of the IASB.

REVENUE RECOGNITION

TUI recognises revenue upon transfer of control over distinct goods or services to the customer. In Markets + Airline, TUI predominantly generates revenue from the sale of package holidays. The flights, hotel accommodation and other services included in a package holiday are transformed into one product for the customer through a significant integration service provided by TUI as tour operator within the meaning of IFRS 15, so that the package holiday constitutes one performance obligation for TUI. This revenue is recognised when TUI delivers the service for its customer, i.e. on a linear basis over the duration of the holiday tour, as customers consume their holiday on a pro rata basis. TUI generates further revenue from the sale of other tourist services, e.g. seat-only, accommodation-only, cruises, etc. Revenue is recognised when or as TUI has satisfied its performance obligation, either over time in relation to the duration of the journey if the services relate to a period of time, e.g. in the case of multi-day hotel stays, or at a point in time on the day of the performance of the performance obligation, e.g. for flight services on the day of the flight. Revenue from long-term contracts is recognised over the duration of the individual contract in accordance with IFRS 15.

Amendment fees do not constitute an independent performance obligation. Revenue is therefore recognised along with the delivery of the main performance obligation.

If TUI has control over the asset before it is delivered to the customer, TUI acts as the principal in relation to that service. Otherwise, TUI acts as an agent. As a principal, TUI carries the recognised revenue and costs in the income statement on a gross basis, e.g. for revenue from its own tour operator activities, for hotel revenue in own hotels, and for aviation revenue. When acting as an agent, TUI carries the relevant revenue on a net basis at the amount of the commission received, e.g. for car rental and hotel revenue for third-party hotels in which TUI does not have control over the hotel rooms. Passenger-related aviation taxes and fees charged by TUI on behalf of third parties and passed on to these third parties are carried in the income statement on a net basis.

TUI uses the practical expedient offered under IFRS 15.121(a). For open performance obligations as at the balance sheet date, TUI discloses all performance obligations for contracts with an original term of more than twelve months, i. e. at least twelve months lie between the start of the contract (in principle the booking date) and the end of the contract (in principle the end of the service).

TUI has to pay compensation to customers for flight delays or cancellations (so-called denied boarding compensation). These payments are directly related to the obligation of the flight service. Therefore these payments represent variable considerations under IFRS 15. Hence, denied boarding compensations are shown net in revenue.

GOODWILL AND OTHER INTANGIBLE ASSETS

Acquired intangible assets are carried at cost. Internally generated intangible assets are capitalised at cost where an inflow of future economic benefits for the Group is probable and can be reliably measured. The cost to produce comprises direct costs and directly allocable overheads. Intangible assets with a finite service life are amortised over the expected useful life.

Intangible assets acquired as a result of business combinations are included at their fair value as at the date of acquisition and are amortised on a straight-line basis.

Useful lives of intangible assets

	Useful lives
Brands, licences and other rights	5 to 20 years
Transport and leasing contracts	12 to 20 years
Computer software	3 to 13 years
Customer base as at acquisition date	7 to 15 years

Due to changes in our strategy and delays in the digital transformation, the useful lives of certain software solutions were extended from five to ten years. For further information, please refer to the section 'Other intangible assets'.

If there are any events or indications suggesting potential impairment, the amortised carrying amount of the intangible asset is compared with the recoverable amount. Any losses in value going beyond wear-and-tear depreciation are taken into account through the recognition of impairment charges.

Depending on the functional area of the intangible asset, amortisation and impairment charges are included under cost of sales or administrative expenses.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment at least annually. In addition, impairment tests are conducted if there are any events or indications suggesting potential impairment. TUI Group's intangible assets with an indefinite useful life consist exclusively of goodwill.

Impairment tests for goodwill are conducted on the basis of cash-generating units (CGU) or groups of cash-generating units.

Impairment charges are recognised where the carrying amount of the tested units, including the allocated goodwill, exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and the present value of future cash flows based on continued use (value in use). The fair value less costs of disposal corresponds to the amount that could be generated between knowledgeable, willing, independent business partners after deduction of the costs of disposal.

Impairment of goodwill is shown separately in the consolidated income statement.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at amortised cost. The costs to purchase include costs to bring the asset to a working condition. The costs to produce are determined on the basis of direct costs and directly attributable indirect costs and depreciation.

Borrowing costs directly associated with the acquisition, construction or production of qualifying assets are included in the costs to acquire or produce these assets until the assets are ready for their intended use.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the underlying capitalisation rate is determined on the basis of the specific borrowing cost; in all other cases the weighted average of the borrowing costs applicable to the borrowings outstanding is applied.

Depreciation of property, plant and equipment is based on the straight-line method over the useful economic life. The useful economic lives are as follows:

Useful lives of property, plant and equipment

	Useful lives
Hotel buildings	30 to 50 years
Other buildings	25 to 50 years
Cruise ships	30 to 38 years
Aircraft	
Fuselages and engines	22 to 25 years
Engine overhaul	depending on intervals, up to 12 years
Major overhaul	depending on intervals, up to 12 years
Spare parts	up to 10 years
Operating and business equipment	3 to 10 years

Moreover, the level of depreciation is determined by the residual values at the end of the useful life of an asset. The residual value assumed at first-time recognition for cruise ships is between 4% and 30% of the acquisition costs. The determination of the depreciation of aircraft fuselages and aircraft engines in first-time recognition is based on a residual value of a maximum of 5% of the cost of acquisition. In addition, a residual value of 20% is used to determine the scheduled depreciation of spare parts. The payments made under a power by the hour arrangement relating to maintenance overhauls are capitalised as PPE under construction up to a maintenance event at which point the cost is transferred to the appropriate PPE category.

Both the useful lives and residual values are reviewed on an annual basis when preparing the Group financial statements. The review of the residual values is based on comparable assets at the end of their useful lives as at the balance sheet date. Any adjustments required are recognised as a correction of depreciation over the remaining useful life of the asset. The adjustment of depreciation is recognised retrospectively for the entire financial year in which the review has taken place. Where the review results in an increase in the residual value so that it exceeds the remaining net carrying amount of the asset, depreciation is suspended. In this case, the amounts are not written back.

Any losses in value going beyond wear-and-tear depreciation are taken into account through the recognition of impairment losses. If there are any events or indications suggesting impairment, the required impairment test is performed to compare the carrying amount of an asset with the recoverable amount.

LEASES

Leases are agreements transferring the right to use an identified asset for a given period of time in return for a payment. As a lessee, TUI leases moveable assets such as aircraft, vehicles and cruise ships, as well as, in particular, immoveable property such as hotel buildings and land, office buildings and travel agencies. As a lessor, TUI subleases some aircraft, travel agency and office space as well as a hotel.

TUI AS LESSEE

TUI recognises right-of-use assets and corresponding lease liabilities for the lease arrangements, in which it is the lessee, in the statement of financial position. As an exception, TUI applies the recognition and measurement exemptions for all short-term leases and low-value asset leases. A short-term lease is a lease that has a lease term of 12 months or less and does not contain a purchase option. The lease payments for those leases are recognised as an expense in the cost of sales or in administrative expenses on a straight-line basis over the lease term or on another systematic basis.

At the inception of an agreement, TUI evaluates whether it contains a lease. Apart from traditional lease, tenancy or leasing contracts, service or capacity agreements may also fall within the scope of IFRS 16. In connection with the purchase of mixed tourism services, the rental or purchase of the largest portion of a hotel's room capacity is identified as a lease component if TUI commits to its contract partner to purchase a fixed allotment of more than 90% of the hotel's capacity for a period of more than 12 months, provided the agreement does not include an exemption to return committed capacity for self-marketing by the hotelier, and if therefore an irrevocable payment obligation exists. For agreements that contain one or several lease components alongside non-lease components, TUI uses the option not to separate these non-lease components, in particular for vehicle or IT leases and for hotel capacity contracts.

At the commencement date, i.e. the date from which the lessee is entitled to exercise the right to use the underlying asset, a lease liability amounting to the present value of the lease payments not yet made as at that date is recognised. The lease payments include all fixed and in substance-fixed payments less any future lease incentives to be provided by the lessor. The lease payments also include variable payments linked to an index or an interest rate as well as expected payments from residual value guarantees. Lease payments for the exercise of extension, purchase and termination options are included if the exercise of these options is assessed as reasonably certain. As a rule, the lease payments are discounted at the lessor's interest rate implicit in the lease. If that rate is not known to TUI, the present value is determined using the incremental borrowing rate. After initial measurement, the carrying amount is increased to reflect interest on the lease liability and reduced to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The interest expense from the subsequent measurement of the lease liability is presented in the interest result. Variable lease payments not linked to an index nor to an interest rate are recognised through profit or loss in the period in which the event or condition that triggers the payment occurs.

In addition, a right-of-use asset is recognised at the commencement date. Right-of-use assets for the leased items are measured at amortised cost less cumulative depreciation / amortisation and cumulative impairment and adjusted for revaluations of the lease liability. The costs of a right-of-use asset comprise the present value of the future lease payments plus initial direct costs and the lease payments made prior to commencement less any lease incentives received and the estimated costs to be incurred to restore the leased asset to the condition required by the terms and conditions of the lease. Capitalised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the expected useful life of the right-of-use asset. If the lease transfers ownership of the leased asset to TUI by the end of the lease term, or if the lease payments reflect the future exercise of a purchase option, the right-of-use asset is depreciated over the useful life of the leased asset. Depreciation of capitalised right-of-use assets is carried in the cost of sales or in administrative expenses.

SALE AND LEASEBACK

For sale and leaseback transactions, TUI initially determines in accordance with IFRS 15 whether the transfer of the asset has to be accounted for as a sale. If the transfer is accounted for as a sale, TUI recognises the right-of-use asset associated with the sale and leaseback transaction, as seller and as lessee, at the proportion of the previous carrying amount that relates to the right-of-use asset retained. The gain or loss from the sale transaction is carried in profit or loss on a pro rata basis at the amount of the rights transferred to the buyer and lessor. If the transfer is not accounted for as a sale, TUI continues to recognise the legally transferred asset as before and carries a financial liability for the proceeds received.

TUI AS LESSOR

As a lessor, TUI classifies each lease as an operating lease or a finance lease. If TUI as a lessor has substantially all the risks and rewards incidental to ownership of the underlying asset, the lease is classified as an operating lease. If the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee, the lease is classified as a finance lease.

For subleases, the lease classification has been made by reference to the right-of-use asset arising from the head lease in accordance with IFRS 16 and not by reference to the underlying lease asset.

The lease payments from operating leases are recognised in revenue on a straight-line basis over the lease term. Any initial direct costs incurred in obtaining the lease are added to the carrying amount of the underlying leased item and depreciated over the lease term on a straight-line basis.

For finance leases, TUI recognises a lease receivable at an amount equal to the net investment in the lease and derecognises the underlying leased asset or the right-of-use asset from the head lease. The lease payments made by the lessees are broken down into an interest portion and a redemption portion using the effective interest rate method so as to produce a constant periodic rate of interest on the balance of the net investment. The redemption portions received are deducted from the lease receivable. The interest portion of the payments received is carried in the interest result.

FINANCIAL INSTRUMENTS

Financial instruments are contractual rights or obligations that will lead to an inflow or outflow of financial assets or the issue of own equity instruments for one of the two contracting parties and correspondingly to an inflow or outflow of financial assets for the other contracting party. They also comprise (derivative) rights or obligations derived in particular, from non-derivative financial assets.

NON-DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The classification and measurement of financial assets are determined on the basis of the business model assigned to manage financial assets and the related contractual cash flows. At initial recognition of financial assets, the classification comprises the categories 'Financial assets at amortised cost (AC)', 'Financial assets at fair value through other comprehensive income (FVTOCI)' and 'Financial assets at fair value through profit and loss (FVPL)'.

With the exception of trade receivables, non-derivative financial assets are recognized at fair value. Trade receivables are initially recognized at transaction price. When recognised for the first time, they are either classified at amortised costs or at fair value, depending on their objective. Non-derivative financial assets are classified as financial assets at amortised cost when the objective of the entity's business model is to hold the financial assets to collect contractually agreed cash flows, and when the cash flows exclusively constitute interest and principal payments on the nominal amount outstanding.

For financial assets held at amortised cost, a loss allowance for expected credit losses is recognised in accordance with IFRS 9. Loss allowances for financial assets are based on either full lifetime expected credit losses or 12-month expected credit losses. A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk of that financial asset has increased significantly since initial recognition or if the financial instruments are trade receivables, lease receivables or contract assets. For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

IFRS 9 allows entities to apply a simplified approach inter alia for trade receivables. Lifetime expected credit losses on all these assets can be recognised at initial recognition. TUI applies the simplified approach for all trade receivables.

Impairments and reversals of impairments are recognised under 'Impairment / reversals of impairment of financial assets' in the income statement.

The equity instruments held in the balance sheet item 'Other financial assets' were irrevocably designated as 'Financial assets at fair value through OCI' as they are held for medium- to long-term strategic objectives. These instruments are stakes in associated non-consolidated subsidiaries, equity investments and other investments. Recognising all fluctuations in the fair value in the income statement would not be in line with the Group's strategy. They are allocated to assets unless the entity intends to sell them within twelve months after the balance sheet date. Dividends from these equity instruments are recognised in the income statement unless the dividends are clearly a partial repayment of the cost to purchase the equity instrument.

The cumulative gain or loss from the subsequent measurement of the equity instruments recognised in other comprehensive income will continue to be recognised in equity even after the equity instrument has been derecognised and reclassified to revenue reserves.

All other financial assets not recognised at amortised cost or at fair value through OCI must be measured at fair value through profit and loss.

Financial assets are derecognised at the date on which the rights for payments from the assets expire or are transferred and therefore at the date on which essentially all risks and rewards of ownership are transferred. The rights to an asset expire when the rights to receive the cash flows from the asset have expired. For transfers of financial assets, it is assessed whether they have to be derecognised in accordance with the derecognition requirements of IFRS 9.

Non-derivative financial liabilities are recognised in the consolidated statement of financial position if an obligation exists to transfer cash and cash equivalents or other financial assets to another party. A non-derivative financial liability is initially recognized at its fair value. For loans taken out, the nominal amount is reduced by discounts retained and transaction costs paid and discounted over the expected remaining term of the liability. The subsequent measurement of non-derivative financial liabilities is effected at amortised cost using the effective interest method. TUI does not use the fair value option.

Financial liabilities are derecognised when the obligations specified in the contract are discharged, cancelled or expire.

All foreign exchange differences resulting from the translation of trade accounts payable are recognised in the income statement within cost of sales. Foreign exchange differences from the translation of liabilities not resulting from normal operating processes are reported under Other income / expenses, Financial expenses / income or Administrative expenses, depending on the nature of the underlying receivables or payables.

The convertible bonds on shares in TUI AG have to be accounted for as compound financial instruments. Compound financial instruments are divided into an equity and a debt component in accordance with IAS 32. The debt component shown under financial liabilities is valued, less the pro rata transaction costs and added to the repayment amount using the effective interest method. The equity component is valued at the residual value that results after deducting the amount determined for the debt component from the fair value of the entire instrument. The pro rata transaction costs of the equity component are deducted from this component. No gain or loss will result from the exercise or expiry of the relevant conversion option.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

At initial measurement, derivative financial instruments are measured at the fair value attributable to them on the date the contract is entered into and recognised in the balance sheet. Subsequent measurement is also recognised at the fair value calculated at the respective balance sheet date. The method used to recognise gains and losses depends on whether the derivative financial instrument is part of an effective hedging relationship. Where derivative financial instruments are not part of a hedging relationship in connection with hedge accounting, they are recognised through profit or loss. If an effective hedging relationship exists, the unrealised gains and losses from the fair value valuation of derivative financial instruments that are designated as hedging instruments within hedge accounting are initially recognised directly in equity.

Hedge accounting is used exclusively to hedge the exposure due to foreign currency and fuel price fluctuations in cash flows from highly probable forecast transactions (cash flow hedges). Hedges of balance sheet items (fair value hedges), i.e. hedges of the fair value of an asset or a liability which would be accounted for at amortised cost, are currently not designated in hedge accounting.

Upon entering into a transaction, the hedge relationship between the hedge and the hedged item, the risk management goal and the underlying strategy are documented. In addition, both at the beginning of the hedging relationship by using the Critical Terms Match method and on a continual qualitative basis, it is quantitatively monitored and documented whether the changes in the fair value of the derivatives used in the hedging relationship effectively compensate for the highly probable expected cash flows of the underlying transactions.

If an effective hedging relationship is to be assumed prospectively due to the Critical Terms Match method and during the hedging relationship on the basis of an economic relationship with a compensating effect between the underlying transaction and the hedging instrument over the entire term, the transaction is recognised as a hedging relationship.

Since 1 April 2024, TUI Group has applied the provisions of IFRS 9 to hedge accounting. For hedges entered into up to 31 March 2024, the designation scenarios used in accordance with the provisions of IAS 39 are retained. The method used to recognise gains and losses depends on whether the derivative financial instrument is fully or only partly designated as a hedging instrument, and on the type of underlying transaction. The effective and designated portion of the cumulative changes in the fair value of derivatives designated as cash flow hedges is recognised directly in equity, in the cash flow hedge reserve. The cumulative changes in the fair value of the portions of a derivative financial instrument entered into on or after 1 April 2024 and not designated as a hedging instrument are recognised in equity in a separate item, the cost of hedging reserve. Any changes in the cumulative fair value changes of the portions of a derivative financial instrument entered into by 31 March 2024 and not designated as a hedging instrument are recognised directly through profit or loss. Any ineffective portion of such changes in the fair value of derivative financial instruments designated in hedge accounting is immediately recognised in the income statement through profit or loss.

The cumulative gains or losses recognised in equity are generally reclassified to the income statement and recognised as income or expense in the period in which the underlying transaction affects profit or loss. In the event of hedges of a highly probable forecast transaction resulting in the recognition of a non-financial item, the cumulative gains or losses previously recognised in equity are derecognised from equity and carried as part of the acquisition cost (basis adjustment).

If a hedge expires, is sold or no longer meets the criteria of IFRS 9 for hedge accounting, the cumulative gain or loss previously recognised in equity remains in equity and is only recognised in the income statement when the originally hedged forecasted transaction occurs. If the forecasted transaction is no longer expected to take place, the cumulative gains or losses recognised directly in equity are immediately recognised through profit or loss.

More detailed information on the Group's risk management activities is provided in Note 39 as well as the 'Risk report' section in the Management Report.

CONTRACTUAL ASSETS AND TRADE RECEIVABLES

If TUI has fulfilled their contractual obligations, contractual assets or trade receivables are carried. Trade receivables are carried if the claim for the acquisition of the consideration is no longer subject to a condition. As a rule, this is the case when the Group is contractually entitled to issue an invoice to the customer that has not yet been paid in advance through a customer deposit. Due to the tourism business model under which customers pay for their travel services in advance, TUI generally does not have any contractual assets.

CONTRACTUAL COSTS

The direct costs immediately resulting from obtaining a contract, e.g. sales commissions to travel agencies for sales of travel services, are capitalised as contractual costs in the statement of financial position upon payment of the commission. As a rule, the resulting expenses are recognised over the duration of the travel service in line with the associated revenue.

INVENTORIES

The measurement method applied to similar inventory items is the average cost formula.

EMISSION CERTIFICATES

CO_2 certificates are recognised as intangible assets and reported under other non-financial assets. The valuation of freely allocated rights and purchased rights is carried out at cost. There is no scheduled depreciation.

Provisions are recognised for the obligation to submit emission certificates. The provisions are valued based on the average cost of the certificates intended for submission to the relevant registry.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, call deposits, current account balances and other highly liquid current financial assets with an original term of a maximum of three months, such as shares in money market funds. Investments in money market funds are made in shares with a stable net asset value or LVNAV (low volatility net asset value). The investment criteria of the individual money market funds, their credit ratings, historical performance and stress tests meet the criteria for cash and cash equivalents. As the contractual cash flows of the money market funds do not exclusively comprise interest and principal payments, they are measured at fair value through profit or loss.

Bank overdrafts are shown as liabilities to banks under current financial liabilities.

EQUITY

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or conversion options are taken to equity on a net after-tax basis as a deduction from the issuance proceeds.

OWN SHARES

The group's holdings in its own equity instruments are shown as deductions from shareholders' equity at cost, including directly attributable transaction costs. No gain or loss is recognised in the income statement on the purchase or sale of shares. Any difference between the proceeds from sale and the original cost are taken to reserves.

PENSION PROVISIONS

The pension provision recognised for defined benefit plans corresponds to the net present value of the defined benefit obligations (DBOs) as at the balance sheet date less the fair value of the plan assets. If the value of the plan assets exceeds the value of the DBO, the excess amount is shown within other non-financial assets as far as the capitalisation is not limited under the asset ceiling defined in IAS 19. The DBOs are calculated annually by independent actuaries using the projected unit credit method.

For defined contribution plans, the Group pays contributions to public or private pension insurance plans on the basis of a statutory or contractual obligation or on a voluntary basis. The Group does not have any further payment obligations on top of the payment of the contributions. The contributions are recognised under staff costs when they fall due.

OTHER PROVISIONS

Other provisions are formed when the Group has a current legal or constructive obligation as a result of a past event, where in addition it is probable that assets will be impacted by the settlement of the obligation and the level of the provision can be reliably determined.

Where a large number of similar obligations exist, the probability of a charge over assets is determined on the basis of this group of obligations. A provision is also recognised if the probability of a charge over assets is low in relation to an individual obligation contained in this group.

Provisions are measured at the present value of the expected expenses, taking account of a pre-tax interest rate, reflecting current market assessments of the time value of money and the risks specific to the liability. Risks already taken into account in estimating future cash flows do not affect the discount rate. Increases in provisions due to accretion of interest are recognised as interest expenses through profit or loss.

TOURISTIC ADVANCE PAYMENTS RECEIVED (CONTRACT LIABILITIES)

A contract liability is an obligation of the Group to deliver goods or services for a customer for which the customer has already delivered a performance, e.g. in the form of payment of a deposit. In the tourism business model, customers pay deposits on most travel services prior to departure. The deposits received therefore constitute contract liabilities within the meaning of IFRS 15.

DEFERRED TAXES AND INCOME TAXES

Expected tax savings from the use of tax losses carried forward assessed as recoverable in the future are recognised as deferred tax assets. Regardless of the unlimited ability to carry German tax losses forward which continues to exist, the annual utilisation is limited by the minimum taxation. Foreign tax losses carried forward frequently have to be used within a given country-specific time limit and are subject to restrictions concerning the use of these losses carried forward for profits on ordinary activities, which are taken into account accordingly in the measurement.

Income taxes are charged or credited directly to equity or other comprehensive income if the tax relates to items that are charged or credited to equity or recognised in other comprehensive income without affecting Group profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference or an unused tax loss can be utilised.

Deferred taxes are measured at the tax rates and tax provisions applicable at the balance sheet date or adopted by law and expected to be applicable at the date of recognition of the deferred tax asset or the payment of the deferred tax liability.

Deferred and current income tax liabilities are offset against the corresponding tax assets if they exist in the same fiscal territory and have the same nature and maturity.

The TUI Group falls under the scope of the so-called OECD Model Rules (global minimum taxation). The global minimum tax is levied at the level of TUI AG as the ultimate parent entity in Germany. The legislation on global minimum taxation will apply in Germany for the first time for fiscal years beginning after 30 December 2023. Therefore, the corresponding regulations do not yet apply in the current reporting period. The regulation of IAS 12.4A regarding the exception for the recognition and disclosure of information about deferred tax assets and liabilities related to income taxes from global minimum taxation was applied for the fiscal year 1 October 2023 to 30 September 2024.

The global minimum tax does not apply in the current reporting period in any other jurisdiction where TUI maintains business units under the legislation. The reason for this is also the fiscal year deviating from the calendar year.

Due to the complexity of the minimum tax regulations, the partially open legal implementation in many jurisdictions, and the business development of the TUI Group in subsequent years, the specific quantitative impacts of the global implementation of the minimum tax regulations cannot yet be reliably determined.

Based on the information available as of the reporting date (historical data and planning calculations), the TUI Group expects an additional burden from the subsequent taxation under the minimum tax law regulations or the local minimum tax laws of other countries in the low single-digit million range (especially Malta, Ireland, Cyprus). According to current knowledge, the additional tax would have at most a slight effect on the Group's tax rate.

The TUI Group has already taken extensive measures to meet the reporting obligations and tax compliance requirements arising from the legislation (including the preparation of processes and registration where already required).

SHARE-BASED PAYMENTS

Share-based payment schemes in the Group comprise both cash-settled and equity-settled schemes.

For cash-settled transactions, the resulting liability for the Group is charged to expenses at its fair value as at the date of the performance of the service by the beneficiary. Until settlement of the liability, the fair value of the liability is re-measured at every closing date and all changes in the fair value are recognised through profit and loss.

For equity-settled transactions the fair value of the awards granted is recognised under staff costs with a corresponding direct increase in equity. The fair value is determined at the point when the awards are granted and spread over the vesting period during which the employees become entitled to the awards. The method for the calculation of the granted awards is described in note 38 'Share-based payments in accordance with IFRS 2'.

SUMMARY OF SELECTED ACCOUNTING AND MEASUREMENT METHODS

The table below lists the key accounting and measurement methods used by TUI Group.

Summary of selected measurement bases

Item in the statement of financial position	Measurement base
Assets	
Goodwill	At cost (subsequent measurement: impairment test)
Other intangible assets with definite useful lives	At amortised cost
Property, plant & equipment	At amortised cost
Right-of-use assets	At amortised cost
Investments in joint ventures and associates	At the Group's share of the net assets of the joint ventures and associates
Financial assets	
Equity instruments	At fair value through other comprehensive income (without subsequent reclassification to profit or loss)
Trade and other receivables	At amortised cost or at fair value through profit or loss (depending on the underlying business model and the contractual cashflows)
Derivative financial assets	At fair value through profit or loss or, in case of certain hedging relationships, at fair value through other comprehensive income with a reclassification to profit or loss or a basis adjustment
Cash and cash equivalents	At amortised cost or at fair value through profit or loss
Inventories	Lower of cost and net realisable value
Touristic prepayments	At cost (or lower recoverable amount)
Assets held for sale	Lower of cost and fair value less costs of disposal
Liabilities and provisions	
Financial liabilities	At amortised cost
Provision for pensions	Projected unit credit method
Other provisions	Present value of the settlement amount
Lease liabilities	At amortised cost
Touristic advance payments received	At amortised cost
Other financial liabilities	
Non-derivative financial liabilities	At amortised cost
Derivative financial liabilities	At fair value through profit or loss or, in case of certain hedging relationships, at fair value through other comprehensive income with a reclassification to profit or loss or a basis adjustment
Payables, trade and other liabilities	At amortised cost

Key judgements, assumptions and estimates

The presentation of the assets, liabilities and provisions as well as contingent assets and liabilities shown in the consolidated financial statements is based on judgements, assumptions and estimates. Any uncertainties are appropriately taken into account in determining the values.

All estimates and assumptions are based on the conditions and assessments as at the balance sheet date. In evaluating the future development of business, reasonable assumptions are made regarding the expected future economic environment in the business areas and regions in which the Group operates.

Despite careful preparation of the estimates, actual results may differ from the estimate. In such cases, the assumptions and the carrying amounts of the assets and liabilities concerned, if necessary, are adjusted accordingly. As a matter of principle, changes in estimates are taken into account in the financial year in which the changes have occurred and in future periods.

JUDGEMENTS

The judgements made by management in applying accounting policies that may have a significant impact on TUI Group's assets and liabilities mainly relate to the following topics:

- Assessment of when the Group has control over an investee and therefore consolidates this investment
- Definition of whether a Group company acts as an agent or as a principal in a transaction
- Determination of whether an agreement is to be classified as a lease or contains a lease
- Determination of the term of the lease as a lessee in the event of agreements with extension or termination options

DETERMINATION OF THE TERM OF THE LEASE AS A LESSEE

TUI determines the term of the lease based on the non-cancellable period for which the lessee has the right to use the asset, together with any periods covered by extension options, if exercise of that option by TUI is reasonably certain, as well as periods covered by termination options if TUI is reasonably certain that it will not exercise that option. Many of TUI's individually negotiated aircraft and real estate leases contain extension or termination options.

TUI applies judgement in evaluating whether it is reasonably certain that an option to renew will be exercised or that an option to terminate the lease will not be exercised. In this context, TUI considers all relevant facts and circumstances that create an economic incentive for TUI to exercise, or not to exercise, the extension or termination option, respectively. From the commencement date, TUI remeasures the lease term if there is either a significant event or a significant change in the circumstances within our control that alters any of our assessments about what is reasonably certain. The lease term, for instance, is adjusted if an extension option is exercised or if a termination option is not exercised and if this had been considered differently in the original assessment.

For aircraft leases, we determine the end of the lease term on the basis of the contractually agreed return date. For medium- to long-term property agreements, e.g. office buildings, hotels or travel agency leases, options to renew the lease are included in the lease term to the extent to which TUI presumes that the future exercise of the option is reasonably certain in the individual case.

For information on potential future lease payments relating to periods after the exercise date for extension or termination options, please refer to Note 15.

ASSUMPTIONS AND ESTIMATES

Assumptions and estimates that may have a material impact on the amounts reported as assets and liabilities in TUI Group are mainly related to the following balance sheet-related facts and circumstances:

- Assumptions for use in impairment tests, in particular for goodwill and property, plant and equipment
- Effect of climate-related risks on the useful lives and the measurement of assets
- Determination of the fair values for acquisitions of companies and determination of the useful lives of acquired intangible assets
- Determination of useful lives and residual carrying amounts of property, plant and equipment
- Determination of actuarial assumptions to measure pension obligations
- Recognition and measurement of other provisions
- Determination of the incremental borrowing rate used to measure lease liabilities
- Recoverability of future tax savings from tax losses carried forward and tax-deductible temporary differences
- Measurement of tax risks
- Recoverable amounts of touristic prepayments
- Determination that the package holiday represents a performance obligation due to the significant integration service
- Determination of period-related revenue recognition on a straight-line basis over the duration of the trip
- Determination of the expected credit losses (ECL) of financial instruments

ASSUMPTIONS FOR USE IN IMPAIRMENT TESTS, IN PARTICULAR FOR GOODWILL AND PROPERTY, PLANT AND EQUIPMENT

The impairment tests are performed on the basis of future discounted cash inflows derived from the medium-term corporate planning. Both the derivation of future cash inflows and the determination of the interest rate are heavily influenced by assumptions and estimates and are associated with uncertainties. In addition assumptions and estimates regarding the financial impact of climate-related risks were made, which are described further below.

The determination of future cash surpluses is based on the following assumptions regarding the development of TUI's business: In financial year 2024, TUI achieved a further year-on-year increase in customer numbers. Revenue increased by more than 10%, while underlying EBIT grew by more than 25% versus financial year 2023, both in line with expectations. Further growth in customer numbers is expected for financial year 2025. The Markets + Airline business is expected to deliver further earnings growth due to wider use of online distribution and app-based sales, the provision of dynamic production capacities for flights and accommodation and investments in digitalisation. The Cruises segment expects to deliver further earnings growth until financial year 2027, in particular due to the fleet expansion in TUI Cruises. TUI Cruises launched a new ship in summer 2024 and will expand its fleet to nine ships (excluding the ships of the Hapag Lloyd Cruises brand) in the period up to 2027. Plans for the Hotels & Resorts segment include further earnings growth through asset-right capacity expansion, for example in equity companies. At the same time, Hotels & Resorts plans to develop and expand its own global distribution platform. The development of TUI Musement depends, firstly, on the development of customer numbers in the Markets + Airline sector. Meanwhile, TUI Musement is expected to generate growth by expanding its own and direct distribution, both online and via the app.

Other key factors are the weighted average cost of capital after income taxes (WACC), on which discounting is based, the sustainable growth rate and the growth in perpetuity. Changes in these assumptions may have a significant impact on the recoverable amount and the amount of any impairment loss.

The weighted average cost of capital after income taxes (WACC), on which discounting is based, was derived from external capital market information about comparable companies. The cost of capital to Markets + Airline was increased by an additional risk premium of 2.4% (previous year 2.1%). This additional risk premium was based on an analysis of internal and external market expectations and reflects the elevated uncertainty with regard to medium- and long-term market developments. Additional country-specific risk premiums are included, in particular, in the measurement of individual hotels. For further details on the determination of WACC refer to the section 'Goodwill'.

Finally, we have implemented sensitivity analyses to estimate the uncertainty associated with the assumptions on which the impairment tests are based. The sensitivities and their impact on the fair value result exclusively from the adjustment of individual parameters. Possible compensatory measures were not taken into account. Sensitivities have been calculated for changes of the WACC and sustainable growth in perpetuity. In addition, sensitivity analyses have been carried out for a general increase or decrease of future cash flows and for material climate related risks. For further details refer to the section 'Goodwill'.

EFFECT OF CLIMATE-RELATED RISKS ON THE USEFUL LIVES AND THE MEASUREMENT OF ASSETS

OVERVIEW OF CLIMATE RELATED RISKS

The tourism industry faces significant impacts from climate change. As temperature rises the attractiveness of certain destinations might decline. Extreme weather events due to climate change might damage our assets and might lead to increased cancellations of holidays. Political and legal developments will increase the expenses for emission certificates and customer preferences might change. Climate change might also present opportunities for TUI, for example to extending the touristic season in summer destinations or to diversify to new regions. All these changes will impact the financial performance of TUI and will have a more significant impact long term.

As a result of climate-related risks TUI has committed in 2023 to the Science Based Targets initiative (SBTi) to reduce emissions by 2030 in comparison to a baseline 2019. Our targets are:

- Reduction of CO_2e per revenue passenger kilometre by 24% by 2030
- Reduction of absolute CO_2e from our cruise operations by 27.5% by 2030
- Reduction of absolute CO_2e from TUI Hotels & Resorts by 46.2% by 2030

Furthermore it is the commitment of TUI to achieve net-zero emissions by 2050. The reduction of emissions will be accomplished with investments in new technologies and the use of fuel with less CO_2 emissions.

To assess the impact of climate-related risks on our financial performance and business model TUI has conducted a qualitative and quantitative climate risk assessment in the Financial Year 2023. This assessment is still valid. A number of assumptions underpin this assessment regarding changes to the intensity and frequency of weather related events, technological development, development of energy and emission certificate prices and the development of knowledge on global warming. The impact of climate-related risks was assessed for two scenarios, one scenario which implies a global warming of approximately 4.3°C and a scenario which implies a global warming of approximately 1.5°C, both by 2100. The analysis was carried out for the periods until 2030, 2040 and until 2050. The level of uncertainty of the results of the analysis increases over time.

Given the uncertainty TUI has applied critical estimation and judgement in the evaluation of the impact of climate-related risks regarding the recognition and measurement within its financial statements which are described below.

EFFECT OF CLIMATE-RELATED RISKS ON THE USEFUL LIVES OF ASSETS

The useful lives of assets can be affected by climate-related risks in different ways:

- Physical changes in the climate like an increased frequency and intensity of acute events (storms, fire and floodings) as well as long term trends like increased temperature might impact our assets.
- Transitional changes related to the transition to a low-carbon economy including policy, legal, technology and market changes might affect the use of our assets.

In the assessment of the impact of the climate change on the useful lives of our assets TUI applied the following assumptions and estimates:

The impact of physical risks on our aircraft and our cruise ships is assumed to be low. Both assets could be used flexibly, and itineraries or flight routes could be adjusted. The main risk relates to the commitment of TUI to decarbonize its business. However, all aircraft in the current aircraft fleet have the capability to utilise sustainable aviation fuel (SAF). In addition the useful lives of our aircraft, which are mainly leased and recognized as right of use assets, end before 2050 so that TUI could replace the aircraft with new technologies such as hydrogen powered aircraft. Likewise our cruise ships can either already utilise sustainable marine fuel (SMF) or can be converted to do so. Accordingly TUI concluded that climate-related risks do not affect the useful life of aircraft or cruise ships.

TUI assessed as well the useful lives of our hotels in light of climate related risks. Based on the aforementioned analysis TUI concludes that the risk from acute weather events like storms, fire and floodings will increase only to a level which is still manageable through insurance and the large and regional spread of our hotels & resorts portfolio. Furthermore the increase of these risks will most likely occur in the long term so that our leased hotels with a relatively short useful life are less affected. Based on this analysis TUI concludes that none of our hotels will have a reduced useful life due to sea level rise. The risk for our hotels relating to the decarbonization of our business is assumed to be low as there exists already technology to produce carbon neutral energy for example from renewable sources such as solar panels or wind turbines. The useful lives of our hotels could also be affected by consumer behaviour reacting to e.g. increased temperatures. Certain destinations might see a reduced number of tourists in the long term, especially in the peak season e.g. in summer in the Mediterranean. However, it is assumed that the shoulder seasons in spring and autumn will become broader which will mitigate this effect. In addition, TUI has the ability to steer our customers to our owned Hotels and to manage reduced numbers of guests through reduction in use of 3rd party capacity. Overall, TUI does not see any impact of more climate-related risks on the useful lives of hotels.

Overall useful lives and residual values have not been amended in the previous and reporting year as a result of climate related risks.

IMPACT OF CLIMATE-RELATED RISKS ON THE MEASUREMENT OF DEFERRED TAX ASSETS IN RELATION TO LOSSES CARRIED FORWARD

TUI applies a five-year planning horizon derived from its medium-term corporate planning when determining the usability of tax losses carried forward and deductible temporary differences. Medium-term climate-related risks are factored into the measurement of deferred tax assets in relation to losses carried forward. Accordingly, the considerably higher charges that will occur in the long term do not impact the measurement of deferred tax assets in relation to losses carried forward.

IMPACT OF CLIMATE-RELATED RISKS ON IMPAIRMENT TESTS, IN PARTICULAR FOR GOODWILL AND PROPERTY, PLANT AND EQUIPMENT

When performing impairment tests, the discounted future financial charges determined on the basis of the above-mentioned climate-related risk analysis were deducted from the discounted future cash flow surpluses calculated based on our medium-term planning. Due to the long-term nature of these future charges and uncertain technological and regulatory developments, the charges determined in this manner are subject to a high level of uncertainty.

The underlying assumption is that until 2030 TUI will reduce its climate-damaging emissions in accordance with the SBTi and will subsequently follow a linear path to achieving net-zero emissions by 2050. It is likewise assumed that the emissions of our suppliers are reduced for the period until 2050. These will be achieved in particular by gradually replacing aircraft fuel and bunker oil with fuels that do not cause climate-damaging emissions. The expectation here is that these fuels will be available in sufficient quantities. This assumption depends on the development of technologies and production capacities and is therefore subject to elevated uncertainty. A key estimate concerns price movements for fuels without greenhouse gas emissions. Currently the prices for these fuels are by far higher as conventional fuels. It is assumed that the prices will level off by 2050.

Technological innovation, such as in the form of hydrogen-powered aircraft, is not taken into account. Greater fuel efficiency was only considered insofar as it relates to the planned fleet renewal in aviation or else can be achieved by means of known technologies such as underwater coatings on cruise ships. Fleet expansion in the Cruises segment has also been factored in. In the segment Hotels & Resorts, it is assumed that emission reductions will be achieved by means of existing and continued investments in renewable energies, such as solar panels.

This reduction in greenhouse gas emissions will be underpinned by a public regulatory framework encompassing everyone, including TUI's suppliers, leading in particular to a reduction in free emission allowances or an increase in the price of emission certificates. While harmful gas emissions will be reduced in the manner described above, rising prices for emission certificates will generate substantial financial charges before the expenses for emission certificates drop to zero in 2050. The calculation of these financial charges reflects TUI's own costs, and the costs of emission certificates passed on by suppliers.

In addition, physical risks from climate-related one-off events such as storms or floods or long-term developments such as rising temperatures, affecting the Hotels & Resorts segment, were taken into account. Average annual charges were determined based on external studies. It is expected that the financial impact of these climate-related risks is relatively low.

Overall, the use of low-emission fuels and rising prices for emissions will lead to significant financial charges, particularly for energy-intensive aviation operations in the Northern Region, Western Region, and Central Region segments. The Cruises segment will also be impacted. In Hotels & Resorts segment, the burden will be relatively low; in fact, the autonomous generation of energy, such as by means of solar power, may even generate cost savings.

One key assumption, then, concerns the extent to which costs for low-emission fuels and emission certificates can be passed on to customers. TUI assumes that the reduction in greenhouse gas emissions will generate general price increases (green inflation). TUI additionally benefits from opportunities to pass on costs across the entire value chain. Overall, TUI therefore assumes that it will be able to pass on 90% of the costs in aviation, a sector that is particularly affected, and 95% in other sectors.

In the light of the uncertainties regarding the long-term financial burden from climate-related risks, TUI has calculated sensitivities for the particularly affected Markets + Airline and Cruises. These are presented in the section on 'Goodwill'. The sensitivities relate to assumptions on the development of climate-related risks in general, the development of prices for alternative fuels and emission certificates and the potential for passing on climate change-related costs to our customers. Overall, TUI does not regard climate-related risks as a triggering event for carrying out impairment tests.

BUSINESS ACQUISITIONS AND INTANGIBLE ASSETS

In accounting for business combinations, the identifiable assets, liabilities and contingent liabilities acquired have to be measured at their fair values. In this context, cash flow-based methods are regularly used, which may lead to different results depending on the underlying assumptions. In particular, some judgement is required in estimating the economic useful lives of intangible assets and determining the fair values of contingent liabilities.

Detailed information on business acquisitions and useful lives of intangible assets is provided in the section 'Acquisitions – divestments' in the section on 'Principles and methods of consolidation' and in the section on 'Goodwill and other intangible assets' of the section 'Accounting and measurement methods'.

PROPERTY, PLANT AND EQUIPMENT

The measurement of wear-and-tear to property, plant and equipment items entails estimates. The carrying amount of property, plant and equipment as at 30 September 2024 totals € 3,697.4 m (previous year € 3,480.3 m). Material assumptions and estimates are the determination of useful lives and residual carrying amounts of property, plant and equipment. The effects of climate-related risks are also taken into account here. From the analysis to review the amounts carried, an evaluation is carried out on a regular basis to assess whether there are any indications of a potential impairment. These indications relate to a number of areas and factors, e.g. the market-related or technical environment but also physical condition. If any such indication exists, management must estimate the recoverable amount on the basis of expected cash flows and appropriate interest rates.

More detailed information on the useful lives and residual values of property, plant and equipment items is provided in the section 'Property, plant and equipment' in the section 'Accounting and measurement methods'.

PENSION PROVISIONS

As at 30 September 2024, the carrying amount of provisions for pensions and similar obligations totals € 664.4 m (previous year € 670.4 m). For those pension plans where the plan assets exceed the obligation, other non-financial assets amounting to € 75.4 m are shown as at 30 September 2024 (previous year € 98.5 m).

In order to determine the obligations under defined benefit pension schemes, actuarial calculations are used which rely on underlying assumptions concerning life expectancy and the discount rate.

At the balance sheet date, the fair value of the plan assets totals € 2,140.7 m (previous year € 1,905.8 m). As assets classified as plan assets are never available for short-term sale, the fair values of these plan assets may change significantly up to the realisation date.

Detailed information on actuarial assumptions is provided in Note 29.

OTHER PROVISIONS

As at 30 September 2024, other provisions amount to € 1,330.3 m (previous year € 1,181.9 m). When recognising and measuring provisions, assumptions to a considerable content regarding the probability of occurrence, maturity and level of risk are required.

Determining whether a current obligation exists is usually based on review by internal or external experts. The amount of provisions is based on expected expenses, and is either calculated by assessing the specific case in the light of empirical values, outcomes from comparable circumstances or ranges of possible claims, or else estimated by experts. Due to the uncertainties associated with assessment, actual expenses may deviate from estimates so that unexpected charges may result.

More detailed information on Other provisions is provided in the Notes to the statement of financial position in Note 30.

LEASE LIABILITIES

As at 30 September 2024, lease liabilities worth € 2,639.8 m (previous year € 2,918.1 m) were carried, reflecting the present value of the future lease payments as at that date. The interest rate implicit in the lease can only be easily determined in exceptional cases. In all other cases TUI therefore uses its own incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate TUI would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Determining the incremental borrowing rate therefore regularly involves estimates regarding the interest rate the Group would have to pay. In this context, estimates are required, for instance, to determine the interest the Group companies would have to pay if no observable interest rates are available, or if adjustments are required regarding the specific agreed terms and conditions such as the transaction currency or contract term. TUI determines the incremental borrowing rate using observable inputs (bond yields and CDS quotations) and makes specific adjustments for individual companies (e.g. country risk premiums).

DEFERRED TAX ASSETS

As at 30 September 2024, deferred tax assets totalling € 389.2 m (previous year € 310.6 m) were recognised. Prior to offsetting against deferred tax liabilities, deferred tax assets total € 781.9 m, including an amount of € 209.7 m (previous year € 269.4 m) for recognised losses carried forward. The assessment of the recoverability of deferred tax assets is based on the ability of the respective Group company to generate sufficient taxable income. TUI therefore assesses at every balance sheet date whether the recoverability of expected future tax savings is sufficiently probable in order to recognise deferred tax assets. The assessment is based on various factors including internal forecasts regarding the future earnings situation of the Group company. TUI uses a five-year planning horizon to derive the recoverability of tax loss carryforwards and deductible differences. If the assessment of the recoverability of deferred tax assets changes, the carrying amount of deferred tax assets will be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable profit will be available.

More detailed information on deferred tax assets is available in the Notes to the statement of financial position in Note 20.

INCOME TAXES

The Group is liable to pay income taxes in various countries. Key estimates are required when determining income tax liabilities, including the probability, the timing and the size of any amounts that may become payable. For certain transactions and calculations the final tax charge cannot be determined during the ordinary course of business. After taking appropriate external advice, the Group makes provisions or discloses contingencies for uncertain tax positions based on the probable or possible level of additional taxes that might be incurred. The level of obligations for expected tax audits is based on an estimation of whether and to what extent additional income taxes will be due. Judgements are corrected, if necessary, in the period in which the final tax charge is determined.

RECOVERABLE AMOUNTS OF TOURISTIC PREPAYMENTS

As at 30 September 2024, the carrying amount of touristic prepayments totals € 1,086.1 m (previous year € 939.9 m). The assessment of the recoverable amounts of touristic prepayments made to hoteliers requires judgement about the volume of future trading with hoteliers and the credit worthiness of those hoteliers. To assess the recoverability of touristic prepayments, TUI considers the financial strength of those hoteliers, the quality of the hotels as well as the demand for each hotel and the relevant destination during the past and in forthcoming seasons.

FINANCIAL INSTRUMENTS

When measuring ECL of financial instruments under IFRS 9 TUI uses, besides historical information, reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers. The uncertainty remains that this future ECL will not be in line with actual default rates due to market development.

Segment Reporting

Notes to the segments

The identification of operating segments is based on the internal organisational and reporting structure primarily built around the different products and services as well as a geographical structure within TUI Group. Allocation of individual organisational entities to operating segments is exclusively based on economic criteria, irrespective of the participation structure under company law. The segments are independently managed by those in charge, who regularly receive separate financial information for each segment. They regularly report to the Group Executive Committee, which consists of six Executive Board members and five other executives. The legally binding decision regarding the use of resources is taken by the Executive Board. TUI AG's Executive Board has therefore been identified as the Chief Operating Decision Maker (CODM) in accordance with IFRS 8.

The Hotels & Resorts segment comprises all Group-owned hotels and hotel shareholdings of TUI Group.

The Cruises segment consists of the joint venture TUI Cruises, its subsidiary Hapag-Lloyd Cruises as well as the British cruise business Marella Cruises.

The TUI Musement segment comprises the companies providing services in the destinations.

The income statement items of the aircraft leasing companies holding TUI Group's aircraft and subletting them within the Group have been fully allocated to the airlines using the respective aircraft (Northern Region, Central Region and Western Region segments).

The Northern Region segment comprises the tour operators and airlines in the UK, Ireland and the Nordic countries and the stake in the tour operation business of the Canadian company Sunwing. This segment also includes the tour operator TUI Lakes & Mountains, which plays a major role in securing the load factor for our UK aircraft fleet in winter.

The Central Region segment comprises the tour operators and airlines in Germany and tour operators in Austria, Poland and Switzerland.

The Western Region segment comprises the tour operators and airlines in Belgium and the Netherlands and tour operators in France.

Apart from the above segments, the recognised items also include All other segments. This comprises in particular the central corporate functions and interim holdings of TUI Group and the Group's real estate companies, as well as central tourism functions such as information technology.

Notes to the segment data

The selection of segment data presented is based on the regular internal reporting to the Executive Board. From the 2020 financial year onwards, adjusted EBIT is the segment performance indicator within the meaning of IFRS 8.

We define the EBIT in underlying EBIT as earnings before interest, income taxes and result of the measurement of the Group's interest hedges. EBIT by definition includes goodwill impairments.

Underlying EBIT is adjusted for income and expense items impacting or distorting the assessment of the operating profitability of the segments and the Group due to their level and frequency. These separately disclosed items include gains on disposal from investments, major gains and losses from the sale of assets and major restructuring and integration expenses. In addition, adjustments are carried for all effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments. Adjustments made in the reconciliation to underlying EBIT also include goodwill impairments.

In financial year 2024, separately disclosed items in total resulted in net expenses of € 0.0 m.

The adjusted separately disclosed items for the financial year 2024 include restructuring expenses of € 7 m in All Other Segments and € 1 m in Northern Region, partially offset by € 1 m disposal gains in Holiday Experiences, € 1 m release of restructuring provisions no longer needed in Western Region as well as income of € 7 m Sunwing earn-out from the sale of the tour operator business by the equity method accounted company Sunwing Travel Group Inc., Ontario, in Northern Region in the previous fiscal year and € 1 m disposal losses in Markets + Airline.

In financial year 2023, net expenses totalling € 45.8 m were adjusted as separately disclosed items. The adjusted separately disclosed items for the financial year 2023 include a positive gain on disposal of € 91 m from the sale of the tour operator business by the equity method accounted company Sunwing Travel Group Inc., Ontario in the Northern Region segment and a profit share from the disposal of our 49% stake in the joint venture RIU Hotels S.A. to a company of the Riu Group in the financial year 2021 (€ 3 m). In addition, expenses in connection with the sale of an investment in All other segments (€ 1 m) and in the Hotels & Resorts segment (€ 1 m) were adjusted. The adjusted restructuring expenses related to the Central Region (€ 4 m), All other segments (€ 45 m, in particular from the impairment of software) and TUI Musement (€ 5 m, mainly from the revaluation of the risk following the termination of the Tantur / TUI Russia business in the previous financial year). This was contrasted by income from the reversal of restructuring provisions no longer required in the Northern Region (€ 3 m) and Western Region (€ 1 m) as well as in Hotels & Resorts (€ 4 m).

The adjusted expenses of € 20.9 m (previous year € 23.7 m) from purchase price allocations mainly include scheduled amortization of intangible assets from acquisitions made in previous years.

In accordance with IFRS 8 TUI presents intercompany leases – in line with the internal steering logic – as if they were IAS 17 Operating leases in segment reporting.

Apart from the underlying EBIT, internal and external revenue, depreciation and amortisation, impairments of other intangible assets (excluding goodwill), property, plant and equipment, right-of-use assets and investments as well as the share of result of joint ventures and associates are likewise shown for each segment, as these amounts are included when determining underlying EBIT. As a rule, inter-segment business transactions are based on the arm's length principle, as applied in transactions with third parties. No single external customer accounts for 10% or more of revenue.

Assets and liabilities by segment are not included in the reporting to the Executive Board and are therefore not shown in segment reporting.

Depreciation and write-backs relate to non-current assets by region.

Non-current assets by region contain other intangible assets, property, plant and equipment, right-of-use assets and specific other non-current assets that do not meet the definition of financial instruments.

Segment indicators

Revenue by segment*

	2024			2023		
€ million	**External**	**Group**	**Total**	External	Group	Total
Hotels & Resorts	1,152.4	937.1	2,089.5	1,032.5	822.8	1,855.3
Cruises	840.1	–	840.1	656.0	– 0.0	656.0
TUI Musement	931.0	431.0	1,362.0	770.0	390.9	1,160.9
Consolidation	–	– 1.4	– 1.4	–	– 1.0	– 1.0
Holiday Experiences	2,923.5	1,366.7	4,290.2	2,458.5	1,212.7	3,671.2
Northern Region	8,546.7	315.6	8,862.3	7,722.9	328.5	8,051.4
Central Region	8,336.9	82.3	8,419.2	7,329.7	88.2	7,417.9
Western Region	3,349.3	121.0	3,470.3	3,142.8	144.1	3,286.9
Consolidation	–	– 482.1	– 482.1	–	– 528.6	– 528.6
Markets + Airline	20,232.9	36.8	20,269.7	18,195.4	32.2	18,227.6
All other segments	10.9	6.8	17.7	11.9	7.9	19.8
Consolidation	–	– 1,410.3	– 1,410.3	–	– 1,252.7	– 1,252.7
Total	**23,167.3**	**–**	**23,167.3**	**20,665.9**	**–**	**20,665.9**

* Due to the re-segmentation of an IT-company from Western Region to All other segments in financial year 2024 the previous year has been adjusted by € 0.3 m.

Underlying EBIT by segment*

€ million	**2024**	2023
Hotels & Resorts	668.4	549.5
Cruises	374.3	236.0
TUI Musement	49.2	36.0
Holiday Experiences	1,091.9	821.5
Northern Region	165.4	71.5
Central Region	128.1	88.1
Western Region	10.3	78.5
Markets + Airline	303.9	238.0
All other segments	– 99.6	– 82.3
Total	**1,296.2**	**977.2**

* Due to the re-segmentation of an IT-company from Western Region to All other segments in financial year 2024 the previous year has been adjusted by € 2.6 m.

Reconciliation to underlying EBIT of TUI Group

€ million	2024	2023
Earnings before income taxes	**861.4**	**551.2**
plus: Net interest expense (excluding expense / income from measurement of interest hedges)	414.9	432.6
plus: Expense / less income from measurement of interest hedges	– 1.0	15.6
EBIT	**1,275.3**	**999.3**
Adjustments:		
less: Separately disclosed items	–	– 45.8
plus: Expense from purchase price allocation	20.9	23.7
Underlying EBIT	**1,296.2**	**977.2**

Other segmental information*

	Amortisation (+), depreciation (+), impairment (+) and write-backs (–) of other intangible assets, property, plant and equipment, right-of-use assets and investments		Thereof impairment of other intangible assets and property, plant, equipment and right-of-use assets		Thereof reversal of impairment losses on other intangible assets and property, plant, equipment and right-of-use assets		Thereof amortisation / depreciation of other intangible assets and property, plant, equipment and right-of-use assets		Share of result of joint ventures and associates	
€ million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Hotels & Resorts	174.9	184.9	31.6	25.0	37.9	21.7	181.2	181.5	113.0	105.3
Cruises	85.5	65.4	–	–	5.8	11.6	91.2	77.0	233.1	174.2
TUI Musement	36.1	35.3	0.5	1.7	–	–	35.6	33.6	12.6	13.2
Holiday Experiences	296.5	285.6	32.1	26.7	43.6	33.3	308.0	292.2	358.8	292.7
Northern Region	307.8	296.0	0.5	2.2	0.4	1.3	307.8	295.1	8.6	112.8
Central Region	102.0	97.2	1.0	0.7	–	0.1	101.1	96.5	3.9	1.1
Western Region	135.5	130.5	–	0.6	–	–	135.5	129.9	0.2	0.3
Markets + Airline	545.3	523.9	1.4	3.6	0.4	1.3	544.4	521.7	12.7	114.3
All other segments	4.8	49.6	2.4	37.4	–	–	2.5	12.3	0.2	0.2
Total	**846.6**	**859.1**	**35.9**	**67.7**	**44.1**	**34.6**	**854.8**	**826.1**	**371.7**	**407.2**

* Due to the re-segmentation of an IT-company from Western Region to All other segments in financial year 2024 the previous year has been adjusted by € 11.7 m.

Key figures by region

	External revenue by customer location		Non-current assets	
€ million	**2024**	2023	**2024**	2023
Germany	6,410.2	5,699.1	309.3	276.3
United Kingdom	8,385.9	7,475.8	3,739.6	3,756.0
Spain	189.0	175.6	542.8	564.3
Other Europe	7,443.2	6,653.7	509.8	482.6
North and South America	557.6	494.8	756.0	733.8
Rest of the world	181.4	166.9	1,160.1	1,141.4
Total	**23,167.3**	**20,665.9**	**7,017.6**	**6,954.4**

Notes to the Consolidated Income Statement

In the completed financial year, the TUI Group's business volume was strongly higher than in financial year 2023, due to a year-on-year increase in pax numbers and higher average prices, mainly in Markets + Airline. Moreover, the TUI Group's performance is subject to significant seasonality due to the tourism business being characterised by the winter and summer travel months.

(1) Revenue

Group revenue is mainly generated from tourism services. The other revenues present income from sub-leases. In financial year 2024, consolidated revenue increased by 12.1% year-on-year from € 20.7 bn to € 23.2 bn.

External revenue allocated by destinations for the period from 1 Oct 2023 to 30 Sep 2024

€ million	Spain (incl. Canary Islands)	Other European destinations	Caribbean, Mexico, USA & Canada	North Africa & Türkiye	Rest of Africa, Ind. Ocean, Asia	Other countries	**2024 Revenues from contracts with customers**	Other	**2024 Total**
Hotels & Resorts	436.0	101.7	300.0	107.4	207.3	–	1,152.4	–	1,152.4
Cruises	278.0	194.0	233.6	77.8	56.7	–	840.1	–	840.1
TUI Musement	139.5	333.2	155.3	56.1	173.1	73.8	931.0	–	931.0
Holiday experiences	853.5	628.9	688.9	241.3	437.1	73.8	2,923.5	–	2,923.5
Northern Region	2,446.2	2,720.4	1,264.8	1,312.4	780.3	15.8	8,539.9	6.8	8,546.7
Central Region	2,278.6	2,517.5	349.1	2,221.1	965.2	5.4	8,336.9	–	8,336.9
Western Region	928.2	928.5	520.6	589.4	361.2	21.4	3,349.3	–	3,349.3
Markets + Airline	5,653.0	6,166.4	2,134.5	4,122.9	2,106.7	42.6	20,226.1	6.8	20,232.9
All other segments	0.4	10.5	–	–	–	–	10.9	–	10.9
Total	**6,506.9**	**6,805.8**	**2,823.4**	**4,364.2**	**2,543.8**	**116.4**	**23,160.5**	**6.8**	**23,167.3**

External revenue allocated by destinations for the period from 1 Oct 2022 to 30 Sep 2023

€ million	Spain (incl. Canary Islands)	Other European destinations	Caribbean, Mexico, USA & Canada	North Africa & Türkiye	Rest of Africa, Ind. Ocean, Asia	Other countries	2023 Revenues from contracts with customers	Other	2023 Total
Hotels & Resorts	358.9	89.0	314.9	91.2	178.6	–	1,032.5	–	1,032.5
Cruises	232.0	179.5	244.6	–	–	–	656.1	–	656.0
TUI Musement	111.0	251.1	187.5	39.1	128.0	53.3	770.0	–	770.0
Holiday experiences	701.9	519.6	747.0	130.3	306.6	53.3	2,458.6	–	2,458.5
Northern Region	2,246.3	2,384.9	1,292.7	1,175.2	604.9	13.3	7,717.3	5.5	7,722.9
Central Region	2,037.2	2,254.1	341.5	1,803.7	886.1	5.3	7,327.8	1.9	7,329.7
Western Region	819.7	902.5	540.9	568.5	290.5	16.6	3,138.7	4.1	3,142.8
Markets + Airline	5,103.2	5,541.5	2,175.1	3,547.4	1,781.5	35.2	18,183.9	11.5	18,195.4
All other segments	0.3	11.1	0.5	–	–	–	11.9	–	11.9
Total	**5,805.4**	**6,072.2**	**2,922.6**	**3,677.7**	**2,088.1**	**88.5**	**20,654.4**	**11.5**	**20,665.9**

Future revenue from performance obligations not yet delivered as at 30 September 2024, of which at least 12 months are between the contract start and the contract end date, totals € 980.6 m (previous year € 799.6 m), including an amount of € 932.5 m (previous year € 758.3 m) to be recognised within the next twelve months. The remaining revenue will be recognised in the following twelve months.

The touristic advance payments received (contract liabilities) are presented in Note 32.

(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 personnel, depreciation, amortisation, rental and leasing, it includes all costs incurred by the Group in connection with the procurement and delivery of airline services, hotel accommodation, cruises and distribution costs.

Due to the increased business volume, the cost of sales increased by 11.4% from € 19.1 bn to € 21.2 bn in financial year 2024.

The cost of sales in the prior year included effects from the termination of hedging relationships that were previously designated in hedge accounting relationships. For more details, please refer to Note 39 'Financial instruments'.

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

Administrative expenses

€ million	**2024**	2023
Staff cost	689.1	619.2
Rental and leasing expenses	12.3	9.5
Depreciation, amortisation and impairment	68.7	87.0
Others	275.7	299.9
Total	**1,045.8**	**1,015.6**

Other administrative expenses mainly increased due to a higher number of employees.

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

Staff costs

€ million	**2024**	2023
Wages and salaries	2,166.9	1,954.6
Social security contributions	338.9	294.9
Pension costs	118.7	108.8
Total	**2,624.5**	**2,358.3**

Pension costs include service cost for defined benefit obligations and contributions to defined contribution pension schemes.

In the period under review, TUI Group's personnel expenses rose from € 2.4 bn in the prior year to € 2.6 bn. The year-on-year increase in wages and salaries and social security contributions in financial year 2024 resulted in particular from a 3.5% increase in the average number of employees across the Group.

The average annual headcount (excluding trainees) evolved as follows:

Average annual headcount in the financial year (excl. trainees)*

	2024	2023
Hotels & Resorts	25,052	24,442
Cruises	78	75
TUI Musement	9,089	8,965
Holiday Experiences	34,219	33,482
Northern Region	11,101	10,401
Central Region	7,098	6,935
Western Region	5,266	5,110
Markets + Airline	23,465	22,446
All other segments	2,701	2,414
Total	**60,385**	**58,342**

* Due to the re-segmentation of an IT-company from Western Region to All other segments in financial year 2024 the previous year has been adjusted.

Depreciation / amortisation / impairment

€ million	2024	2023
Depreciation and amortisation of other intangible assets, property, plant and equipment and right-of-use assets	854.9	826.1
Impairment losses on other intangible assets, property, plant and equipment and right-of-use assets	35.9	67.7
Total	**890.8**	**893.8**

Impairment losses of € 33.7 m (previous year € 45.8 m) are presented within cost of sales and € 2.2 m (previous year € 21.9 m) in administrative expenses.

Impairment losses of € 22.9 m (previous year € 14.0 m) relate to property, plant and equipment. Additionally € 11.9 m (previous year € 14.0 m) relate to right-of-use assets and € 1.1 m (previous year € 39.7 m) to other intangible assets.

In financial year 2024, reversals of impairment losses of € 44.1 m (previous year € 34.6 m) were recognized which are all presented in cost of sales.

For details of the impairment losses and reversals of impairment losses effected in financial year 2024, please refer to the respective sections in the Notes to the consolidated statement of financial position. A breakdown of impairments and reversals of impairments by segments is presented in Segment Reporting.

EMISSION TRADING SCHEMES

During the financial year an expense of € 75.8 m (previous year € 8.4 m) was recognised for the obligation incurred to surrender emission allowances, mainly under the EU Emission Trading Scheme (EU ETS). This expense was presented in cost of sales.

(3) Other income and other expenses

In financial year 2024 other income mainly shows a gain of € 5.1 m from the disposal of aircraft assets, € 3.0 m income the remeasurements of leasing contracts and € 1.6 m from the sale of companies.

In the previous year, this item had primarily included a gain of € 14.5 m from the disposal of aircraft assets and € 10.6 m of income from the sale of emission certificates (ETS).

The other expenses in the 2024 financial year mainly result from losses from the disposal of aircraft assets of € 13.1 m.

In the previous year, other expenses included in particular the expenses from the disposal of the proportionate goodwill of the Northern Region. This goodwill of € 19.5 m was determined as the relative value of the operating business of Sunwing, which was disposed in the 2023 financial year. Furthermore, the losses from the sale of aircraft assets of € 6.3 m were recognised in other expenses.

(4) Financial income

Financial income

€ million	2024	2023
Bank interest income	65.4	39.1
Other interest and similar income	29.6	37.3
Income from the measurement of hedges	3.9	0.5
Interest income	**98.9**	**76.9**
Income from investments	0.1	0.1
Income from the measurement of other financial instruments	0.1	0.7
Foreign exchange gains	10.6	9.9
Total	**109.7**	**87.6**

The increase in financial income by €22.1 m in the financial year 2024 mainly results from increased interest income on bank deposits and liquid assets in money market funds and is primarily due to increased balances and partially to increased interest rates.

(5) Financial expenses

Financial expenses

€ million	**2024**	2023
Interest expenses on lease liabilities	172.0	175.6
Interest expenses on bonds	102.2	53.6
Bank interest payable on loans and overdrafts	42.9	29.7
Unwinding of discount on provisions	25.7	25.4
Net interest expenses from defined benefit pension plans	20.1	10.5
Other interest and similar expenses	147.0	214.2
Expenses relating to the measurement of hedges	2.9	16.1
Interest expenses	**512.8**	**525.1**
Expenses relating to the measurement of other financial instruments	0.1	0.8
Foreign exchange losses	5.4	7.7
Total	**518.3**	**533.6**

In the period under review, financial expenses decreased by €15.3 m. The decline is mainly due to lower other interest and similar expenses and is primarily due to a lower utilisation of the revolving credit facility. The decrease is partly offset by increased interest expenses on bonds. The partial repurchase of the convertible bond issued in financial year 2021 resulted in further interest expenses. In addition, interest expenses for the newly issued convertible bond and the sustainability bond issued in the same year led to a further opposing effect.

(6) Share of result of joint ventures and associates

The share of result of joint ventures and associates of €371.7 m (previous year €407.2 m) comprises the net result for the year attributable to the associated companies and joint ventures.

Joint ventures and associates were tested for impairment as at 30 September 2024. This resulted in no impairments (previous year €0.0 m) and no reversals (previous year €7.6 m) in the Hotels & Resorts segment and €0.2 m impairments (previous year €2.5 m) and no reversals (previous year €0.3 m) in the Central Region segment.

For the breakdown of the results of the material joint ventures and associates, please refer to Note 16 'Investments in joint ventures and associates'.

(7) Income taxes

As in the previous year, TUI Group's German companies have to pay trade tax of 15.7% and corporation tax of 15.0% plus a 5.5% solidarity surcharge on corporation tax.

Foreign income taxes are calculated on the basis of the laws and provisions applicable in the individual countries. The income tax rates applied to foreign companies vary from 0% to 35.0%.

Breakdown of income taxes

€ million	**2024**	2023
Current tax (expense [+] / income [–])		
in Germany	6.7	3.0
abroad	135.3	118.8
Deferred tax (expense [+] / income [–])	12.0	–26.3
Total	**154.0**	**95.5**

In financial year 2024, the tax income from actual taxes attributable to prior periods totalled €9.0 m (previous year tax income of €4.9 m).

In the financial year deferred tax expenses include deferred tax income from the reassessment of tax loss carryforwards in Germany of €26.6 m (previous year tax income €46.8 m).

In financial year 2024, tax expense totalled € 154.0 m (previous year € 95.5 m) and are derived as follows from an 'expected' income tax expense that would have arisen if the statutory income tax rate of parent company TUI AG (aggregate income tax rate) had been applied to earnings before taxes.

Reconciliation of expected to actual income taxes

€ million	2024	2023
Earnings before income taxes	861.4	551.2
Expected income tax (current year 31.5%, previous year 31.5%)	**271.3**	**173.6**
Effect from the difference of the actual tax rates to the expected tax rates	– 29.6	– 14.9
Changes in tax rates and tax law	– 0.4	27.3
Income not taxable	– 288.5	– 236.4
Expenses not deductible	99.3	92.4
Effects from loss carryforwards	107.1	59.3
Temporary differences for which no deferred taxes were recognised	22.8	1.2
Deferred and current income tax relating to other periods (net)	– 19.9	– 18.8
Other differences (expense [+] / income [–])	– 8.1	11.8
Income taxes	**154.0**	**95.5**

(8) Group profit attributable to shareholders of TUI AG

In financial year 2024, the share in the Group profit attributable to TUI AG shareholders increased from € 305.8 m in the prior year to € 507.1 m.

(9) Group profit attributable to non-controlling interest

The Group profit attributable to non-controlling interest primarily relates to the RIUSA II Group with € 197.5 m (previous year € 147.1 m) in the Hotels & Resorts segment.

(10) Earnings per share

In accordance with IAS 33, basic earnings per share were calculated by dividing the Group result for the year attributable to TUI AG shareholders by the weighted average number of registered shares outstanding during the financial year.

In the previous financial year, the average number of shares was adjusted retrospectively for the effect of the capital reduction carried out in February 2023 at a ratio of 10:1 from 1,785,205,850 shares to 178,520,585 shares. In addition, TUI completed a capital increase on April 24, 2023 in which subscription rights were issued to the existing shareholders. As the subscription price of the new shares was below the market price of the existing shares, the capital increase included a bonus component. To take into account that the number of shares outstanding had increased without a corresponding change in resources, the weighted average number of shares was adjusted according to IAS 33. In the previous financial year, the weighted average number of shares was therefore increased retrospectively for the time-weighted effect of the issue of subscription rights by 61,556,666 shares.

Earnings per share

		2024	2023
Group profit for the year attributable to shareholders of TUI AG	€ million	507.1	305.8
Weighted average number of shares		507,431,033	384,257,173
Basic earnings per share	€	**1.00**	**0.80**

Diluted earnings per share

		2024	2023
Group profit for the year attributable to shareholders of TUI AG	€ million	507.1	305.8
Adjusted Group profit for the year attributable to shareholders of TUI AG	€ million	509.9	305.8
Weighted average number of shares		507,431,033	384,257,173
Weighted average number of shares (diluted)*		516,717,520	384,257,173
Diluted earnings per share*	€	**0.99**	**0.80**

* Previous year adjusted

The diluted earnings per share are calculated under the assumption that all potentially dilutive convertible bonds are converted into shares. The average number of shares issued is therefore increased by the potential shares that could arise from the convertible bond issued in July 2024 with a nominal value of € 487 m (time-weighted from issuance: 9,286,487 shares). At a current conversion price of € 9.60, the maximum number of potential shares from the execution of the conversion rights is 50,729,166 shares. The earnings attributable to TUI shareholders are increased by the difference between the interest charges and the tax income from the convertible bond amounting to € 2.8 m.

Contrary to this, the convertible bond issued in April and July 2021 was not considered in determining the diluted earnings per share as of 30 September, 2024, as the instrument would have been anti-dilutive, as in the previous year. The convertible bond could potentially dilute earnings per share in the future. Exercising the conversion rights could increase the number of shares by 4,409,333 shares (previous year 22,106,656 shares) based on the current conversion price of € 26.67 (previous year € 26.67).

(11) Taxes attributable to other comprehensive income

Tax effects relating to other comprehensive income

	2024			2023		
€ million	**Gross**	**Tax effect**	**Net**	Gross	Tax effect	Net
Foreign exchange differences	– 245.2	–	– 245.2	– 65.6	–	– 65.6
Cash flow hedges	– 585.5	131.0	– 454.5	169.3	– 37.1	132.2
Remeasurements of benefit obligations and related fund assets	– 120.7	33.9	– 86.8	– 241.3	47.6	– 193.7
Changes in the measurement of companies measured at equity outside profit or loss	– 18.9	–	– 18.9	2.7	–	2.7
Fair value gain on investments in equity instruments designated as at FVTOCI	0.9	–	0.9	23.7	–	23.7
Other comprehensive income	**– 969.4**	**164.9**	**– 804.5**	**– 111.2**	**10.5**	**– 100.7**

In the period under review, corporate income taxes in the amount of € 0.0 m were recognized directly in equity (previous year € 0.0 m). In connection with the issuance of the convertible bond in July 2024, as well as the partial repurchase of the convertible bonds maturing in April 2028, deferred taxes of € 31.7 m (previous year € 0.0 m) were incurred without affecting profit or loss during the financial year.

Notes to the Consolidated Statement of Financial Position

(12) Goodwill

Goodwill

€ million	2024	2023
Historical cost		
Balance as at 1 Oct	**3,425.3**	**3,444.9**
Exchange differences	56.0	2.2
Disposals	– 1.4	– 19.5
Reclassification as assets held for sale	–	– 2.3
Balance as at 30 Sep	**3,479.9**	**3,425.3**
Impairment	**– 476.1**	**– 474.3**
Balance as at 1 Oct	**– 5.1**	**– 1.8**
Exchange differences	– 481.2	– 476.1
Balance as at 30 Sep		
Carrying amounts as at 30 Sep	**2,998.7**	**2,949.2**

Disposals of goodwill are attributable to the divestment of two companies. In Central Region, goodwill declined by € 1.2 m following the sale of the shares in Raiffeisen-Tours RT-Reisen GmbH in October 2023. The sale of Club Hotel CV SA resulted in the disposal of a part of the goodwill of the 'Robinson' cash-generating unit. The reclassification to assets held for sale already implemented in the previous year led to a provisional disposal of goodwill of € 2.3 m in 2023. At the time of the transaction in October 2023, the final calculation resulted in a further disposal of goodwill in the amount of € 0.2 m. Goodwill disposal in the previous year related in full to the divestment of the operating business in Canada (Sunwing). The goodwill was allocated to the Northern Region. Detailed information on acquisitions and divestments is provided in the section 'Acquisitions – divestments'.

In accordance with the provisions of IAS 21, goodwill allocated to the individual segments and sectors was recognised in the functional currency of the subsidiaries and subsequently translated when preparing the consolidated financial statements. Similar to the treatment of other differences from the translation of annual financial statements of foreign subsidiaries, differences due to exchange rate fluctuations between the exchange rate at the date of acquisition of the subsidiary and the exchange rate at the balance sheet date are taken directly to equity outside profit and loss and disclosed as a separate item. In financial year 2024, an increase in the carrying amount of goodwill of € 50.9 m (previous year increase of € 0.4 m) resulted from foreign exchange differences.

The following table presents a breakdown of goodwill by the significant cash-generating unit (CGU) at carrying amounts. 'Other' consists of the two independent cash-generating units, Robinson, and Midnight International (formerly Blue Diamond), which belong to the Hotels & Resorts segment.

Goodwill per cash-generating unit

€ million	30 Sep 2024	30 Sep 2023
Northern Region	1,226.6	1,185.1
Central Region	501.4	502.4
Western Region	412.3	412.3
Riu	343.1	343.1
Marella Cruises	306.3	294.3
TUI Musement	165.0	167.3
Other	44.0	44.7
Total	**2,998.7**	**2,949.2**

As at 30 September 2024, an impairment test of capitalised goodwill was performed at the level of cash-generating units. No impairments of capitalised goodwill were identified.

For all CGUs, the recoverable amount was determined on the basis of fair value less costs of disposal, being the higher value compared to the value in use. The fair value was calculated by discounting the expected cashflows. This was based on the medium-term plan for the respective entity as at 30 September 2024. Budgeted revenues and EBIT margins are based on expectations of the future business performance. Refer to the section 'Key judgements, assumptions and estimates'.

The discount rates are calculated as the weighted average cost of capital, taking account of country-specific risks of the CGU and based on external capital market information. The unchanged high weighted average cost of capital reflects the current market situation.

The table below provides an overview of the parameters versus the previous financial year, underlying the determination of the fair values per CGU. As in the previous year, the EBIT margin has been adjusted for deductions of centrally incurred costs. The table lists the CGUs to which goodwill has been allocated:

Parameters for calculation of the recoverable amount as at 30 Sep 2024

	Planning period in years	Growth rate revenues (2) in % p.a.	EBIT margin (3) in % p.a.	Sustainable growth rate (4) in %	WACC in %	Level	Carrying amount in € million	Recoverable amount in € million
Northern Region	3.00	14.6	2.2	0.5	11.50	3	668.8	1,816.4
Central Region	3.00	7.6	1.8	0.5	11.50	3	592.9	1,413.3
Western Region	3.00	4.9	2.3	0.5	11.50	3	19.1	522.1
Riu (1)	3.00	4.7	29.9	1.0	8.50	3	2,351.0	4,517.0
Marella Cruises (1)	3.00	4.3	12.1	1.0	10.16	3	761.4	1,201.7
TUI Musement	3.00	9.9	4.7	1.0	9.13	3	289.1	661.5
Other	3.00	1.0 to 4.4	15.6 to 18.4	1.0	8.50 to 9.13	3	574.1 to 717.6	628.7 to 1,135.8

(1) Those are groups of CGUs.
(2) Planned growth rate in revenues in % in relation financial year 2026 to financial year 2027
(3) EBIT-Margin for financial year 2027
(4) Growth rate of expected net cash inflows

Parameters for calculation of the recoverable amount as at 30 Sep 2023

	Planning period in years	Growth rate revenues (2) in % p.a.	EBIT margin (3) in % p.a.	Sustainable growth rate (4) in %	WACC in %	Level	Carrying amount in € million	Recoverable amount in € million
Northern Region	3.00	13.2	1.9	0.5	11.60	3	641.7	2,221.4
Central Region	3.00	8.6	1.9	0.5	11.60	3	212.0	1,327.5
Western Region	3.00	6.2	2.3	0.5	11.60	3	180.5	673.6
Riu (1)	3.00	4.8	29.5	1.0	9.05	3	2,391.3	3,238.3
Marella Cruises (1)	3.00	4.6	12.1	1.0	10.70	3	828.0	956.1
TUI Musement	3.00	12.3	4.6	1.0	9.52	3	477.3	722.9
Other	3.00	1.4 to 3.0	15.3 to 20.0	1.0	9.05 to 10.33	3	563.9 to 746.0	618.0 to 810.2

(1) Those are groups of CGUs.
(2) Planned growth rate in revenues in % in relation financial year 2025 to financial year 2026
(3) EBIT-Margin for financial year 2026
(4) Growth rate of expected net cash inflows

In view of the existing uncertainties regarding future business development, an analysis of sensitivities for the main planning parameters was carried out. In the sector Markets + Airline a risk premium of 2.4% (previous year 2.1%) was added to the cost of capital. For further information refer to 'Key judgements, assumptions and estimates'. The following table shows the effects of potential deviations in fair value in financial year 2024:

Sensitivities presenting potential changes of the recoverable amount

Sensitivity analysis Markets + Airline	WACC +100 BPS € million	WACC –100 BPS € million	Sustainable growth rate (2) +50 BPS € million	Sustainable growth rate (2) –50 BPS € million	Cash inflow +10% € million	Cash inflow –10% € million
Northern Region	–105.3	124.1	42.7	–39.0	181.6	–181.6
Central Region	–98.0	116.6	42.8	–39.1	141.3	–141.3
Western Region	–34.4	37.7	13.3	–12.2	52.2	–54.6

Sensitivity analysis Cruises	WACC +100 BPS € million	WACC –100 BPS € million	Sustainable growth rate (2) +50 BPS € million	Sustainable growth rate (2) –50 BPS € million	Cash inflow +10% € million	Cash inflow –10% € million
Marella Cruises (1)	–108.3	134.4	52.2	–46.8	120.2	–120.2

Sensitivity analysis Hotels & Resorts and TUI Musement	WACC +100 BPS € million	WACC –100 BPS € million	Sustainable growth rate (2) +50 BPS € million	Sustainable growth rate (2) –50 BPS € million	Cash inflow +10% € million	Cash inflow –10% € million
Riu (1)	–545.8	714.0	287.6	–251.6	451.7	–451.7
TUI Musement	–77.7	99.7	40.3	–35.6	66.2	–66.2
Other	–72.5 to –121.3	94.8 to 155.1	38.1 to 61.8	–33.4 to –54.7	62.9 to 113.6	–62.9 to –113.6

(1) Those are groups of CGUs.
(2) Sustainable growth rate of expected net cash inflows

The fair values determined in the sensitivity analysis would have led to an impairment requirement of € 18.0 m in the CGU Robinson if the WACC had increased by 100 basis points. A reduction in the Cash inflow by 10% would result in an impairment requirement of € 8.3 m in the CGU Robinson. With the exception of the impairments presented in the Hotels & Resorts segment, the sensitivity analysis did not reveal any further indications of an additional need for impairment losses.

As in the previous year, the financial impact of climate related risks on the business model of TUI was included in the impairment test of capitalised goodwill. The use of low-emission fuels and rising prices for emission certificates will lead to significant financial charges, particularly for energy-intensive aviation operations in the Northern Region, Western Region, and Central Region segments. The Cruises segment will also be impacted. In Hotels & Resorts, the burden will be relatively low; in fact, the autonomous generation of energy, such as by means of solar power, may even generate cost savings. In addition, physical risks from climate-related one-off events such as storms or floods or long-term developments such as rising temperatures, mainly affecting Hotels & Resorts, were taken into account. It is expected that the financial impact of these climate-related risks is relatively low. The financial impact overall is dependent on the degree to which costs can be passed on to customers. For further information on the impact of climate related risks on impairment test refer to the section 'Key judgements, assumptions and estimates'. The estimation of the financial impact is particular uncertain with regard to the development of climate related risks, the price development for alternative fuel and emission certificates and the willingness of customers, to bear these costs, amongst others. Therefore, sensitivities of climate related risks and opportunities were calculated for especially impacted energy intensive Markets + Airline and Cruises segments. The sensitivity for climate related risks refers to an increase of climate related costs by 50%. The climate related opportunities relate to a decrease by 50%.

The sensitivity on climate related risk would not have led to an impairment. The following table provides the effects of the sensitivities on the fair value as of 30 September 2024.

Sensitivities presenting potential changes of the recoverable amount

Sensitivity analysis Markets + Airline	Climate-related risks	Climate-related opportunities
Northern Region	– 213.0	213.0
Central Region	– 40.0	40.0
Western Region	– 95.0	95.0

Sensitivity analysis Cruises	Climate-related risks	Climate-related opportunities
Marella Cruises*	– 9.5	9.5

Sensitivity analysis Hotels & Resorts and TUI Musement	Climate-related risks	Climate-related opportunities
Riu*	n. a	n. a
TUI Musement	n. a	n. a
Other	n. a	n. a

*Those are groups of CGUs.

(13) Other intangible assets

The development of the line items of Other intangible assets in financial year 2024 is shown in the following table.

Other intangible assets

€ million	Brands, licenses and other rights	Computer software: Internally generated	Computer software: Acquired	Transport contracts	Customer base	Intangible assets in the course of construction and payments on account	Total
Historical cost							
Balance as at 1 Oct 2022	**334.0**	**460.1**	**259.6**	**61.0**	**80.0**	**186.4**	**1,381.1**
Exchange differences	– 4.9	5.0	0.7	1.2	– 0.2	2.6	4.4
Additions	16.9	15.7	11.1	–	–	137.2	180.9
Disposals	– 2.0	– 37.8	– 34.5	–	–	– 7.4	– 81.7
Reclassification as assets held for sale	– 1.0	–	– 0.1	–	–	–	– 1.1
Transfer	–	106.5	13.7	–	–	– 121.8	– 1.6
Balance as at 30 Sep 2023	**343.0**	**549.5**	**250.5**	**62.2**	**79.8**	**197.0**	**1,482.0**
Exchange differences	1.4	18.4	4.2	2.5	0.4	9.5	36.4
Additions due to changes in the group of consolidated companies	–	–	–	–	1.1	–	1.1
Additions	7.5	11.7	11.2	–	–	137.1	167.5
Disposals	–	– 92.8	– 13.0	–	– 8.6	– 1.2	– 115.6
Transfer	0.3	150.7	13.2	–	–	– 164.2	–
Balance as at 30 Sep2024	**352.2**	**637.5**	**266.1**	**64.7**	**72.7**	**178.2**	**1,571.4**

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Other intangible assets

€ million	Brands, licenses and other rights	Computer software: Internally generated	Computer software: Acquired	Transport contracts	Customer base	Intangible assets in the course of construction and payments on account	Total
Amortisation and impairment							
Balance as at 1 Oct 2022	**–216.6**	**–325.6**	**–206.6**	**–51.0**	**–59.3**	**–14.4**	**–873.5**
Exchange differences	–0.7	–3.3	–0.7	–1.0	–0.2	0.2	–5.7
Amortisation for the current year	–14.4	–58.6	–29.0	–2.4	–3.5	–	–107.9
Impairment	–	–37.1	–1.6	–	–	–1.0	–39.7
Disposals	2.0	37.8	34.5	–	–	7.4	81.7
Reclassification as assets held for sale	1.0	–	0.1	–	–	–	1.1
Transfer	–	–	0.2	–	–	–0.2	–
Balance as at 30 Sep 2023	**–228.7**	**–386.8**	**–203.1**	**–54.4**	**–63.0**	**–8.0**	**–944.0**
Exchange differences	–3.0	–11.3	–2.8	–2.3	–0.6	–6.4	–26.4
Amortisation for the current year	–13.6	–78.4	–26.3	–2.5	–3.9	–	–124.7
Impairment	–	–0.1	–1.0	–	–	–	–1.1
Disposals	–	92.8	13.0	–	8.6	–	114.4
Transfer	–	–0.1	0.1	–	–	–	–
Balance as at 30 Sep 2024	**–245.3**	**–383.9**	**–220.1**	**–59.2**	**–58.9**	**–14.4**	**–981.8**
Carrying amounts as at 30 Sep 2023	**114.3**	**162.7**	**47.4**	**7.8**	**16.8**	**189.0**	**538.0**
Carrying amounts as at 30 Sep 2024	**106.9**	**253.6**	**46.0**	**5.5**	**13.8**	**163.8**	**589.6**

Internally generated computer software consists of computer programs for tourism applications exclusively used internally by the Group.

Transport contracts relate to landing rights at airports in the UK purchased and measured during the acquisition of First Choice Holidays Plc in 2007.

The intangible assets in the course of construction amounted to € 163.8 m as at 30 September 2024 (previous year € 189.0 m).

The impairments recognised for the financial year under review totalled € 1.1 m (previous year € 39.7 m). In the previous year, impairment charges of € 37.1 m were mainly attributable to an updated strategy for the digital transformation in the Markets + Airline business, which resulted in impairment charges on internally generated computer software in 'All other segments'.

Due to changes in our strategy and the extended use of core components, the useful lives of a number of software solutions were reviewed, leading to the extension of useful lives, which reduced amortisation by € 3.9 m in the financial year under review. We expect a decrease of amortization of € 7.0 m for the financial year 2025, € 6.3 m for the financial year 2026, € 5.6 m for the financial year 2027 and of € 4.6 m for the financial year 2028 compared with the amount that would have been charged before the change in useful life. The extension of the useful life beyond the previous end of useful life will lead to an increase in amortisation of € 2.0 m for financial year 2029, € 6.2 m for the financial year 2030, € 6.0 m for the financial year 2031, € 5.8 m for the financial year 2032, € 5.3 m for the financial year 2033 and of € 2.1 m for financial year 2034.

In the previous year, due to a change in strategy and delays in the digital transformation, the useful lives of various software solutions in the Markets + Airline segment had been revised. Due to the revision the useful life of the affected software systems were extended which reduced the amortisation by € 3.8 m in the previous year.

(14) Property, plant and equipment

The table below presents the development of the individual items of property, plant and equipment in financial year 2024.

Property, plant and equipment

€ million	Hotels incl. land	Other buildings and land	Aircraft	Cruise ships	Other plant, operating and office equipment	Assets under construction	Payments on account	**Total**
Historical cost								
Balance as at 1 Oct 2022	**2,594.5**	**200.5**	**522.1**	**694.9**	**1,265.9**	**170.7**	**112.7**	**5,561.3**
Exchange differences	– 9.1	1.8	– 22.2	12.8	– 8.3	– 4.7	– 7.6	– 37.3
Acquisitions	–	–	–	–	0.2	–	–	0.2
Additions	68.3	0.2	52.9	–	66.1	189.6	106.2	483.3
Disposals	– 57.8	– 0.1	– 68.3	– 1.0	– 101.8	– 0.3	– 36.6	– 265.9
Transfer to assets held for sale	– 76.0	0.3	– 31.8	– 0.2	– 12.8	– 10.6	–	– 131.1
Transfer	206.8	– 151.9	162.2	86.2	63.3	– 192.8	– 14.8	159.0
Balance as at 30 Sep 2023	**2,726.7**	**50.8**	**614.9**	**792.7**	**1,272.6**	**151.9**	**159.9**	**5,769.5**
Exchange differences	– 152.7	3.2	– 17.3	33.2	– 29.8	– 8.6	– 8.4	– 180.4
Additions	131.6	0.8	51.4	–	101.6	147.3	139.6	572.3
Disposals	– 0.4	– 1.1	– 37.3	– 12.8	– 40.6	–	– 58.6	– 150.8
Transfer	67.7	–	318.3	31.0	25.4	– 155.1	– 24.2	263.1
Balance as at 30 Sep 2024	**2,772.9**	**53.7**	**930.0**	**844.1**	**1,329.2**	**135.5**	**208.3**	**6,273.7**

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Property, plant and equipment

€ million	Hotels incl. land	Other buildings and land	Aircraft	Cruise ships	Other plant, operating and office equipment	Assets under construction	Payments on account	**Total**
Depreciation and impairment								
Balance as at 1 Oct 2022	**–793.6**	**–14.4**	**–179.8**	**–266.5**	**–905.1**	**–**	**–1.0**	**–2,160.4**
Exchange differences	6.0	–	4.4	–5.2	4.5	–	–	9.7
Depreciation for the current year	–67.7	–1.2	–40.8	–63.5	–86.9	–	–	–260.1
Impairment	–13.3	–	–0.6	–	–0.1	–	–	–14.0
Reversal of impairment losses	16.4	–	–	11.6	–	–	–	28.0
Disposals	57.6	–	34.7	0.4	101.1	–	–	193.8
Transfer to assets held for sale	4.0	–	0.8	–	5.6	–	–	10.4
Transfer	0.2	2.1	–92.1	0.1	–6.9	–	–	–96.6
Balance as at 30 Sep 2023	**–790.4**	**–13.5**	**–273.4**	**–323.1**	**–887.8**	**–**	**–1.0**	**–2,289.2**
Exchange differences	27.1	–3.3	6.2	–14.7	16.1	–	–	31.4
Depreciation for the current year	–69.0	–1.2	–48.0	–69.7	–86.3	–	–	–274.2
Impairment	–20.4	–	0.1	–	–2.6	–	–	–22.9
Reversals of impairment losses	29.3	–	–0.1	5.8	0.6	–	–	35.6
Disposals	0.3	0.7	33.0	12.8	40.3	–	1.0	88.1
Transfer	0.5	–0.1	–142.3	–0.2	–3.0	–	–	–145.1
Balance as at 30 Sep 2024	**–822.6**	**–17.4**	**–424.5**	**–389.1**	**–922.7**	**–**	**–**	**–2,576.3**
Carrying amounts as at 30 Sep 2023	**1,936.3**	**37.3**	**341.5**	**469.6**	**384.8**	**151.9**	**158.9**	**3,480.3**
Carrying amounts as at 30 Sep 2024	**1,950.3**	**36.3**	**505.5**	**455.0**	**406.5**	**135.5**	**208.3**	**3,697.4**

In the financial year under review, the construction of a new hotel and extension of an existing hotel in Mexico, the construction of two new hotels in Mauritius and a new hotel in Zanzibar, the acquisition of land in Mexico and the renovation of hotels in Jamaica and Cape Verde led to additions to the Riu Group totalling € 246.5 m. These investments include an amount of € 121.6 m for hotels including land, € 66.7 m for assets under construction, € 43.4 m for other plant, operating and office equipment, and € 14.8 m for payments in advance.

Additions to assets under construction include € 30.9 m in the carrying out of maintenance work on cruise ships. Further additions to assets under construction relate with € 16.7 m to investments in aircraft.

In the financial year under review, advance payments of € 102.0 m (previous year € 88.4 m) were made for the future delivery of aircraft. Further payments in advance of € 21.9 m related to maintenance work carried out on cruise ships.

Further additions to aircraft assets include € 29.5 m for one aircraft and € 21.9 m for spare parts.

The main disposals in the financial year under review include € 52.2 m (previous year € 36.6 m) for the disposal of advance payments for the delivery of aircraft. Due to sale and leaseback transactions, the disposal of these pre-delivery payments led to additions of right-of-use assets. In this context, please refer to the section 'Right-of-use assets and leases'. Further disposals relate with € 4.4 m to the sale of spare parts.

The review of the carrying amounts of property, plant and equipment resulted in impairment losses of € 22.9 m in the financial year under review (previous year € 14.0 m). The impairments notably included € 20.4 m relating to hotels including land and were attributable to hotels of TUI Blue and Magic Life in the Hotels & Resorts segment. The impairment loss of the previous year, mainly comprised € 13.3 m to hotels including land and were attributable to hotels of Magic Life, TUI Blue and Robinson in the Hotels & Resorts segment.

The review of the carrying amounts also led to the reversal of impairment losses of € 35.6 m (previous year € 28.0 m). Essentially, the reversal of impairments of € 29.3 m were attributable to hotels of TUI Blue, Robinson and Magic Life in the Hotels & Resorts segment. In the previous year, reversal of impairments of € 16.4 m were attributable to hotels of Robinson and TUI Blue in the Hotels & Resorts segment. In addition, reversal of impairments of € 5.8 m (previous year € 11.6 m) were made for one Marella cruise ship in the Cruises segment.

In the previous year, the reclassification of property, plant and equipment to the balance sheet item 'Assets held for sale' related to € 41.0 m for the planned disposal of the Robinson Club Cabo Verde and to planned sales of land in Mexico (€ 39.9 m) and Jamaica (€ 8.6 m) and were attributable to the Riu group in the Hotels & Resorts segment. In this context, we refer to the section 'Assets held for sale'. Further reclassifications of the previous year of € 31.0 m related to the disposal of aircraft engines in the Markets + Airline segment.

The transfer to property, plant and equipment among others relate to the carrying amounts of previously leased assets carried as right-of-use assets for which purchase options were exercised.

As in the previous year, no borrowing cost were capitalised as part of the acquisition cost.

The carrying amount of property, plant and equipment subject to ownership restrictions or pledged as security totals € 782.4 m as at the balance sheet date (previous year € 616.7 m).

(15) Right-of-use assets and leases

As a lessee, TUI recognises right-of-use assets and lease liabilities according to IFRS 16. For more detailed information on the use of practical expedients, please refer to the accounting and measurement methods in the section 'Leases'.

TUI AS A LESSEE

As a lessee, TUI leases moveable assets such as aircraft, vehicles and cruise ships, as well as property such as hotel buildings, land, office buildings and travel agencies. The terms and conditions of the lease agreements are individually negotiated. Some of TUI's aircraft leases comprise purchase or extension options. Many of TUI's property leases, in particular for travel agencies and office buildings, contain extension options and price adjustment clauses. No residual value guarantees were provided for the leased items.

The development of the right-of-use assets in financial year 2024 is presented in the table below:

Right-of-use assets

€ million	Aircraft and engines	Hotels	Travel agencies	Buildings	Cruise ships	Other	Total
Historical cost							
Balance as at 1 Oct 2022	**3,880.1**	**467.2**	**244.1**	**183.1**	**226.1**	**82.2**	**5,082.8**
Exchanges differences	–214.5	–10.1	2.0	–2.4	6.6	–0.2	–218.6
Additions	112.1	10.5	14.8	6.0	144.1	23.1	310.6
Revaluations and modifications	84.8	13.5	20.8	7.2	–1.0	0.6	125.9
Disposals	–115.1	–45.4	–18.0	–2.7	–	–5.0	–186.2
Transfer	–143.4	–	–0.2	–0.2	–	–7.5	–151.3
Balance as at 30 Sep 2023	**3,604.0**	**435.7**	**263.5**	**191.0**	**375.8**	**93.2**	**4,963.2**
Exchanges differences	–134.9	–8.8	5.3	0.5	15.3	0.1	–122.5
Additions	113.1	1.8	25.1	11.7	–	42.0	193.7
Revaluations and modifications	144.8	31.2	20.5	6.6	0.3	0.5	203.9
Disposals	–89.7	–32.9	–23.3	–10.3	–	–6.3	–162.5
Transfer	–240.9	–	–	–	–0.3	–4.7	–245.9
Balance as at 30 Sep 2024	**3,396.4**	**427.0**	**291.1**	**199.5**	**391.1**	**124.8**	**4,829.9**
Depreciation and impairment							
Balance as at 1 Oct 2022	**–1,518.5**	**–215.5**	**–144.0**	**–88.4**	**–101.3**	**–43.6**	**–2,111.3**
Exchange differences	94.5	5.7	–1.3	1.0	–1.9	0.2	98.2
Depreciation for the current year	–325.7	–45.2	–37.2	–21.5	–18.8	–9.6	–458.0
Impairment	–	–11.8	–2.2	–	–	–	–14.0
Reversals of impairments loses	–	5.3	1.3	–	–	–	6.6
Disposals	115.1	38.8	18.2	2.6	–	5.1	179.8
Transfer	93.6	–	0.3	0.4	–	4.6	98.9
Balance as at 30 Sep 2023	**–1,541.0**	**–222.7**	**–164.9**	**–105.9**	**–122.0**	**–43.3**	**–2,199.8**
Exchange differences	65.9	4.7	–3.0	–1.2	–5.7	0.1	60.8
Depreciation for the current year	–311.0	–44.3	–38.9	–19.6	–26.4	–15.6	–455.8
Impairment	–	–9.2	–0.5	–2.2	–	–	–11.9
Reversals of impairments losses	–	8.0	0.4	–	–	–	8.4
Disposals	89.1	32.9	23.3	10.3	–	6.3	161.9
Transfer	141.8	–	–	–	0.2	3.2	145.2
Balance as at 30 Sep 2024	**–1,555.2**	**–230.6**	**–183.6**	**–118.6**	**–153.9**	**–49.3**	**–2,291.2**
Carrying amounts as at 30 Sep 2023	**2,063.0**	**213.0**	**98.6**	**85.1**	**253.8**	**49.9**	**2,763.4**
Carrying amounts as at 30 Sep 2024	**1,841.2**	**196.4**	**107.5**	**80.9**	**237.2**	**75.5**	**2,538.7**

Additions of € 113.1 m were attributable in particular to the rental of six aircraft and one aircraft engine (previous year € 112.1 m for the delivery of eight aircraft), some of which were acquired through sale and leaseback transactions.

Changes and remeasurements of existing leases increased the right-of-use assets by € 203.9 m. The increase is primarily driven by a large number of lease extensions for leased aircraft (€ 144.8 m), hotel contracts (€ 31.2 m) and leased travel agencies (€ 20.5 m).

The transfer to property, plant and equipment led to a reduction in right-of-use assets of € 100.7 m and mainly result from reclassifications of aircraft and aircraft engines into property, plant and equipment. In this context, we refer to the section 'Property, plant and equipment'.

Information on the associated lease liabilities is provided in Note 31 'Financial liabilities and lease liabilities'. Details regarding the maturities of the lease payments not yet made at the balance sheet date are shown in the section 'Liquidity risk' in Note 39 'Financial instruments'.

The table below presents the expenses and income carried in the Consolidated Income Statement in financial year 2024 in connection with leases in which TUI is the lessee:

Expenses and income from leases with TUI as the lessee

€ million	2024	2023
Expenses from short-term leases	– 185.0	– 124.0
Expenses from low-value leases	– 7.6	– 8.2
Variable lease income and expenses	– 8.8	– 8.0
Depreciation of right-of-use assets	– 455.9	– 458.0
Impairment of right-of-use assets	– 11.9	– 14.0
Reversal of impairments	8.4	6.6
Interest expenses from lease liabilities	– 172.0	– 175.6
Gains or losses arising from sale and leaseback transactions	4.9	8.9

As in the previous year, the expenses from short-term leases relate mainly to the temporary rental of aircraft. Impairment losses of € 9.2 m were primarily attributable to leased hotels.

Gains from sale and leaseback transactions of € 4.9 m are attributable to aircraft financing. In the financial year under review, four newly delivered Boeing B737 MAX aircraft and one acquired engine were refinanced by means of sale and leaseback contracts. As at 30 September 2024, lease liabilities resulting from these transactions totalled € 100.0 m. Gains obtained in the previous year of € 8.9 m related to sale and leaseback transactions for two newly delivered Boeing B737 MAX aircraft one previously owned Boeing B737-800 aircraft and four acquired engines. As at 30 September 2023, lease liabilities resulting from that transaction totalled € 75.7 m.

The cash outflows for leases totalled € 985.3 m (previous year € 901.2 m) in financial year 2024.

At the balance sheet date, unrecognised financial commitments for short-term leases amounted to € 4.1 m (previous year € 3.3 m). In addition, potential future lease payments from extension and termination options of € 228.4 m (previous year € 220.3 m) were not included in the measurement of the right-of-use assets and lease liabilities as it was not reasonably certain that the lease contracts were going to be extended or to be terminated.

TUI AS LESSOR

As a lessor, TUI leases or subleases aircraft and, less significantly, space in travel agencies and a hotel. In financial year 2024, proceeds from operating leases worth € 7.2 m (previous year € 12.0 m) were carried in revenue. In addition, income from finance leases of € 0.2 m (previous year € 0.5 m) was carried in the interest result.

The following table shows the reconciliation from the undiscounted lease payments to the net investment for the two subleases classified as finance leases:

Net investments – finance leases

€ million	30 Sep 2024	30 Sep 2023
Undiscounted lease payments (lease components)	0.8	4.3
Gross investment	0.8	4.3
Unearned finance income	–	0.2
Net investment	0.8	4.1

The table below comprises a maturity analysis of the undiscounted annual payments from leases in which TUI is the lessor:

Expected minimum lease payments

€ million	up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	more than 5 years	Total
							30 Sep 2024
Operating lease contracts	5.0	–	–	–	–	–	5.0
Finance lease contracts	0.8	–	–	–	–	–	0.8

€ million	up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	more than 5 years	Total
							30 Sep 2023
Operating lease contracts	6.1	0.1	–	–	–	–	6.2
Finance lease contracts	3.4	0.9	–	–	–	–	4.3

(16) Investments in joint ventures and associates

The table below presents all joint arrangements and associates of relevance to TUI Group. All joint arrangements and associates are listed as TUI Group shareholdings in Note 51. All joint arrangements are joint ventures. There are no joint operations within the meaning of IFRS 11.

Significant associates and joint ventures

		Capital share in %		Voting rights share in %	
Name and headquarter of company	Nature of business	**30 Sep 2024**	30 Sep 2023	**30 Sep 2024**	30 Sep 2023
Associate					
Midnight Canada Inc., Toronto, Canada	Tour operator & Hotel operator	49.0	49.0	25.0	25.0
Midnight International Holdings Limited, Toronto, Canada	Hotel operator	49.0	49.0	49.0	49.0
Pep Toni Hotels S.A., Palma, Spain	Hotel operator	49.0	49.0	49.0	49.0
Joint venture					
Grupotel dos S.A., Can Picafort, Spain	Hotel operator	50.0	50.0	50.0	50.0
TUI Cruises GmbH, Hamburg, Germany	Cruise ship operator	50.0	50.0	50.0	50.0

All companies presented above are measured at equity.

The financial year of the Canadian associated companies corresponds to TUI Group's financial year. The financial years of Pep Toni Hotels S.A. and of the joint ventures deviate from TUI Group's financial year, ending on 31 December. In order to update the at equity measurement as at TUI Group's balance sheet date, interim financial statements for the period ending 30 September are prepared for these companies.

SIGNIFICANT ASSOCIATES

In 2009, TUI Group entered into a partnership with Sunwing. Sunwing was a vertically integrated travel company comprising tour operation, an airline and retail shops. After the transfer of the hotel operation and development company Blue Diamond Hotels & Resorts Inc., St Michael / Barbados, to Sunwing in September 2016, Sunwing also included the hotel operation business with a chain of luxury beach resorts and hotels in the Caribbean and Mexico. Sunwing's hotel operation business is carried in the Hotels & Resorts segment, while the tour operation business is carried in the Northern Region segment.

Sunwing transferred its tour operation, airline and retail shops to the Canadian airline WestJet Airlines Ltd. in the previous financial year. Sunwing received essentially shares of the newly formed business as consideration and in addition contingent considerations. Within the framework of the transaction the hotel operations business was transferred to the newly formed Midnight International Holdings Limited, in which TUI Group directly holds 49% of the shares. Sunwing itself no longer has any operational business after the transaction and was renamed to Midnight Canada Inc. TUI group continues to hold 49% of the shares of Midnight Canada Inc.

Pep Toni Hotels S.A. is a company founded at the end of the reporting year, which will own and operate hotels.

SIGNIFICANT JOINT VENTURES

Grupotel dos S.A., founded in 1998, owns and operates hotels in the Balearic and the Canary Islands.

TUI Cruises GmbH is a joint venture with the US shipping line Royal Caribbean Cruises Ltd established in 2008. The Hamburg-based company offers German-speaking cruises for the premium market. TUI Cruises GmbH currently operates twelve cruise ships.

FINANCIAL INFORMATION ON ASSOCIATES AND JOINT VENTURES

The tables below present summarised financial information for the significant associates and joint ventures of TUI Group. The amounts shown reflect the full amounts presented in the consolidated financial statements of the relevant associates and joint ventures (100%); they do not represent TUI Group's share of those amounts.

Summarised financial information of material associates

	Midnight International Holdings Limited, Toronto, Canada		Pep Toni Hotels S.A., Palma, Spain		Midnight Canada Inc., Toronto, Canada	
€ million	**30 Sep 2024 / 2024**	30 Sep 2023 / 2023	**30 Sep 2024 / 2024**	30 Sep 2023 / 2023	**30 Sep 2024 / 2024**	30 Sep 2023 / 2023
Non-current assets	1,557.5	1,606.6	169.8	–	95.0	93.9
Current assets	247.5	316.2	127.0	150.8	5.1	6.3
Non-current provisions and liabilities	992.5	1,123.7	–	–	15.0	–
Current provisions and liabilities	324.4	329.7	0.1	–	–	4.2
Revenue	902.8	820.5	–	–	–	1,722.7
Profit / loss	58.4	62.9	– 4.4	0.8	22.5	345.0
Other comprehensive income / loss	– 25.2	– 30.6	0.2	–	– 4.1	21.9
Total comprehensive income / loss	**33.2**	**32.3**	**– 4.2**	**0.8**	**18.4**	**366.9**

Summarised financial information of material joint ventures

	Grupotel dos S.A., Can Picafort, Spain		TUI Cruises GmbH, Hamburg, Germany	
€ million	**30 Sep 2024/2024**	30 Sep 2023/2023	**30 Sep 2024/2024**	30 Sep 2023/2023
Non-current assets	249.0	270.6	4,957.1	4,449.0
Current assets	81.6	25.4	328.0	432.3
thereof cash and cash equivalents	11.5	4.6	83.0	97.5
Non-current provisions and liabilities	114.3	132.8	2,632.2	2,655.8
thereof financial liabilities	101.7	120.7	2,600.1	2,628.1
Current provisions and liabilities	54.8	32.6	1,228.8	1,189.5
thereof financial liabilities	25.3	14.9	352.8	501.0
Revenue	170.7	159.9	2,045.2	1,823.7
Depreciation/amortisation of intangible assets and property, plant and equipment	13.8	13.1	137.4	131.4
Interest income	0.3	0.2	38.6	13.7
Interest expenses	5.5	4.1	134.8	121.2
Income taxes	10.3	6.4	11.8	3.6
Profit/loss	42.9	27.4	466.2	348.4
Other comprehensive income/loss	–	–	–38.0	2.4
Total comprehensive income/loss	**42.9**	**27.4**	**428.2**	**350.8**

In financial year 2024, TUI Group received dividends of €54.9 m (previous year €22.6 m) from its joint ventures and dividends of €18.9 m (previous year €3.9 m) from its associates.

In addition to TUI Group's significant associates and joint ventures, TUI AG has interests in other associates and joint ventures accounted for under the equity-method, which individually are not considered to be of material significance. The tables below provide information on TUI Group's share of the earnings figures shown for the major associates and joint ventures as well as the aggregated amount of the share of profit/loss, other comprehensive income and total comprehensive income for the immaterial associates and joint ventures.

Share of financial information of material and other associates

	Midnight International Holdings Limited, Toronto, Canada		Pep Toni Hotels S.A., Palma, Spain		Midnight Canada Inc., Toronto, Canada		Other immaterial associates		Associates Total	
€ million	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
TUI's share of										
Profit/loss	28.6	30.8	–2.2	0.4	11.4	112.8*	7.9	2.2	45.7	146.2
Other comprehensive income/loss	–12.3	–15.0	0.1	–	–2.0	7.4	–0.1	–1.1	–14.3	–8.7
Total comprehensive income/loss	**16.3**	**15.8**	**–2.1**	**0.4**	**9.4**	**120.2**	**7.8**	**1.1**	**31.4**	**137.5**

* In 2023, the share of result includes TUI's share of the result of Midnight Canada Inc. and the expenses for the realisation of foreign exchange differences and for the derecognition of goodwill due to the sale of Sunwing's operating business, included in the result of investments in joint ventures and associates.

Share of financial information of material and other joint ventures

	Grupotel dos S.A., Can Picafort, Spain		TUI Cruises GmbH, Hamburg, Germany		Other immaterial joint ventures		Joint ventures Total	
€ million	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
TUI's share of								
Profit/loss	21.5	13.7	233.1	174.2	71.3	73.1	325.9	261.0
Other comprehensive income/loss	–	–	–19.0	1.2	–26.5	–27.5	–45.5	–26.3
Total comprehensive income/loss	**21.5**	**13.7**	**214.1**	**175.4**	**44.8**	**45.6**	**280.4**	**234.7**

Net assets of the material associates

€ million	Midnight International Holdings Limited, Toronto, Canada	Midnight Canada Inc., Toronto, Canada	Pep Toni Hotels S.A., Palma, Spain
Net assets as at 1 Oct 2022	**442.3**	**–242.2**	**–**
Other comprehensive income	–	2.6	–
Foreign exchange effects	–30.6	19.3	–
Capital increase / decrease	–33.9	–	150.1
Profit / loss	62.9	345.0	0.8
Consolidation effects	28.7	–28.7	–
Net assets as at 30 Sep 2023	**469.4**	**96.0**	**150.9**
Other comprehensive income	–	0.4	–
Dividends	–	–13.7	–
Foreign exchange effects	–25.2	–4.6	0.1
Capital increase / decrease	–14.4	–15.6	150.0
Profit / loss	58.4	22.5	–4.4
Net assets as at 30 Sep 2024	**488.2**	**85.0**	**296.6**

Reconciliation to the carrying amount of the associates in the Group balance sheet

€ million	Midnight International Holdings Limited, Toronto, Canada	Midnight Canada Inc., Toronto, Canada	Pep Toni Hotels S.A., Palma, Spain	Other immaterial associates	Associates total
Share of TUI in % as at 30 Sep 2023	49.0	49.0	49.0	n. a.	n. a.
TUI's share of the net assets as at 30 Sep 2023	230.0	46.9	73.9	33.0	383.8
Goodwill as at 30 Sep 2023	7.1	–	–	1.4	8.5
Unrecognised share of losses	–	–	–	2.7	2.7
Impairment of carrying amounts	–	–	–	–	–
Carrying amount as at 30 Sep 2023	**237.1**	**46.9**	**73.9**	**37.1**	**395.0**
Share of TUI in % as at 30 Sep 2024	49.0	49.0	49.0	n. a.	n. a.
TUI's share of the net assets as at 30 Sep 2024	239.2	41.6	145.3	39.5	465.6
Goodwill as at 30 Sep 2024	6.7	–	–	1.5	8.2
Unrecognised share of losses	–	–	–	3.2	3.2
Impairment of carrying amounts	–	–	–	0.1	0.1
Carrying amount as at 30 Sep 2024	**245.9**	**41.6**	**145.3**	**44.3**	**477.1**

Net assets of the material joint ventures

€ million	Grupotel dos S.A., Can Picafort, Spain	TUI Cruises GmbH, Hamburg, Germany
Net assets as at 1 Oct 2022	**115.2**	**685.2**
Profit / loss	27.4	348.4
Other comprehensive income	–	2.4
Dividends	– 12.0	–
Net assets as at 30 Sep 2023	**130.6**	**1,036.0**
Profit / loss	42.9	466.2
Other comprehensive income	–	– 38.0
Dividends payable	– 12.0	– 40.0
Net assets as at 30 Sep 2024	**161.5**	**1,424.2**

Reconciliation to the carrying amount of the joint ventures in the consolidated balance sheet

€ million	Grupotel dos S.A., Can Picafort, Spain	TUI Cruises GmbH, Hamburg, Germany	Other immaterial joint ventures	Joint ventures total
Share of TUI in % as at 30 Sep 2023	50.0	50.0	n. a.	n. a.
TUI's share of the net assets as at 30 Sep 2023	65.3	518.0	224.2	807.5
Goodwill as at 30 Sep 2023	–	–	11.7	11.7
Unrecognised share of losses	–	–	12.3	12.3
Impairment of carrying amounts	–	–	– 28.3	– 28.3
Carrying amount as at 30 Sep 2023	**65.3**	**518.0**	**219.9**	**803.2**
Share of TUI in % as at 30 Sep 2024	50.0	50.0	n. a.	n. a.
TUI's share of the net assets as at 30 Sep 2024	80.8	712.1	239.7	1,032.6
Goodwill as at 30 Sep 2024	–	–	8.8	8.8
Unrecognised share of losses	–	–	16.1	16.1
Impairment of carrying amounts	–	–	– 27.0	– 27.0
Carrying amount as at 30 Sep 2024	**80.8**	**712.1**	**237.6**	**1,030.5**

IMPAIRMENT OF THE CARRYING AMOUNTS OF ASSOCIATES AND JOINT VENTURES

The carrying amounts of associates and joint ventures were tested for impairment if there was objective evidence of impairment. In addition all carrying amounts of associates and joint ventures which have been previously impaired were tested for reversals of impairment. All impairment tests used the business plan of the respective joint venture or associate. Based on these business plans, the recoverable amount was calculated by discounting future net cash flows. In almost all cases the fair value less cost to sell was higher than the value in use. Level 3 inputs of fair value hierarchy were used in the calculations.

The impairments amounting to € 0.2 m affect companies in the Central Region.

UNRECOGNISED LOSSES BY ASSOCIATES AND JOINT VENTURES

As at the end of the financial year under review, accumulated unrecognised losses of joint ventures amounted to € 16.1 m (previous year € 12.3 m). In the period under review, unrecognised losses relating to WOT Hotels Vietnam rose by € 3.3 m to € 14.4 m, while unrecognised losses relating to Abou Soma for Hotels S. A. E. grew by € 0.5 m to € 1.6 m. Accumulated unrecognised losses by associates of € 3.2 m (previous year € 2.7 m) related to Ahungalla Resorts Limited. Recognition of additional losses would have resulted in the carrying amounts falling to below nil.

RISKS ASSOCIATED WITH THE STAKES IN ASSOCIATES AND JOINT VENTURES

There are no contingent liabilities (previous year € 0.7 m) in respect of associates as at 30 September 2024. Contingent liabilities in respect of joint ventures totalled € 3.4 m (previous year € 1.7 m).

(17) Trade and other receivables

Trade and other receivables

€ million	30 Sep 2024 Remaining term more than 1 year	30 Sep 2024 Total	30 Sep 2023 Remaining term more than 1 year	30 Sep 2023 Total
Trade receivables	–	413.6	–	411.6
Security deposits	6.1	396.2	–	372.3
Advances and loans	15.1	32.3	15.9	33.9
Lease receivables	–	0.8	0.8	4.1
Other receivables	110.6	434.6	58.0	343.2
Total	**131.7**	**1,277.4**	**74.7**	**1,165.1**

As at 30 September 2024, TUI has recognised deferred sales commissions to travel agencies and other distribution channels worth € 111.7 m (previous year € 82.5 m) in respect of costs of obtaining a contract until the associated revenue was earned. In the financial year under review, sales commissions worth € 939.6 m (previous year € 798.9 m) were recognised in profit and loss.

Security deposits include securities for payment service provider as well as securities for received touristic advance payments.

(18) Touristic payments on account

Touristic payments on account mainly relate to customary advance payments in respect of future tourism services, in particular advance payments made by tour operators for future hotel and flight services.

(19) Other non-financial assets

The other non-financial assets of € 269.8 m (previous year € 230.6 m) mainly result from purchased emission rights worth € 108.0 m (previous year € 0.0 m), the overfunded pension plans worth € 75.4 m (previous year € 98.5 m) and assets from other taxes worth € 68.3 m (previous year € 77.5 m).

(20) Deferred tax assets

Individual items of deferred tax assets and liabilities recognised in the statement of financial position

€ million	30 Sep 2024 Asset	30 Sep 2024 Liability	30 Sep 2023 Asset	30 Sep 2023 Liability
Lease transactions	15.5	76.0	13.6	96.8
Recognition and measurement differences for property, plant and equipment and other non-current assets	194.3	215.4	184.4	225.3
Recognition differences for receivables and other assets	38.2	63.1	16.4	38.5
Measurement of financial instruments	96.8	40.3	4.5	72.9
Measurement of pension provisions	90.1	25.1	79.7	21.2
Recognition and measurement differences for other provisions	67.8	14.0	62.1	3.0
Other transactions	69.5	62.0	45.6	66.4
Capitalised tax savings from recoverable losses carried forward	209.7	–	269.4	–
Netting of deferred tax assets and liabilities	– 392.7	– 392.7	– 365.1	– 365.1
Balance sheet amount	**389.2**	**103.2**	**310.6**	**159.0**

Deferred tax assets include an amount of € 299.3 m (previous year € 290.2 m) expected to be realised after more than twelve months. Deferred tax liabilities include an amount of € 95.9 m (previous year € 102.0 m) expected to be realised after more than twelve months.

No deferred tax assets are recognised for deductible temporary differences of € 190.2 m (previous year € 29.4 m).

No deferred tax liabilities are carried for temporary differences of € 99.2 m (previous year € 91.3 m) between the net assets of subsidiaries and the respective taxable carrying amount of subsidiaries since these temporary differences are not expected to be reversed in the near future.

The net asset surplus of deferred tax assets and liabilities increased by € 134.3 m compared to the previous year. Of this, € 12.0 m was recognised as deferred tax expenses in the income statement, € 181.9 m as an increase in other comprehensive income and € 31.7 m was recognized without affecting profit or loss. The change in other comprehensive income mainly relates to actuarial gains and losses in pension assets and the measurement of cash flow hedges. The remaining amount of € – 3.9 m results from currency effects.

Recognised losses carried forward and time limits for non-recognised losses carried forward

€ million	30 Sep 2024	30 Sep 2023
Recognised losses carried forward	**1,171.5**	**1,415.1**
Non-recognised losses carried forward	**12,665.8**	**12,246.4**
of which losses carried forward forfeitable within one year	5.6	5.7
of which losses carried forward forfeitable within 2 to 5 years	3.8	2.7
of which losses carried forward forfeitable within more than 5 years (excluding non-forfeitable loss carryforwards)	–	–
of which non-forfeitable losses carried forward	12,656.4	12,238.0
Total unused losses carried forward	**13,837.3**	**13,661.5**

Losses carried forward for German companies comprise the cumulative amount of trade tax and corporation tax as well as interest carried forward in relation to the German interest barrier rule. Potential tax savings totalling €2,677.7 m (previous year €2,562.1 m) were not recognised as the underlying losses carried forward were not expected to be utilised in the planning horizon.

In financial year 2024, tax savings of €5.5 m (previous year €9.3 m) resulted from the use of tax losses carried forward previously not assessed as recoverable for which, therefore, no deferred tax assets had been carried as at 30 September 2023 for the potential tax savings resulting from these assets. Tax reductions from loss carrybacks (previous year €0.0 m) were not realised.

Development of deferred tax assets from losses carried forward

€ million	2024	2023
Capitalised tax savings at the beginning of the year	**269.4**	**194.4**
Use of losses carried forward	–23.1	–12.3
Capitalisation of tax savings from tax losses carried forward	19.2	97.1
Impairment of capitalised tax savings from tax losses carried forward	–55.8	–8.6
Exchange adjustments and other items	–	–1.2
Capitalised tax savings at financial year-end	**209.7**	**269.4**

Capitalised deferred tax assets from temporary differences and losses carried forward that are assessed as recoverable of €287.1 m (previous year €207.0 m) are covered by expected future taxable income even for companies that generated losses in the reporting period or the prior year. This is based on the future business development planned by TUI's management. The key points of this planning are presented in the section 'Key judgements, assumptions and estimates'. TUI uses a five-year planning horizon to derive the recoverability of tax loss carryforwards and deductible differences.

(21) Inventories

Inventories

€ million	30 Sep 2024	30 Sep 2023
Airline spares and operating equipment	26.1	22.9
Real estate for sale	0.2	0.2
Consumables used in hotels	21.5	21.4
Other inventories	18.7	17.6
Total	**66.4**	**62.1**

In financial year 2024, inventories of €632.4 m (previous year €638.6 m) were recognised as expense.

(22) Cash and cash equivalents

Cash and cash equivalents

€ million	30 Sep 2024	30 Sep 2023
Bank deposits	1,873.6	1,566.2
Money market funds	953.4	472.2
Cash in hand and cheques	21.2	21.9
Total	**2,848.2**	**2,060.3**

At 30 September 2024, cash and cash equivalents of €690.5 m (previous year €772.2 m) were subject to the restrictions listed below:

In September 2024, TUI AG and TUI UK Limited agreed updates to the long-term agreement with the pension trustee to close the gap between the obligations and the fund assets of defined benefit pension plans in the UK. At the balance sheet date an amount of €78.1 m is deposited as security within bank accounts. TUI Group can only use that cash and cash equivalents if it provides alternative collateral.

Furthermore, an amount of €117.0 m (previous year €116.3 m) 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 purpose was to suspend the accrual of interest for both parties. In order to collateralise a potential repayment, the Belgian government was granted a bank guarantee. Due to the bank guarantee, TUI's ability to dispose of the cash and cash equivalents is restricted. The remaining €495.4 m (previous year €589.0 m) subject to restrictions relate to cash and cash equivalents to be deposited due to statutory or regulatory requirements, mainly in order to secure potential liability to travel regulators and payment service providers. Investments in money market funds meet the requirements of IAS 7 for accounting as cash equivalents.

(23) Assets held for sale

As of September 30, 2024, no assets were classified as held for sale. During the reporting period, only insignificant reclassifications of € 0.1 m to assets held for sale took place.

Assets held for sale

€ million	30 Sep 2024	30 Sep 2023
Robinson Club Cabo Verde	–	44.4
Investments accounted for using the equity method	–	15.1
Other assets	–	9.1
Total	**–**	**68.6**

The sale of Robinson Club Cabo Verde, which was reported under assets held for sale in the previous year, and the sales of the investments accounted for using the equity method took place in October 2023. In addition, liabilities related to assets held for sale were classified in the previous year. For further details, we refer to the sections 'Liabilities related to assets held for sale' and 'Acquisitions – divestments'.

(24) Subscribed capital

TUI AG's subscribed capital consists of no-par value shares, each representing an identical share in the capital stock. The proportionate share in the capital stock per no-par value share is € 1.00. As the capital stock consists of registered shares, the owners are listed by name in the share register. The subscribed capital of TUI AG is registered in the commercial registers of the district courts of Berlin-Charlottenburg and Hanover.

In the financial year under review, after a capital decrease had been followed in the previous year by a capital increase, the share capital amounted to € 507,431,033.00, as before, divided into 507,431,033 no-par value registered shares, each accounting for € 1.00 of the share capital.

CONDITIONAL CAPITAL

The Annual General Meeting on 25 March 2021 resolved to create conditional capital of € 109.9 m for the issuance of bonds. The authorisation to issue bonds with conversion or option rights as well as profit-sharing rights and income bonds (with or without fixed terms) is limited to a nominal amount of € 2.0 bn and will expire on 24 March 2026. This authorisation was almost fully utilised with the issuance of convertible bonds totalling € 589.6 m in April and July 2021. As at the reporting date, no shares had yet been issued to service the convertible bonds. In July 2024, a part of the outstanding principal amount of the convertible bonds was repurchased. As a result, the volume of the outstanding convertible bonds fell to € 117.6 m.

The Annual General Meeting on 13 February 2024 resolved to create further conditional capital for the issuance of bonds worth € 50.7 m. The authorisation to issue bonds with conversion or option rights as well as profit-sharing rights and income bonds (with or without fixed terms) is limited to a nominal amount of € 1.5 bn and will expire on 12 February 2029. This authorisation was nearly fully utilised with the issuance of convertible bonds totalling € 487.0 m in July 2024. As at the reporting date, no shares had yet been issued to service the convertible bonds.

As at 30 September 2024, unused conversion rights from the convertible bonds issued in 2021 resulted in conditional capital worth € 109.9 m. Given a bond volume of € 117.6 m and a current conversion price of around € 26.67 as at the balance sheet date, full conversion would result in utilisation of conditional capital in the amount of around € 4.4 m. Moreover, at the reporting date, conditional capital totalling € 50.7 m resulted from unused conversion rights from the convertible bonds issued in 2024. As a result, total unused conditional capital amounts to € 160.6 m.

AUTHORISED CAPITAL

The Annual General Meeting on 13 February 2024 resolved to authorise the issue of new registered shares against cash contribution for up to a maximum of € 50.7 m (Authorised Capital 2024 / I). This authorisation will expire on 12 February 2029.

The Annual General Meeting on 13 February 2024 also resolved to create conditional capital amounting to € 203.0 m for the issuance of new shares against cash or non-cash contribution (Authorised Capital 2024 / II). The issuance of new shares against non-cash contribution is limited to € 50.7 m. The authorisation for this Authorised Capital will expire on 12 February 2029.

At the balance sheet date, authorisations for unused authorised capital amounted to around € 253.7 m (previous year around € 460.3 m).

(25) Capital reserves

The capital reserves are composed of transfers from premiums. They also comprise amounts entitling the holders to acquire shares in TUI AG in the framework of bonds issued for conversion options and warrants.

In the completed financial year, the capital reserves decreased by € 1,109.7 m from € 9,090.1 m to € 7,980.4 m.

In July 2024, TUI AG issued convertible bonds due in July 2031 with proceeds of € 487 m. This amount includes the conversion rights carried in equity of € 103.5 m. After the deduction of costs directly attributable to the granting of new conversion rights, these proceeds from the issuance are carried in the capital reserves at an amount of € 69.7 m net of taxes on the proceeds.

The convertible bonds maturing in April 2028 worth € 472 m were repurchased in July 2024. The repurchase amount of € 1.2 m includes an amount relating to the conversion rights carried in equity and resulted after taxes in a decrease in the capital reserves of € 0.8 m.

In addition, an amount of € 1,178.5 m is withdrawn from the capital reserves to present distributable profit of € 0.0 m.

(26) Revenue reserves

In the completed financial year, TUI AG did not pay a dividend to its shareholders (previous year no dividend).

Foreign exchange differences comprise differences from the translation of the financial statements of foreign subsidiaries as well as differences from the translation of goodwill denominated in foreign currencies.

The net gain from investments in equity instruments measured at fair value through other comprehensive income totals € 0.9 m (previous year € 23.7 m).

The proportion of gains and losses from cash flow hedges includes an amount of € – 591.2 m (previous year € + 169.3 m), carried directly in equity in other comprehensive income (OCI I). The decrease in financial year 2024 is mainly attributable to changes in exchange rates and fuel prices. Since 1 April 2024, TUI has applied the regulations of IFRS 9 to the recognition of hedges in the balance sheet. The first-time recognition of the cost of hedging reserve (OCI II) resulted in an increase in revenue reserves of € 5.7 m. For further details, please refer to the section on 'Newly applied standards'.

The revaluation of pension obligations (in particular actuarial gains or losses) is also carried directly in equity in other comprehensive income.

The revaluation reserve formed in accordance with IAS 27 (old version) in the framework of step acquisitions of companies is retained until the date of deconsolidation of the company concerned.

(27) Use of Group profit available for distribution

In accordance with the German Stock Corporation Act, the Annual General Meeting adopts a resolution on the appropriation of distributable profit carried in TUI AG's commercial-law annual financial statements. TUI AG's profit for the year amounts to € 170.6 m (previous year loss for the year of € 517.6 m). After setting off the profit for the year against the loss carried forward of € 1,349.1 m (previous year € 831.5 m), the Executive Board has withdrawn € 1,178.5 m from the capital reserves, resulting in profit available for distribution of € 0.0 m.

(28) Non-controlling interest

Non-controlling interests mainly relate to RIUSA II S.A. based in Palma de Mallorca, Spain. TUI's capital share in this hotel operator stands at 50.0%, as in the prior year.

The financial year of RIUSA II S.A. ends on 31 December and thus deviates from TUI Group's financial year. This reporting date was fixed when the company was founded. In order to include the RIUSA II Group in TUI Group's consolidated financial statements as at 30 September, the RIUSA II Group prepares sub-group financial statements as at 30 September, the balance sheet date.

RIUSA II Group, allocated to Hotels & Resorts, operates owned and leased hotels and hotels operated under management contracts in tourism destinations of TUI Group.

The table below provides summarised financial information on RIUSA II S.A., Palma de Mallorca, Spain – the subsidiary for which material non-controlling interests exist. It presents the consolidated financial statements of the sub-group.

Summarised financial information on RIUSA II S.A., Palma de Mallorca, Spain*

€ million	30 Sep 2024 / 2024	30 Sep 2023 / 2023
Current assets	238.8	201.0
Non-current assets	2,102.2	2,077.4
Current liabilities	203.1	185.5
Non-current liabilities	172.4	109.3
Revenues	1,366.2	1,182.9
Profit / loss	394.9	294.2
Other comprehensive income	– 124.8	16.5
Cash inflow / outflow from operating activities	507.7	375.8
Cash inflow / outflow from investing activities	– 224.1	– 163.6
Cash inflow / outflow from financing activities	– 226.2	– 276.0
Accumulated non-controlling interest	811.2	820.3
Profit / loss attributable to non-controlling interest	197.5	147.1

* Consolidated subgroup

(29) Pension provisions and similar obligations

A number of defined contribution and defined benefit pension plans are operated for Group employees. Pension obligations vary, reflecting the different legal, fiscal and economic conditions in each country of operation, and usually depend on employees' length of service and pay levels.

All defined contribution plans are funded by the payment of contributions to external insurance companies or funds. German employees enjoy benefits from a statutory defined contribution plan paying pensions as a function of employees' income and the contributions paid in. Several additional industry pension organisations exist for TUI Group companies. Once the contributions to the state-run pension plans and private pension insurance organisations have been paid, the Company has no further payment obligations. Apart from Germany, major defined contribution plans are also operated in the Netherlands and in the UK. Contributions paid are expensed for the respective period. In the reporting period, the expenses for all defined contribution plans totalled € 95.7 m (previous year € 84.8 m).

Apart from these defined contribution pension plans, TUI Group operates defined benefit plans, which usually entail the formation of provisions within the Company or investments in funds outside the Company.

Within this group, MER-Pensionskasse VVaG, a private pension fund in which German companies of the tourism industry are organised, represents a multi-employer plan classified as a defined benefit plan. In accordance with the rules of the plan, the plan participants and the employers pay salary-based contributions into the plan. There are no further obligations pursuant to the rules of the plan; an additional funding obligation of the participating companies is explicitly excluded. The paid-in contributions are invested in accordance with the policies of the pension plan unless they are used in the short term for benefit payments. As the investments are pooled and are not kept separately for each participating employer, an allocation of plan assets to individual participating employers is not possible. The investment risk and the mortality risk are jointly shared by all plan participants. Moreover, the pension fund does not provide any information to participating companies that would allow the allocation of any over- or underfunding or TUI's participation in the plan. For this reason, accounting for the plan as defined benefit plan is not possible, and the plan is therefore in accordance with the requirements of IAS 19 shown like a defined contribution plan. In the reporting period, contributions to MER-Pensionskasse VVaG totalled € 5.8 m (previous year € 5.6 m). For the next financial year, contributions of € 5.8 m are expected.

TUI Group's major pension plans recognised as defined benefit plans exist in Germany and the UK. By far the largest pension plans are operated by the Group's tour operators in the UK. They accounted for 68.4% (previous year 68.6%) of TUI Group's total obligations at the balance sheet date. German plans account for a further 25.2% (previous year 25.0%).

Material defined benefit plans in the United Kingdom

Scheme name	Status
BAL Scheme	closed
TUI UK Scheme	closed
TAPS Scheme	closed

Almost all defined benefit plans in the UK are funded externally. Under UK law, the employer is obliged to ensure sufficient funding so that plan assets cover the pension payments to be made and the administrative costs of the funds. The pension funds are managed by independent trustees. The trustees comprise independent members, beneficiaries of the plan and employer representatives. The trustees are responsible for the investment of fund assets, taking account of the interests of plan members, but they also negotiate the level of the contributions to the fund to be paid by the employers, which constitute minimum contributions to the funds. To that end, actuarial valuations are made every three years by actuaries commissioned by the trustees. The annual contributions to be paid to the funds in order to cover any shortfalls were last defined on the basis of the measurement as at 30 September 2022. In the course of this valuation completed in the period under review, an agreement was reached with the trustees, which enables a very efficient management of cash flows to balance the existing shortfall while avoiding any overfunding in other plans.

Since 31 October 2018, the main sections of TUI Group's UK Pension Trust have been closed to future accrual of benefits. As a result, current service cost no longer arises for services delivered by the employees.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation notice. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision. At this stage we concluded that one pension scheme is affected and that the potential impact is not material. We will continue to keep this matter under review.

By contrast, defined benefit plans in Germany are mainly unfunded and the obligations from these plans are recognised as provisions. The company assumes the obligation for payments of company pensions when the beneficiaries reach the legal retirement age. The amount of the pension paid usually depends either on the remuneration received by the employee at the retirement date or the amount of the average remuneration over the employee's service period. Pension obligations usually include surviving dependants' benefits and invalidity benefits. Pension payments are partly limited by third party compensations, e.g. from insurances and MER-Pensionskasse.

Material defined benefit plans in Germany

Scheme name	Status
Versorgungsordnung TUI AG	open
Versorgungsordnung TUIfly GmbH	open
Versorgungsordnung TUI Deutschland GmbH	closed
Versorgungsordnung TUI Beteiligungs GmbH	closed
Versorgungsordnungen TUI Immobilien Services GmbH	closed

In the period under review, defined benefit pension obligations created total expenses of € 37.9 m for TUI Group, principally comprising current service cost and net interest. The administrative expenses shown relate to professional advisor costs for the pension plans settled from the plan assets.

Pension costs for defined benefit obligations

€ million	2024	2023
Current service cost for employee service in the period	17.2	18.4
Curtailment losses / (gains)	– 0.3	– 0.1
Net interest on the net defined benefit liability	20.0	10.5
Past service cost	0.7	– 0.4
Administration cost	0.3	0.6
Total	**37.9**	**29.0**

Provisions for pension obligations are established for benefits payable in the form of retirement, invalidity and surviving dependants' benefits. Provisions are exclusively formed for defined benefit schemes under which the Company guarantees employees a specific pension level, including arrangements for early retirement and temporary assistance benefits.

Defined benefit obligation recognised on the balance sheet

€ million	30 Sep 2024 Total	30 Sep 2023 Total
Present value of fully or partially funded obligations	2,086.7	1,904.8
Fair value of external plan assets	2,140.7	1,905.8
Surplus (–) / Deficit (+) of fully or partially funded plans	**– 54.0**	**– 1.0**
Present value of unfunded pension obligations	643.0	572.8
Defined benefit obligation recognised on the balance sheet	**589.0**	**571.8**
of which		
Overfunded plans in other non-financial assets	75.4	98.5
Provisions for pensions and similar obligations	**664.4**	**670.3**
of which current	33.7	33.3
of which non-current	630.7	637.1

For funded pension plans, the provision carried only covers the shortfall in coverage between plan assets and the present value of benefit obligations.

Where plan assets exceed funded pension obligations, taking account of a difference due to past service cost, and where at the same time there is an entitlement to reimbursement or reduction of future contributions to the fund, the excess is recognised in conformity with the asset ceiling defined by IAS 19. As at 30 September 2024, other non-financial assets include excesses of € 75.4 m (previous year € 98.5 m).

Development of defined benefit obligations

€ million	Present value of obligation	Fair value of plan assets	**Total**
Balance as at 1 Oct 2023	**2,477.6**	**–1,905.8**	**571.8**
Current service cost	17.2	–	17.2
Past service cost	0.7	–	0.7
Curtailments and settlements	–0.3	–	–0.3
Interest expense (+)/interest income (–)	121.2	–101.2	20.0
Administration cost	–	0.3	0.3
Pensions paid	–134.9	99.5	–35.4
Contributions paid by employer	–	–105.0	–105.0
Contributions paid by employees	1.7	–1.7	–
Remeasurements	169.9	–49.2	120.7
due to changes in financial assumptions	156.3	–	156.3
due to changes in demographic assumptions	2.2	–	2.2
due to experience adjustments	11.4	–	11.4
due to return on plan assets not included in Group profit/loss for the year	–	–46.9	–46.9
due to asset that have not been capitalised due to the asset ceiling under IAS 19	–	–2.3	–2.3
Exchange differences	76.6	–77.6	–1.0
Other changes	–	–	–
Balance as at 30 Sep 2024	**2,729.7**	**–2,140.7**	**589.0**

Development of defined benefit obligations

€ million	Present value of obligation	Fair value of plan assets	Total
Balance as at 1 Oct 2022	**2,514.3**	**–2,076.4**	**437.9**
Current service cost	18.4	–	18.4
Past service cost	–0.4	–	–0.4
Curtailments and settlements	–0.1	–	–0.1
Interest expense (+)/interest income (–)	114.1	–103.6	10.5
Administration cost	–	0.6	0.6
Pensions paid	–135.3	100.0	–35.3
Contributions paid by employer	–	–98.4	–98.4
Contributions paid by employees	1.5	–1.5	–
Remeasurements	–68.4	309.8	241.4
due to changes in financial assumptions	–84.5	–	–84.5
due to changes in demographic assumptions	–77.6	–	–77.6
due to experience adjustments	93.7	–	93.7
due to return on plan assets not included in Group profit/loss for the year	–	304.5	304.5
due to asset that have not been capitalised due to the asset ceiling under IAS 19	–	5.3	5.3
Exchange differences	33.5	–36.3	–2.8
Other changes	–	–	–
Balance as at 30 Sep 2023	**2,477.6**	**–1,905.8**	**571.8**

The net defined benefit obligation increased slightly by € 17.2 m to € 589.0 m in the financial year under review. The present value of the obligation increased by a total of € 252.1 m compared to the previous year, mainly due to a decrease in discount rates in the euro area and the United Kingdom. The fair value of the plan assets increased similarly by € 234.9 m.

In order to limit the risk arising from the obligation, the trustees of the UK pension plans acquired insurance policies in the fiscal year 2021 securitising full reimbursement by insurers of the payments to be made for parts of the existing obligations. During the financial year, a further insurance policy was acquired for a minor pension plan in a UK holding company to cover all previously uninsured benefits of this plan, which also guarantees full reimbursement of the payments to be made for benefits from this pension plan. The obligation to fulfil the pension commitments has not been assumed by the respective insurer in these transactions in either case. Accordingly, the insured portions of the pension plan continue to be recognised in the financial statements.

At the balance sheet date, TUI Group's fund assets break down as shown in the table below.

Composition of fund assets at the balance sheet date

	30 Sep 2024		30 Sep 2023	
	Quoted market price in an active market		Quoted market price in an active market	
€ million	yes	no	yes	no
Fair value of fund assets at end of period	**1,125.4**	**1,018.3**	**973.9**	**937.2**
of which liability driven investments	519.0	–	484.7	–
of which corporate bonds	240.9	92.0	185.0	118.8
of which property	156.6	–	195.2	–
of which government bonds	44.9	–	43.1	–
of which securitised debt	137.2	–	42.2	–
of which equity instruments	16.9	–	13.7	–
of which insurance policies	–	681.2	–	619.9
of which loans	–	68.2	–	125.1
of which insurance linked securities	–	–	–	3.1
of which cash	–	176.9	–	70.3
of which other	9.9	–	10.0	–
Total fund assets before recognition of asset ceiling under IAS 19		**2,143.7**		**1,911.1**
Assets not recognised due to the asset ceiling under IAS 19		– 3.0		– 5.3
Total fund assets after recognition of asset ceiling under IAS 19		**2,140.7**		**1,905.8**

The disclosed assets not recognised due to the asset ceiling under IAS 19 decreased from € 5.3 m to € 3.0 m in the period under review, mainly due to remeasurement effects resulting from the reduced discount rate for this plan.

At the balance sheet date, as in the previous year, fund assets did not comprise any direct investments in financial instruments issued by TUI AG or its consolidated subsidiaries or any property owned by the Group. For funded plans, investments in passive index tracker funds may entail a proportionate investment in Group-issued financial instruments.

Pension obligations are measured on the basis of actuarial calculations based on country-specific parameters and assumptions. The obligations under defined benefit plans are calculated on the basis of the internationally accepted projected unit credit method, taking account of expected future increases in salaries and pensions. For the pension plans in the UK, expected increases in salaries are not taken into account as they are no longer relevant for the measurement due to the plan amendment outlined above.

Actuarial assumptions

			30 Sep 2024
Percentage p. a.	Germany	United Kingdom	Other countries
Discount rate	3.4	5.0	2.8
Projected future salary increases	2.5	–	1.5
Projected future pension increases	2.5	3.1	1.5

			30 Sep 2023
Percentage p. a.	Germany	United Kingdom	Other countries
Discount rate	4.1	5.5	3.4
Projected future salary increases	2.0	–	1.5
Projected future pension increases	2.5	3.3	1.0

The interest rate applicable in discounting the provision for pensions is based on an index for corporate bonds adjusted for securities already downgraded and under observation by rating agencies as well as subordinate bonds in order to meet the criterion for high quality bonds (rated AA or higher) required under IAS 19. The resulting yield structure is extrapolated on the basis of the yield curves for almost risk-free bonds, taking account of an appropriate risk mark-up reflecting the term of the obligation. In order to cover a correspondingly broad market, an index partly based on shorter-term bonds is used (for instance for Eurozone bonds from the iBoxx € Corporates AA 10+ and iBoxx € Corporates AA 7 – 10).

Apart from the parameters described above, a further key assumption relates to life expectancy. In Germany, the Heubeck reference tables 2018 G are used to determine life expectancy. In the UK, the S3NxA base tables are used, adjusted to future expected developments on the basis of the Continuous Mortality Investigation (CMI) 2023. The pension in payment escalation formulae depend primarily on the pension plan concerned. Apart from fixed rates of increase, there are also a number of inflation-linked pension adjustment mechanisms in different countries.

Changes in the key actuarial assumptions mentioned above would lead to the changes in defined benefit obligations presented below. The methodology used to determine sensitivity corresponds to the method used to calculate the defined benefit obligation. The assumptions were amended in isolation each time; actual interdependencies between the assumptions were not taken into account. The effect of the increase in life expectancy by one year is calculated by means of a reduction in mortality due to the use of the Heubeck tables 2018 G for pension plans in Germany. In the UK, an extra year is added to the life expectancy determined on the basis of the mortality tables.

Sensitivity of the defined benefit obligation due to changed actuarial assumptions

	30 Sep 2024		30 Sep 2023	
€ million	**+ 50 Basis points**	**– 50 Basis points**	+ 50 Basis points	– 50 Basis points
Discount rate	– 166.9	+ 184.4	– 145.4	+ 160.7
Salary increase	+ 8.4	– 7.9	+ 7.2	– 6.8
Pension increase	+ 51.2	– 60.6	+ 43.3	– 51.8
	+ 1 year		+ 1 year	
Life expectancy	+ 87.7	–	+ 79.7	–

The weighted average duration of the defined benefit obligations totalled 13.6 years (previous year 13.5 years) for the overall Group. In the UK, the weighted duration was 13.5 years (previous year 13.4 years), while it stood at 14.3 years (previous year 14.1 years) in Germany.

Fund assets are determined on the basis of the fair values of the funds invested as at 30 September 2024. The interest rate used to determine the interest income from the assets of external funds is identical with the discount rate used for the defined benefit obligation.

For the forthcoming financial year, the companies of TUI Group are expected to contribute around € 104.5 m (previous year € 106.2 m) to pension funds and pay pensions worth € 33.7 m (previous year € 33.3 m) for unfunded plans. The expected employer contribution to the pension funds mainly includes the annual payment agreed with the trustees in the UK to reduce the existing coverage shortfall. For funded plans, the payments to the recipients are fully made from fund assets and therefore do not result in a cash outflow for TUI Group.

TUI Group's defined benefit plans entail various risks; some of which may have a substantial effect on the Company. The purchase of insurance policies within the UK schemes serves to eliminate these risks in respect of the liabilities due to pension scheme members covered by this insurance, and hence reduce the overall level of risk in respect of all the categories detailed below.

INVESTMENT RISK

The investment risk plays a major role, in particular for the large funded plans in the UK. Although shares usually outperform bonds in terms of producing higher returns, they also entail stronger volatility of balance sheet items and the risk of short-term shortfalls in coverage. In order to limit this risk, the trustees have built a balanced investment portfolio to limit the concentration of risks.

INTEREST RATE RISK

The interest rate influences in particular unfunded schemes in Germany as a decline in interest rates leads to an increase in the defined benefit obligations. Conversely, an increase in the interest rate leads to a reduction in the defined benefit obligations. Funded plans are less strongly affected by this development as the performance of the interest-bearing assets included in plan assets regularly dampens the effects. For the funded plans in the UK, the trustees have invested a part of the plan assets in liability-driven investment portfolios, holding credit and hedging instruments in order to largely offset the impact of changes in interest rates.

INFLATION RISK

An increase in the inflation rate normally increases the obligation in pension schemes linked to the final salary of beneficiaries as inflation causes an increase in the projected salary increases. At the same time, inflation-based pension increases included in the plan also rise. The inflation risk is reduced through the use of caps and collars. Moreover, the large pension funds in the UK hold inflation-linked assets, which also partly reduce the risk from a significant rise in inflation. By investing, in particular, plan assets in liability-driven investment portfolios, which hold credit and hedging instruments, they aim to largely offset the impact of the inflation rate.

LONGEVITY RISK

An increasing life expectancy increases the expected benefit duration of the pension obligation. This risk is countered by using regularly updated mortality data in calculating the present values of the obligation.

CURRENCY RISK

For TUI Group, the pension schemes entail a currency risk as most pension schemes are operated in the UK and therefore denominated in sterling. The risk is limited as the currency effects on the obligation and the assets partly offset each other. The currency risk only relates to any excess of pension obligations over plan assets or vice versa.

(30) Other provisions

Development of provisions in financial year 2024

€ million	Balance as at 30 Sep 2023	Changes with no effect on profit and loss*	Usage	Reversal	Additions	**Balance as at 30 Sep 2024**
Maintenance provisions	778.6	– 17.9	131.2	0.6	210.1	839.0
Provisions for litigation	68.4	3.0	2.0	5.9	52.8	116.3
Provisions for emission trading obligations	8.3	9.6	6.7	–	60.9	72.1
Provisions for other personnel costs	42.7	– 0.3	4.2	0.5	12.6	50.3
Restructuring provisions	58.1	0.2	12.1	8.2	5.8	43.8
Provisions for other taxes	35.0	–	2.3	– 1.4	8.0	42.0
Provisions for environmental protection	34.9	–	0.4	0.2	3.2	37.5
Risks from onerous contracts	26.8	– 6.7	2.4	4.2	7.3	20.9
Miscellaneous provisions	129.1	– 2.1	35.8	24.1	41.3	108.4
Other provisions	**1,181.9**	**– 14.2**	**197.1**	**42.3**	**402.0**	**1,330.3**

* Reclassifications, transfers, exchange differences and changes in the group of consolidated companies

Provisions for maintenance primarily relate to contractual maintenance, overhaul and repair requirements for aircraft, engines and other specific components arising from aircraft lease contracts. Measurement of these provisions is based on the expected cost of the next maintenance event, estimated on the basis of current prices, expected price increases and manufacturers' data sheets. In line with the terms of the individual contracts and the aircraft model concerned, additions are recognised on a prorated basis in relation to flight hours, the number of flights or the length of the complete maintenance cycle. Higher maintenance expenses than expected as well as lower interest rates led to an increase of € 210.1 m.

Provisions for litigation relate to existing lawsuits. For further details on lawsuits, please refer to Note 36.

Provisions for emission trading obligations to return emissions certificates cover the obligations to submit certificates under the emissions trading schemes applicable to the TUI Group. The majority of the obligation for the current year relates to the EU-ETS schemes for Aviation and Shipping. The obligations are covered by already purchased certificates, which are presented under current other non-financial assets, please refer to Note 19.

Provisions for personnel costs comprise provisions for jubilee benefits and provisions for cash-settled share-based payment schemes in accordance with IFRS 2. For information on these long-term incentive programmes, please refer to Note 38 'Share-based payments in accordance with IFRS 2'.

Restructuring provisions comprise payments for personnel measures as well as payments for the early termination of leases. They primarily relate to restructuring projects for which detailed, formal restructuring plans were drawn up and communicated to the parties concerned.

Provisions for environmental protection primarily relate to statutory obligations to remediate sites contaminated with legacy waste from former mining and metallurgical activities.

Provisions for onerous contracts include € 13.7 m for the early exit from a leased administrative building as the largest single item.

Miscellaneous provisions include various provisions that, taken individually, do not have a significant influence on TUI Group's economic position. This item includes provisions for dismantling obligations and compensation claims from customers.

Changes in other provisions outside profit and loss primarily relate to changes in the group of consolidated companies, foreign exchange differences and reclassifications within other provisions.

Where the difference between the present value and the settlement value of a provision is material for the measurement of a non-current provision as at the balance sheet date, the provision is recognised at its present value in accordance with IAS 37. The discount rate to be applied should take account of the specific risks of the liability and of future price increases. This criterion applies to some items contained in TUI Group's other provisions. Additions to other provisions comprise an interest portion of € 25.7 m (previous year € 25.4 m), recognised as an interest expense. An interest portion of € 23.8 million (previous year € 23.6 million) is attributable to provisions for maintenance.

Terms to maturity of other provisions

€ million	30 Sep 2024 Remaining term more than 1 year	30 Sep 2024 Total	30 Sep 2023 Remaining term more than 1 year	30 Sep 2023 Total
Maintenance provisions	670.2	839.0	657.8	778.6
Provisions for litigation	64.0	116.3	37.4	68.4
Provisions for emission trading obligation	2.6	72.1	–	8.3
Provisions for other personnel costs	41.5	50.3	34.1	42.7
Restructuring provisions	17.6	43.8	25.3	58.1
Provisions for other taxes	22.0	42.0	26.1	35.0
Provisions for environmental protection	35.5	37.5	32.8	34.9
Risks from onerous contracts	12.0	20.9	14.9	26.8
Miscellaneous provisions	19.0	108.4	20.2	129.1
Other provisions	**884.4**	**1,330.3**	**848.6**	**1,181.9**

(31) Financial and lease liabilities

Financial and lease liabilities

€ million	30 Sep 2024 Remaining term up to 1 year	1 – 5 years	more than 5 years	Total	30 Sep 2023 Remaining term up to 1 year	1 – 5 years	more than 5 years	Total
Convertible bonds	4.4	107.9	379.7	492.0	13.5	529.2	–	542.7
Bonds	1.3	497.3	–	498.6	–	–	–	–
Liabilities to banks	348.7	380.3	178.4	907.4	69.9	438.9	210.0	718.8
Other financial debt	4.4	–	–	4.4	15.1	20.4	–	35.5
Financial liabilities	**358.8**	**985.5**	**558.1**	**1,902.4**	**98.5**	**988.5**	**210.0**	**1,297.0**
Lease liabilities	**582.4**	**1,547.6**	**509.8**	**2,639.8**	**701.2**	**1,553.6**	**663.3**	**2,918.1**

Non-current financial liabilities increased by € 345.1 m versus 30 September 2023 to € 1,543.6 m. The increase is mainly due to the newly issued sustainability-linked senior notes and an increase in liabilities to banks.

On 13 March 2024, TUI AG issued sustainability-linked senior notes with a principal amount of € 500 m with a tenure of five years. The senior notes have an annual coupon of 5.875% and have been issued at 98.93%. The coupon of the senior notes is linked to the achievement of a specific sustainability target by the end of the financial year ending on September 30, 2026. Failure to achieve the sustainability target will increase the annual coupon of the notes by 25 basis points for the remaining term. Individual termination rights of TUI AG contained in the sustainability-linked senior notes represent an embedded derivative that must be separated. The separated termination rights increased the financial liabilities by € 10.6 m at initial recognition and are subsequently accounted at fair value. In connection with the issue of the senior notes, the KfW credit line was reduced from € 1.05 bn to € 0.55 bn.

In July 2024, convertible bonds due in April 2028 amounting to € 472 m were bought back. The repurchase corresponds to 80.1% of the convertible bonds and is carried out at a purchase price of 101.5% of the nominal amount per convertible bond. Part of the repurchase price of € 1.2 m relates to the conversion rights recognised in equity and leads to a decrease in the capital reserve. Following the buyback, convertible bonds maturing in 2028 with a nominal amount of € 117.6 m remain outstanding.

The repurchase of the convertible bonds due in April 2028 was financed by the proceeds of the issue of € 487 m of convertible bonds due in July 2031. The fair value of the conversion rights in the amount of € 103.5 m is accounted for in equity at the time of issuance. The 2031 convertible bonds have a denomination of € 100,000 per convertible bond with a fixed interest rate of 1.95% p. a., payable semi-annually in arrears. Investors have the option of converting the convertible bonds into ordinary shares. The initial conversion price was set at € 9.60, which represents a conversion premium of 50% above the reference share price of € 6.40.

The early termination rights of TUI as well as the conversion right and the put option held by the holders of the convertible bond represent embedded derivatives which were not separated in accordance with IFRS 9 as they are classified as closely related to the host contract.

TUI's largest financing instrument is a revolving credit facility (RCF) between TUI AG and various syndicate banks including a separate tranche with KfW since 2020. Following the issue of the sustainability-linked senior notes in March 2024 and the issue of the Convertible bond 2031 in July 2024, the KfW line was reduced to € 0.21 bn so that the credit facility decreased in total from € 2.7 bn in the previous year to € 1.9 bn (incl. € 190 m guarantee line). The RCF has a term until July 2026.

As at 30 September 2024, there were no drawdowns on the RCF (30 September 2023 € 0.0 m).

Current financial liabilities increased by € 260.3 m to € 358.8 m as at 30 September 2024. The increase is mainly due to the reclassification from long-term financial liabilities.

Movements in financial and lease liabilities

€ million	Convertible bonds	Sustain-ability-linked senior notes	Short-term liabilities to banks	Long-term liabilities to banks	Other financial liabilities	**Total financial liabilities**	**Lease liabilities**
Balance as at 1 Oct 2023	**542.7**	**–**	**69.9**	**648.9**	**35.5**	**1,297.0**	**2,918.1**
Issues/redemptions in the period	–100.5	486.6	13.9	154.7	–36.6	518.1	–619.6
Foreign exchange movements	–	–	–1.4	–9.6	–0.1	–11.1	–76.4
Other non-cash movement	49.8	12.0	266.3	–235.2	5.6	98.5	417.7
Balance as at 30 Sep 2024	**492.0**	**498.6**	**348.7**	**558.8**	**4.4**	**1,902.5**	**2,639.8**

Movements in financial and lease liabilities

€ million	Convertible bonds	Bonds	Short-term liabilities to banks	Long-term liabilities to banks	Other financial liabilities	Total financial liabilities	Lease liabilities
Balance as at 1 Oct 2022	**532.1**	**48.4**	**280.0**	**1,102.6**	**88.2**	**2,051.3**	**3,207.5**
Issues/redemptions in the period	–	–58.7	–243.5	–433.8	–9.4	–745.4	–595.0
Foreign exchange movements	–	–	–0.9	–7.5	–	–8.4	–146.2
Other non-cash movement	10.6	10.3	34.3	–12.4	–43.3	–0.5	451.8
Balance as at 30 Sep 2023	**542.7**	**–**	**69.9**	**648.9**	**35.5**	**1,297.0**	**2,918.1**

The payments made in the period include the issue of sustainability-linked senior notes and the raisings of financial debt, as well as the repayment of bonds, financial debt and lease liabilities.

Fair values and carrying amounts of the bonds as at 30 Sep 2024

					30 Sep 2024		30 Sep 2023	
€ million	Issuer	Nominal value, initial	Nominal value, outstanding	Interest rate % p.a.	**Stock market value**	**Carrying amount**	Stock market value	Carrying amount
2021/2028 convertible bond	TUI AG	589.6	117.6	5.000	117.9	110.6	541.0	542.7
2024/2031 convertible bond	TUI AG	487.0	487.0	1.950	516.2	381.4	–	–
2024/2029 sustainability bond	TUI AG	500.0	500.0	5.875	521.3	498.6	–	–
Total					**1,155.4**	**990.6**	**541.0**	**542.7**

(32) Touristic advance payments received

Touristic advance payments received

€ million	
Touristic advance payments received as at 1 Oct 2022	**2,998.9**
Revenue recognised that was included in the balance at the beginning of the period	–2,696.4
Increases due to cash received, excluding amounts recognised as revenue during the period	3,256.1
Reclassification to other financial liabilities	–0.1
Customer refund repayments	–56.2
Other	27.9
Touristic advance payments received as at 30 Sep 2023	**3,530.2**
Revenue recognised that was included in the balance at the beginning of the period	–3,193.7
Increases due to cash received, excluding amounts recognised as revenue during the period	3,769.1
Reclassification to other financial liabilities	–0.1
Customer refund repayments	–178.7
Other	90.3
Touristic advance payments received as at 30 Sep 2024	**4,017.1**

(33) Other non-financial liabilities

Other non-financial liabilities

€ million	30 Sep 2024 Remaining term up to 1 year	1–5 years	Total	30 Sep 2023 Remaining term up to 1 year	1–5 years	Total
Other liabilities relating to employees	250.2	31.2	281.4	237.5	28.3	265.8
Other liabilities relating to social security	34.9	–	34.9	38.2	–	38.2
Other liabilities relating to other taxes	44.9	–	44.9	63.5	–	63.5
Other miscellaneous liabilities	146.7	0.5	147.2	137.1	1.6	138.7
Deferred income	80.8	265.8	346.6	57.9	222.9	280.8
Other non-financial liabilities	**557.5**	**297.5**	**855.0**	**534.2**	**252.8**	**787.0**

(34) Liabilities related to assets held for sale

As at 30 September 2024, the were no liabilities related to assets held for sale:

Disposal Robinson Club Cabo Verde

€ million	30 Sep 2024	30 Sep 2023
Trade payables	–	1.1
Touristic advance payments received	–	0.1
Other non-financial liabilities	–	0.4
Total	**–**	**1.6**

In the previous year there were liabilities (€ 1.6 m) in relation to assets held for sale of the Robinson Club Cabo Verde in the Hotels & Resorts segment. The sale of this company and the sales of the investments accounted for using the equity method took place in October 2023. For further details, we refer to the sections 'Assets held for sale' and 'Acquisitions – divestments'.

(35) Contingent liabilities

As at 30 September 2024, contingent liabilities amounted to € 61.4 m (previous year € 73.7 m). They are mainly attributable to the granting of guarantees for the benefit of hotel activities and the granting of guarantees for contingent liabilities from aircraft leasing agreements. The contingent liabilities are reported at an amount representing the best estimate of the expenditure required to meet the potential obligation at the balance sheet date.

(36) Litigation

TUI AG and its subsidiaries are involved or have been involved in several court or arbitration proceedings, which do not have a significant impact on their economic position as at 30 September 2024 or future periods. This also applies to actions claiming warranty, repayment or any other compensation in connection with the divestment of subsidiaries and business units over the past few years. As in previous years, the Group recognised adequate provisions, partly covered by expected claims for insurance benefits, to cover all probable financial charges from existing and impending court or arbitration proceedings.

(37) Other financial commitments

Other financial commitments

€ million	30 Sep 2024 Remaining term up to 1 year	1–5 years	Total	30 Sep 2023 Remaining term up to 1 year	1–5 years	Total
Order commitments in respect of capital expenditure	760.3	1,674.5	2,434.8	1,070.9	1,101.6	2,172.5
Other financial commitments	107.0	69.9	176.9	107.8	84.4	192.2
Total	**867.3**	**1,744.4**	**2,611.7**	**1,178.7**	**1,186.0**	**2,364.7**

As at 30 September 2024 order commitments in respect of capital expenditure increased by € 262.3 m as against 30 September 2023. The rise in obligations is largely attributed to new aircraft orders. The increase is to a greater extent partially offset by aircraft deliveries and due to the effects of foreign exchange for order commitments denominated in non-functional currencies. Order commitments also increased due to hotel development projects undertaken by Hotel & Resorts segment.

(38) Share-based payments in accordance with IFRS 2

As at 30 September 2024, all existing awards are recognised as cash-settled share-based payment schemes.

The following share-based payment schemes are in effect within TUI Group as at 30 September 2024.

PHANTOM SHARES UNDER THE LONG-TERM INCENTIVE PLAN (LTI) FOR THE EXECUTIVE BOARD OF TUI AG

LTI WITH SHARE ALLOCATION FROM FINANCIAL YEAR 2024 FOR THE ACTIVE MEMBERS OF THE EXECUTIVE BOARD OF TUI AG

The LTI is a several-year variable remuneration based on virtual shares with a four-year performance reference period.

An individual target amount is agreed in the service agreement for each member of the Executive Board. For each financial year, a provisional number of virtual shares in TUI AG is granted to the members of the Executive Board at the start of the financial year, meaning 1 October of each year ('financial year of grant'). The period for measuring the performance targets ends on 30 September of the third financial year following the financial year of grant ('performance reference period'). This preliminary number of virtual shares will constitute the basis for the determination of the final performance-based payment for the tranche in question at the end of the respective performance reference period. The number of virtual shares provisionally granted is calculated based on the quotient of the target amount individually agreed in the service agreement and the average Xetra price of TUI AG shares (WKN: TUAG50) over the 20 trading days prior to the first day of the financial year of the grant. The claim to a payment only arises upon expiry of the four-year performance reference period and depends on whether or not the respective performance target is achieved.

The relevant performance target is the average annual reported Earnings per share ('reported EPS') of TUI AG over the performance reference period. The performance target reported EPS is defined as the reported earnings per share from continuing operations shown in the approved and audited consolidated accounts of the TUI Group.

The target achievement for the reported EPS of TUI AG over the performance reference period is calculated as the arithmetic mean of the annual reported EPS target achievements during the performance reference period.

The annual target achievement for the reported EPS is calculated based on the reported EPS for the financial year in relation to the target value of the reported EPS for the same financial year. To this end, the Supervisory Board determines a minimum reported EPS value corresponding to a target achievement of 25%, a target reported EPS value corresponding to a target achievement of 100% and a maximum reported EPS value corresponding to a target achievement of 175% for the reported EPS for each financial year during the performance reference period. The Supervisory Board may set different target reported EPS values for the respective financial years of the four-year performance reference period.

If the minimum reported EPS value is not achieved in a financial year, the target achievement for that financial year is 0%. If the minimum reported EPS value is achieved exactly in a financial year, the target achievement for that financial year is 25%. If the target reported EPS value is achieved exactly in a financial year, the target achievement for that financial year is 100%. If the maximum reported EPS value is achieved or exceeded in a financial year, the maximum target achievement for that financial year is 175%. The annual target achievement is determined through linear interpolation between the minimum reported EPS value and the target reported EPS value and between the target reported EPS value and the maximum reported EPS value.

To determine the final number of virtual shares, the degree of target achievement of the average annual reported EPS of TUI AG over the performance reference period is multiplied by the provisional number of virtual shares. The payout is obtained by multiplying the final number of virtual shares by the average Xetra price of TUI AG shares over the last 20 trading days of in the respective performance reference period. The Supervisory Board reviews whether the amount payable should be reduced based on malus rules. The amount established in this way will be paid out in the month of the approval and audit of the consolidated accounts of the TUI Group for the last financial year of the performance reference period. The maximum LTI payout is capped at 240% of the target amount.

In accordance with section 87 (1) sentence 3 clause 2 AktG, the Supervisory Board is further entitled to limit the amount of the LTI to allow for extraordinary circumstances. In the event of capital or structural measures, corresponding adjustments in the number of virtual shares granted are to apply. In the event of delisting, the LTI will terminate as of the effective date of the delisting. In case of extraordinary events or developments, the Supervisory Board shall have the right to adjust the terms of the LTI at its due discretion. This allows for special situations that were not sufficiently factored into the targets previously set to be taken into account. In these cases, the Supervisory Board is also entitled to increase or reduce the amount payable to which a member of the Executive Board would be entitled when an extraordinary event or development is taken into account to the amount to which that member would be entitled if the extraordinary event or development were not taken into account.

If a member's employment starts or ends during a year in progress, the target amount and thus the number of virtual shares granted must be reduced pro rata, where applicable retroactively. In the event of premature termination of the service agreement, the LTI is continued in principle according to the agreed targets and terms. However, if the member's service agreement ends before the expiry of the performance reference period by way of extraordinary termination by TUI AG for good cause for which a member of the Executive Board is responsible or is terminated by the member without good cause, all claims arising from LTI tranches that have not yet been paid are forfeited and no alternative remuneration or compensation is paid.

LTI WITH SHARE ALLOCATION FOR THE FINANCIAL YEARS 2021 TO 2023

The Long Term Incentive Plan (LTI) consists of a programme based on phantom shares and is measured over a period of four years (performance reference period). The phantom shares are allocated in annual tranches.

All Executive Board members have their individual target amounts defined in their service agreements. At the beginning of each financial year, this target amount is translated into a preliminary number of phantom shares based on the target amount. It constitutes the basis for the determination of the performance-related pay after the end of the performance reference period. In order to determine that number, the target amount is divided by the average Xetra share price of TUI AG shares during the 20 trading days prior to the beginning of the performance reference period (1 October of any one year). The entitlement under the long-term incentive programme arises upon completion of the four-year performance reference period and is subject to attainment of the relevant target.

The key target for determining the amount of the final payout after the end of the performance reference period is the average development over four years of the earning per share based on a pro-forma adjusted EPS from continuing operations (Earnings per Share – EPS) as reported in the annual report of the company. The average development of EPS per annum (in percent) is derived from the four equally weighted yearly EPS development values (in percent). Each yearly EPS development value is calculated as the quotient of the EPS of the current financial year and the EPS of the previous financial year. The initial EPS value used to determine the target achievement is calculated at the beginning of the performance period from the first EPS in the performance period and the last EPS before the performance period.

Target achievement for the average development of EPS per annum based on the annual amounts is determined as follows:

- An average absolute EPS of less than 50% of the absolute EPS value determined at the beginning of the performance period corresponds to target achievement of 0%.
- An average absolute EPS of 50% of the absolute EPS value determined at the beginning of the performance period corresponds to target achievement of 25%.
- An average absolute EPS of 50% or more of the absolute EPS value determined at the beginning of the performance period up to an average increase of 5% corresponds to target achievement of 25% to 100%.
- An average increase of 5% p.a. corresponds to target achievement of 100%.
- An average increase of 5% to 10% p.a. corresponds to target achievement of 100% to 175%.
- An average increase of 10% or more p.a. corresponds to target achievement of 175%.

For an average absolute EPS of 50% or more of the absolute EPS value determined at the beginning of the performance period up to an average annual increase of 5%, corresponding to a target achievement of 25% to 100%, and an average increase of 5% to 10% p.a., corresponding to a target achievement of 100% to 175%, linear interpolation is used to determine the degree of target achievement. The degree of target achievement is rounded to two decimal places.

If the prior-year EPS amounts to less than € 0.50, the Supervisory Board defines new absolute targets for EPS as well as minimum and maximum amounts for determining the percentage target achievement for each subsequent financial year in the performance reference period. Due to the development of EPS as a result of the COVID-19 pandemic, the Supervisory Board has made use of this clause and has accordingly defined absolute target values for the current tranches, LTI tranche 2021 – 2024, LTI tranche 2022 – 2025 and LTI tranche 2023 – 2026.

In order to determine the final number of phantom shares, the degree of target achievement on the final day of the performance reference period is multiplied by the preliminary number of phantom shares. The payout amount is determined by multiplying the final number of phantom shares by the average Xetra share price of TUI AG shares over the 20 trading days prior to the end of the performance reference period (30 September of any one year). The payout amount determined in this way is paid out in the month of the approval and audit of TUI Group's annual financial statements for the relevant financial year. If the service contract begins or ends in the course of the financial year relevant for the allocation of the LTI, the entitlement to payment of the LTI is determined on a pro rata basis.

In the case of a capital increase from company funds, the number of preliminary phantom shares would increase in the same ratio as the nominal value of the share capital. In the case of a capital decrease without return of capital, the number of preliminary phantom shares would decrease in the same ratio as the nominal value of the share capital. In the case of a capital increase against contributions, a capital decrease with return of capital or any other capital or structural measures that have an effect on the share capital and cause a material change in the value of the TUI AG share, the number of preliminary phantom shares would also be adjusted. The Supervisory Board is entitled, at reasonable discretion, to make adjustments to neutralize any negative or positive effects from such capital or structural measures. The same rule applies in the case of a change in share price due to the payment of an unusually high superdividend. The Supervisory Board has made use of this authorisation for the capital increases carried out in January and October 2021, March 2023 and the share consolidation at a ratio of 10:1 in February 2023.

The maximum LTI payout is capped at 240% of the individual target amount for each performance reference period. This means that there is an annual LTI cap which is determined individually for each Executive Board member. The Supervisory Board is furthermore, according to section 87 (1) sentence 3 German stock corporation law, authorized to cap the LTI payout in case of extraordinary circumstances (e.g. company mergers, segment disposals, recognition of hidden reserves or external influences).

PERFORMANCE SHARE PLAN (PSP)

The PSP governs the phantom share-based remuneration for eligible executives who are not members of the Executive Board. The PSP is in principle harmonized with the several-year variable remuneration of the Board members. The performance period of the PSP is three years. The current PSP has been in effect in its current form since 2019. For the tranches granted since 2020 the vesting of the phantom shares is dependent on the achievement of absolute EPS values instead of relative EPS growth.

Since LTI EPS21-24 and the current PSP follow common scheme principles, the following development of allocated phantom shares under the programs are shown on an aggregated basis.

Development of phantom shares allocated (LTI & PSP)

	LTI & PSP	
	Number of shares	Present value € million
Balance as at 30 Sep 2022	**10,353,140**	**15.6**
Phantom shares allocated	9,256,236	14.0
Balance after phantom shares allocated in FY 2023	19,609,376	29.6
Shares forfeited through 10:1 share consolidation	–17,648,438	–26.6
Balance after 10:1 share consolidation	1,960,938	3.0
New virtual shares allocated from subscription rights	683,871	–
Phantom shares forfeited	–257,204	–0.4
Measurement results	–	10.4
Balance as at 30 Sep 2023	**2,387,605**	**13.0**
Phantom shares allocated	2,433,445	13.2
Phantom shares exercised	–358,042	–1.9
Phantom shares forfeited	–647,128	–3.5
Measurement results	–	3.2
Balance as at 30 Sep 2024	**3,815,880**	**24.0**

ACCOUNTING FOR SHARE-BASED PAYMENT SCHEMES

As at 30 September 2024, all existing awards are recognised as cash-settled share-based payment schemes and are allocated with an exercise price of € 0.00 (previous year € 0.00). The personnel expense is recognised upon actual delivery of service according to IFRS 2 and is, therefore, spread over a period of time. According to IFRS 2, all contractually granted entitlements have to be accounted for, irrespective of whether and when they are actually allocated. Accordingly, phantom shares allocated in the past are charged on a pro rata basis upon actual delivery of service.

Overall, expenses from the addition of provisions for cash-settled share-based payments of € 8.2 m was recognised through profit or loss in financial year 2024 (previous year expenses € 3.8 m).

As at 30 September 2024, provisions relating to entitlements under these long-term incentive programmes totalled € 18.3 m (previous year € 10.9 m).

(39) Financial instruments

RISKS AND RISK MANAGEMENT

RISK MANAGEMENT PRINCIPLES

Due to the nature of its business operations, TUI Group is exposed to various financial risks, including market risks (consisting of currency risks, interest rate risks and market price risks), credit risks and liquidity risks.

In accordance with TUI Group's financial goals, financial risks have to be mitigated. In order to achieve this, policies and procedures have been developed to manage risk associated with financial transactions undertaken.

The rules, responsibilities and processes as well as limits for transactions and risk positions have been defined in policies. The trading, processing and control have been segregated in functional and organisational terms. Compliance with the policies and limits is continually monitored. All hedges by TUI Group are consistently based on recognised or forecasted underlying transactions. Standard software is used for assessing, monitoring, reporting, documenting and reviewing the effectiveness of the hedging relationships for the hedges entered into. In this context, the fair values of all derivative financial instruments determined on the basis of the Group's own systems are regularly compared with the fair value confirmations from the external counterparties. The processes, the methods applied and the organisation of risk management are reviewed for compliance with the relevant regulations on at least an annual basis by the internal audit department and external auditors.

Within TUI Group, financial risks primarily arise from cash flows in foreign currencies, fuel requirements (jet fuel and bunker oil) and financing via the money and capital markets. In order to limit the risks from changes in exchange rates, market prices and interest rates for underlying transactions, TUI Group uses over-the-counter derivative financial instruments. These are primarily fixed-price transactions. In addition, TUI can also use options and structured products. Use of derivative financial instruments is confined by internally fixed limits and other policies. The transactions are concluded on an arm's length basis with counterparties operating in the financial sector, whose counterparty risk is regularly monitored. Foreign exchange translation risks from the consolidation of group companies not preparing their accounts in euros are not hedged.

MARKET RISK

Market risks result in fluctuations in earnings, equity and cash flows. Risks arising from input cost volatility are more fully detailed in the risk report section of the management report. In order to limit or eliminate these risks, TUI Group has developed various hedging strategies, including the use of derivative financial instruments.

IFRS 7 requires the presentation of a sensitivity analysis showing the effects of hypothetical changes in relevant market risk variables on profit or loss and equity. The effects for the period are determined by relating the hypothetical changes in risk variables to the portfolio of primary and derivative financial instruments as at the balance sheet date. It is assured that the portfolio of financial instruments as at the balance sheet date is representative for the entire financial year.

The analyses of TUI Group's risk reduction activities outlined below and the amounts determined using sensitivity analyses represent hypothetical and thus uncertain risks. Due to unforeseeable developments in the global financial markets, actual results may deviate substantially from the disclosures provided. The risk analysis methods used must not be considered a projection of future events or losses, since TUI is also exposed to risks of a non-financial or non-quantifiable nature. These risks primarily include sovereign, business and legal risks not covered by the following presentation of risks.

CURRENCY RISK

The business operations of TUI's group companies generate payments or receipts denominated in foreign currencies, which are not always matched by payments or receipts with equivalent terms in the same currency. Using potential netting effects (netting of payments made and received in the same currency with identical or similar terms), TUI Group enters into appropriate hedges with external counterparties in order to protect its profit margin from exchange rate-related fluctuations.

Within TUI Group, risks from exchange rate fluctuations are hedged, with the largest hedging volumes relating to US dollars, euros and pound sterling. The Eurozone limits the currency risk from transactions in the key tourist destinations to group companies whose functional currency is not the euro. The tourism business operations are mainly affected by changes in the value of the US dollar and the euro, the latter predominantly affecting the TUI tour operators in the UK and the Nordic countries. In tourism operations, payments in US dollars primarily relate to the procurement of services in non-European destinations, purchases of jet and ship fuel and aircraft and cruise ship purchases or charter.

The tourism companies use financial derivatives to hedge their planned foreign exchange requirements. They aim to take out cover ahead of the markets' customer booking profiles in the planned currency requirements in the run-up to the tourism season. In this regard, account is taken of the different risk profiles of TUI's group companies. The hedged currency volumes are adjusted in line with changes in planned requirements based on reporting by business units. Target hedge ratios are regularly reviewed with the aim of matching hedge ratios with the respective target hedging ratios for future seasons.

Currency risks as defined by IFRS 7 arise from primary and derivative monetary financial instruments issued in a currency other than the functional currency of a company. Exchange rate-related differences from the translation of financial statements into the Group's presentation currency are not taken into account. Taking account of the different functional currencies within the TUI Group, the sensitivity analyses of the currencies identified as relevant risk variables are presented below. A 10% strengthening or weakening of the respective functional currencies, primarily euro and pound sterling, against the other currencies would cause the following effects on the equity and earnings after income tax.

Sensitivity analysis – currency risk

€ million	30 Sep 2024		30 Sep 2023	
Variable: Foreign exchange rate	**+10%**	**–10%**	+10%	–10%
Exchange rates of key currencies				
€/US dollar				
Equity	+116.1	–116.0	+3.2	–6.7
Earnings after income taxes	+13.5	–13.7	–2.3	+6.5
Pound sterling/€				
Equity	+180.6	–220.5	+159.5	–161.1
Earnings after income taxes	+79.4	–97.0	+65.4	–62.1
Pound sterling/US dollar				
Equity	+140.9	–172.2	+115.9	–125.5
Earnings after income taxes	+49.6	–60.6	+57.9	–43.3
€/Swedish krona				
Equity	+20.3	–24.8	–0.1	+0.1
Earnings after income taxes	+4.2	–5.2	+0.1	–0.1

INTEREST RATE RISK

TUI Group is exposed to interest rate risks from floating-rate primary and derivative financial instruments. Where interest-driven cash flows of floating-rate primary financial instruments are converted into fixed cash flows using derivative hedges and the critical terms of the hedging transaction are the same as those of the hedged items they are not exposed to an interest rate risk. No interest rate risk exists for fixed-interest financial instruments carried at amortised cost.

Changes in market interest rates mainly impact floating-rate non-derivative financial instruments, on embedded derivatives in bonds and derivative financial instruments entered into in order to reduce interest-induced cash flow fluctuations.

The table below presents the earnings after income taxes effects of an assumed increase or decrease in the market interest rate of 100 basis points (previous year +/– 100 basis points) as at the balance sheet date. Maintaining the sensitivity of market prices at 100 basis points is based on the assumption that an elevated level of volatility in interest rates is likely to continue as some central banks are expected to continue with their rate reduction cycle.

Sensitivity analysis – interest rate risk

€ million	**30 Sep 2024**		30 Sep 2023	
Variable: Interest rate level for floating interest-bearing debt	**+100 basis points**	**–100 basis points**	+100 basis points	–100 basis points
Earnings after income taxes	–4.0	+6.6	+1.7	–1.3

IMPACT OF THE REFORM OF GLOBAL BENCHMARK INTEREST RATES

Due to the global reform of benchmark interest rates (IBORs), uncertainties arose for TUI in that previously available variable benchmark interest rates, on which individual transactions concluded in foreign currencies were based, will no longer be available or will be determined differently in the future.

At TUI, at the latest count these uncertainties affected non-derivative liabilities relating to the leasing and financing of aircraft, whose variable interest rates were dependent on the USD-LIBOR.

In the financial year, the financings which were previously affected by the uncertainty were fully converted to alternative reference interest rates, with conversions to the SOFR reference rate in particular. The conversion of the financings to alternative benchmark interest rates was implemented on equivalent terms.

FUEL PRICE RISK

Due to the nature of its business operations, TUI Group is exposed to market price risks from the purchase of fuel for the aircraft fleet and the cruise ships.

The tourism companies use financial derivatives to hedge their exposure to market price risks for the planned consumption of fuel. They aim to take out cover ahead of the markets' customer booking profiles in the planned commodity requirements in the run-up to the tourism season. The different risk profiles of the group companies are taken into account, including the possibility of levying fuel surcharges. The hedging volumes are adjusted for changes in planned consumption as identified by the group companies. Target hedge ratios are regularly reviewed with the aim of matching hedge ratios with the respective target hedging ratios for future seasons.

If the commodity prices, which underlie the fuel price hedges, increase or decrease by 15% (previous year +15% / –15%), on the balance sheet date, the impact on equity and on earnings after income taxes would be as shown in the table below. The sensitivity of market prices of +/–15% is based on the assumption that an above-average price volatility in fuel prices could be expected to continue over the coming months in the context of the current geo-political environment and due to demand uncertainties in some of the world's major economies.

Sensitivity analysis – fuel price risk

€ million	**30 Sep 2024**		30 Sep 2023	
Variable: Fuel prices for aircraft and ships	**+15%**	**–15%**	+15%	–15%
Equity	+98.6	–106.8	+92.2	–94.9
Earnings after income taxes	+6.4	+2.0	+0.3	+2.0

OTHER PRICE RISKS

Apart from the financial risks that may result from changes in exchange rates, commodity prices and interest rates, TUI Group is not exposed to significant price risks at the balance sheet date.

CREDIT RISK

The credit risk in non-derivative financial instruments results from the risk of counterparties defaulting on their contractual payment obligations.

Maximum credit risk exposure corresponds in particular to the total of the recognised carrying amounts of the financial assets (including derivative financial instruments with positive market values). Where legally enforceable, financial assets and liabilities are netted. Credit risks are reviewed closely on conclusion of the contract and continually monitored thereafter in order to swiftly respond to potential impairment in a counterparty's solvency. Responsibility for handling the credit risk is generally held by the Group company holding the receivable.

Since TUI Group operates in many different business areas and regions, significant credit risk concentrations of receivables from and loans to specific debtors or groups of debtors are not to be expected. A significant concentration of credit risks related to specific countries is not to be expected either. As in the previous year, at the balance sheet date, there is no material collateral held, or other credit enhancements that reduce the maximum credit risk. Collateral held relates exclusively to financial assets of the category trade receivables and other receivables. The collateral mainly comprises collateral for financial receivables granted and maturing in more than one year and / or with a volume of more than € 1.0 m. Real property rights, directly enforceable guarantees, bank guarantees and comfort letters are used as collateral.

Credit management also covers TUI Group's derivative financial instruments. The maximum credit risk for derivative financial instruments entered into is limited to the total of all positive market values of these instruments since in the event of counterparty default asset losses would only be incurred up to that amount. Since derivative financial instruments are concluded with different debtors, credit risk exposure is reduced. The specific credit risks of individual counterparties are taken into account in determining the fair values of derivative financial instruments. In addition, the counterparty risk is continually monitored and controlled using internal bank limits.

For the sustainability-related bond issued in the 2024 financial year, TUI has the right to terminate the bond early at certain repurchase prices in accordance with the bond terms and conditions. These termination rights represent embedded derivatives and are accounted for separately from the bond as derivative financial assets. They represent a separate class of assets as there is no risk of default.

IFRS 9 requires entities to recognise expected losses for all financial assets held at amortised cost and for financial assets constituting debt instruments and measured at FVTOCI (Fair Value Through Other Comprehensive Income). In TUI Group, the items affected are financial instruments recognised at amortised cost in the following categories: trade receivables and other receivables with the sub-classes trade receivables, advances and loans, other receivables and assets as well as lease receivables. Additional classes are other financial assets and cash and cash equivalents. In determining expected losses, IFRS 9 distinguishes between the general and the simplified approach to impairment.

Under the general approach to impairment, financial assets are classified into three stages. Stage 1 is where financial assets are recognised for the first time or where credit risk has not increased significantly since initial recognition. At this stage, the expected bad debt losses that may arise from possible default events within the next 12 months after the respective balance sheet date are reported. For financial assets in stage 1, entities are required to recognise 12-month Expected Credit Losses (ECL). Stage 2 is where credit risk has increased significantly since initial recognition. Stage 3 includes financial assets that additionally have objective evidence of impairment alongside the criteria of stage 2. Stages 2 and 3 show lifetime ECL.

Under the simplified approach to impairment, a loss allowance is carried at an amount equal to life-time ECL at initial recognition for trade receivables and lease receivables, regardless of the credit quality of the accounts receivable and the lease receivables. TUI uses a provision matrix to determine the expected loss for trade receivables and lease receivables. Average historical default rates are determined for the following maturity bands. Not overdue, less than 30 days past due, 30 – 90 days, 91 – 180 days and more than 180 days past due. To determine the historical default rate, the weighted average of the last three years is calculated for the receivables in default in the respective year in relation to the receivables portfolio at the end of the respective financial year. This is multiplied by the probability that a receivable will age into the final maturity band. The loss rates determined are adjusted by credit default swap (CDS) rates in order to take account of forward-looking information. The adjusted loss rates are based on average rates for the past few years. The economic environment of the relevant geographical regions is taken into account through a weighting of CDS rates. All model parameters mentioned above are regularly reviewed and updated.

Under the simplified approach to impairment, trade receivable and lease receivables are transferred to Stage 3 when there is any objective evidence of impairment. In principle TUI Group classifies whether a trade receivable is to be transferred to Stage 3 on an individual basis, depending on the region, after 180 days at the earliest. In the event of insolvencies or other objective indications of impairment before this date, a transfer to Stage 3 is made earlier. If a receivable is more than 180 days overdue, it is assumed to be impaired and, in the event of uncollectibility, generally written down in full. Objective evidence of impairment of lease receivables includes, for example, significant financial difficulties on the part of the debtor, breach of contract (default or delay in interest and repayment) or concessions made for economic or contractual reasons in connection with the debtor's financial difficulties.

For all other financial assets carried at amortised cost impairments are determined in accordance with the general approach.

For cash and cash equivalents, the low credit risk exemption of IFRS 9 is applied, according to which financial instruments with a low default risk at the time of acquisition can be classified in stage 1 of the impairment model. Cash and cash equivalents include, for instance, cash in hand or bank balances that are exclusively due to counterparties with a high credit rating. In accordance with stage 1 of the impairment hierarchy, a risk provision corresponding to the 12-month credit loss is recorded in cash and cash equivalents upon initial recognition. At each balance sheet date, a verification is made as to whether the counterparties continue to have a rating of investment grade quality. As the corresponding financial assets have a maximum term of 3 months, the impairment requirement is very low. A transfer from Stage 1 to Stage 2 or 3 has no practical relevance, as the business relationship would be terminated immediately in the case of a corresponding event.

For material advances and loans and other receivables and assets, the expected credit losses are determined by multiplying the probability of default with the loss given default and the exposure of default. TUI Group determines the probabilities of default on the basis of an internal rating model. As part of TUI Group's business model, the ratings of debtors for material receivables are evaluated on the basis of this internal rating. Category 1 of the rating model contains the debtors with the highest credit rating, whereas the debtors with the lowest credit rating are classified in the category 7. If the credit risk has not significantly deteriorated since initial recognition, 12-month credit losses are determined (stage 1). In the event of a significant increase in the credit risk, the lifetime-expected credit loss is determined (stage 2). A significant increase in the default risk is assumed on the basis of the internal rating and other relevant information such as changes in the economic, regulatory or technological environment.

If there is any objective evidence of impairment, a transfer is made to Stage 3.

The gross carrying amount of a financial asset of all classes of financial instruments recognised at amortised cost is written off when there is no longer the expectation of full or partial recovery of a financial asset following an appropriate assessment. For individual customers the gross carrying amount is usually written off by the Group companies based on past experience of recoveries of such assets in the country specific business environment if the financial asset is no longer expected to be collected due to days overdue. For corporate customers, TUI Group's businesses conduct an individual assessment about the timing and the amount of write off based on whether there is a reasonable expectation of recovery. TUI Group does not expect significant recovery of amounts written off. However, written-off financial assets may still be subject to enforcement actions to collect overdue receivables.

For advances and loans, other receivables and assets as well as other financial assets, the expected credit losses are determined on a portfolio basis. In significant individual cases, this portfolio approach is deviated from, as the relevant information for determining the expected loss is available at the stage of the individual instrument. TUI Group ensures that solely financial assets with similar credit risk characteristics are combined, e. g. type of product and geographical region. TUI Group initially carries the credit loss based on a loss rate expected for the next twelve months. This loss rate is adjusted at regular intervals depending on the macroeconomic market environment. If the credit risk increases significantly, the lifetime expected credit loss is determined (Stage 2). The assessment of a significant increase in the credit risk, because of the past due status of the instruments, is determined in TUI Group on an individual basis by region, change in default risk-related market data or change in contractual conditions, among other factors. Depending on the portfolio, a reclassification to stage 2 is regularly made if the overdue amount is more than 30 days past due. If there is objective evidence of impairment, the instrument is transferred to Stage 3.

In principle, the general approach assumes that the default risk of financial assets has increased significantly since initial recognition if contractual payments are more than 30 days overdue. However, this can be refuted by TUI Group's available appropriate and comprehensible information. The assessment of the objective evidence of impairment for all instruments falling within the scope of the ECL model is based on the following indicators: e. g. severe financial difficulties of the debtor, breach of contract (default or delinquency in interest or principal payment) or concessions made for economic or contractual reasons in connection with financial difficulties of the debtor. As a result, such instruments are usually written off in full.

CDS rates are used as forward-looking information in the general impairment model, too.

The impairment ratio for financial assets in the general approach that are not included in the 'default risk' table below is based on observable past default rates, but is set at a minimum of 1%. The 1% results from a three-year average of the default rates determined individually for advances and loans, other receivables and assets as well as other financial assets.

TUI Group recognises an impairment gain or loss on all financial assets with a corresponding adjustment of the carrying amount through a provision for impairment.

In order to improve the presentation, since financial year 2023 onwards the expected credit losses are shown in the 'Ageing structure' tables in the 'impairment for expected credit losses' column and only the change in the impairment for expected credit losses will be shown in the 'changes in risk provisions' tables.

As in the prior year in the 'Ageing structure' tables the specific bad debt allowance determined at subsidiary level is shown separately in the 'specific bad debt allowance' column.

In the tables on 'changes in risk provisioning' the specific bad debt allowance determined at subsidiary level which is included in the risk provisioning as at 1 October 2022 is removed in the prior year line 'Removing specific bad debt allowance from presentation'.

The impairment ratios stated from the last year onwards relate exclusively to expected credit losses and no longer include the specific bad debt allowances determined at subsidiary level.

As at 30 September 2024, trade receivables were impaired in the amount of € 41.0 m (previous year € 49.7 m). The following overview shows a maturity analysis of the impairments:

Ageing structure of impairment of financial instruments classified as trade receivables

€ million	Gross value	Specific bad debt allowance	Impairment for expected credit losses	Net value	Impairment ratio
					30 Sep 2024
Trade receivables					
Not overdue	283.9	– 3.3	– 1.0	279.6	0.4%
Overdue less than 30 days	74.1	– 1.7	– 0.8	71.6	0.7%
Overdue 30 – 90 days	32.6	– 2.1	– 0.5	30.0	1.4%
Overdue 91 – 180 days	12.2	– 1.5	– 0.2	10.5	2.0%
Overdue more than 180 days	51.8	– 28.6	– 1.3	21.9	2.5%
Total	**454.6**	**– 37.2**	**– 3.8**	**413.6**	

Ageing structure of impairment of financial instruments classified as trade receivables

€ million	Gross value	Specific bad debt allowance	Impairment for expected credit losses	Net value	Impairment ratio
					30 Sep 2023
Trade receivables					
Not overdue	294.4	–	–	294.4	–
Overdue less than 30 days	95.5	– 26.2	– 1.0	68.3	1.0%
Overdue 30 – 90 days	31.1	– 4.4	– 0.3	26.4	1.0%
Overdue 91 – 180 days	10.2	– 3.5	– 0.2	6.5	2.0%
Overdue more than 180 days	30.1	– 13.5	– 0.6	16.0	2.0%
Total	**461.3**	**– 47.6**	**– 2.1**	**411.6**	

Impairments of lease receivables have developed as follows:

Ageing structure of impairment of financial instruments classified as lease receivables

€ million	Gross value	Specific bad debt allowance	Impairment for expected credit losses	Net value	Impairment ratio
					30 Sep 2024
Lease receivables					
Not overdue	0.8	–	–	0.8	0.4%
Overdue less than 30 days	–	–	–	–	0.7%
Overdue 30 – 90 days	–	–	–	–	1.4%
Overdue 91 – 180 days	–	–	–	–	2.0%
Overdue more than 180 days	–	–	–	–	2.5%
Total	**0.8**	**–**	**–**	**0.8**	

Ageing structure of impairment of financial instruments classified as lease receivables

€ million	Gross value	Specific bad debt allowance	Impairment for expected credit losses	Net value	Impairment ratio
					30 Sep 2023
Lease receivables					
Not overdue	4.1	–	–	4.1	–
Overdue less than 30 days	–	–	–	–	1%
Overdue 30 – 90 days	–	–	–	–	1%
Overdue 91 – 180 days	–	–	–	–	2%
Overdue more than 180 days	–	–	–	–	2%
Total	**4.1**	**–**	**–**	**4.1**	

The following tables show the development of impairment losses on financial instruments in the category Other receivables and assets and in the category advances and loans, in each case less the amounts shown for the corresponding category in the table of the default risk below.

Ageing structure of impairment of financial instruments classified as other receivables and assets

€ million	Gross value	Specific bad debt allowance	Impairment for expected credit losses	Net value	Impairment ratio
					30 Sep 2024
Other receivables and assets					
Not overdue	184.9	– 12.9	– 1.8	170.2	1%
Overdue less than 30 days	0.9	–	–	0.9	1%
Overdue 30 – 90 days	–	–	–	–	1%
Overdue 91 – 180 days	–	–	–	–	1%
Overdue more than 180 days	11.3	– 3.0	– 0.1	8.2	1%
Total	**197.1**	**– 15.9**	**– 1.9**	**179.3**	

Ageing structure of impairment of financial instruments classified as other receivables and assets

€ million	Gross value	Specific bad debt allowance	Impairment for expected credit losses	Net value	30 Sep 2023 Impairment ratio
Other receivables and assets					
Not overdue	211.3	–21.0	–2.1	188.2	1%
Overdue less than 30 days	0.7	–	–	0.7	1%
Overdue 30–90 days	–	–	–	–	1%
Overdue 91–180 days	0.1	–	–	0.1	1%
Overdue more than 180 days	13.3	–5.2	–0.1	8.0	1%
Total	**225.4**	**–26.2**	**–2.2**	**197.0**	

Impairments of advances and loans developed as follows:

Ageing structure of impairment of financial instruments classified as advances and loans

€ million	**Gross value**	**Specific bad debt allowance**	**Impairment for expected credit losses**	**30 Sep 2024** **Net value**
Advances and loans				
Not overdue	3.0	–1.3	–	1.7
Overdue less than 30 days	–	–	–	–
Overdue 30–90 days	–	–	–	–
Overdue 91–180 days	–	–	–	–
Overdue more than 180 days	–	–	–	–
Total	**3.0**	**–1.3**	**–**	**1.7**

Ageing structure of impairment of financial instruments classified as advances and loans

€ million	Gross value	Specific bad debt allowance	Impairment for expected credit losses	30 Sep 2023 Net value
Advances and loans				
Not overdue	7.1	–0.1	–0.1	6.9
Overdue less than 30 days	–	–	–	–
Overdue 30–90 days	–	–	–	–
Overdue 91–180 days	–	–	–	–
Overdue more than 180 days	1.2	–1.2	–	–
Total	**8.3**	**–1.3**	**–0.1**	**6.9**

The material single items in the following table, 'Default risk on financial instruments classified as advances and loans, as other receivables or as other financial assets' are disclosed based on an internal rating. In the past financial year, there was one stage transfer in the individual items listed there from stage 3 to stage 2 in the amount of € 12.9 m (previous year one transfers from stage 2 to stage 3 in the amount of € 12.9 m).

Default risk on financial instruments classified as advances and loans, as other receivables or as other financial assets

						30 Sep 2024				30 Sep 2023
€ million	**Impairment stage**	**Rating**	**Gross value**	**Specific bad debt allowance**	**Impairment for expected credit losses**	**Net value**	Gross value	Specific bad debt allowance	Impairment for expected credit losses	Net value
Financial instruments with related parties										
Advances and loans	3	internal: grade 5	8.9	– 5.8	– 0.2	2.9	9.5	– 6.4	– 0.3	2.8
Advances and loans	3	internal: grade 6	4.3	– 4.3	–	–	4.5	– 4.5	–	–
Advances and loans	3	internal: grade 7	11.3	– 11.3	–	–	11.4	– 11.4	–	–
Other receivables	3	internal: grade 7	–	–	–	–	0.9	– 0.9	–	–
Financial instruments with hotels										
Advances and loans	1	internal: grade 5	–	–	–	–	9.6	–	– 1.3	8.3
Advances and loans	2	internal: grade 5	29.6	–	– 2.0	27.6	17.0	–	– 1.1	15.9
Advances and loans	3	internal: grade 5	–	–	–	–	12.9	– 12.9	–	–
Other receivables	1	internal: grade 5	7.6	–	– 0.5	7.1	–	–	–	–
Financial instruments with other companies										
Advances and loans	3	internal: grade 5	5.0	– 5.0	–	–	5.0	– 5.0	–	–
Other financial assets	1	external	45.1	–	– 0.1	45.0	45.1	–	– 0.1	45.0
Other receivables	1	internal: grade 1	–	–	–	–	66.1	–	– 0.1	66.0
Other receivables	1	internal: grade 2	90.6	–	– 0.3	90.3	44.1	–	– 0.1	44.0
Other receivables	1	internal: grade 4	7.8	–	– 0.2	7.6	7.4	–	– 0.2	7.2
Other receivables	1	internal: grade 5	17.1	–	– 1.4	15.7	24.2	–	– 1.5	22.7
Other receivables	1	external	488.0	–	– 0.8	487.2	378.2	–	– 0.5	377.7
Other receivables	3	internal: grade 4	3.2	– 1.0	–	2.2	1.8	– 0.9	–	0.9
Other receivables	3	external	63.8	– 22.4	–	41.4	–	–	–	–

Insofar as the default risk can only be determined on the basis of past due information, the information is contained in the tables 'ageing structure of impairment of financial instruments classified as other receivables and assets' and 'ageing structure of impairment of financial instruments classified as advances and loans'.

Other financial assets carried at amortised cost at an amount of € 53.4 m (previous year € 48.6 m) relate to short-term deposits with banks. The full amount of these investments with a gross amount of € 53.6 m (previous year € 48.7 m) is not overdue. Impairments of € 0.2 m (previous year € 0.1 m) were carried in the framework of risk provisioning.

In the financial year 2024, there were cash inflows from impaired trade receivables and other receivables in the amount of € 2.5 m (previous year of € 0.0 m cash inflows).

The tables below show a reconciliation of the loan loss provisions for financial assets, measured at amortised cost, for which loan loss provisions are determined using the general approach or the simplified approach.

Change in risk provisions for financial assets measured at amortised cost in the classes advances and loans, other receivables and assets and other financial assets

€ million	Stage 1 12-month-ECL	Stage 2 lifetime-ECL (not impaired)	Stage 3 lifetime-ECL (impaired)	**Total**
Risk provisioning as at 1 Oct 2022	**6.6**	**3.3**	**41.0**	**50.9**
Addition of impairment on newly issued/acquired financial assets	2.3	–	–	2.3
Transfer to stage 3 lifetime ECL (impaired)	–	–1.5	1.5	–
Unrequired impairments on financial assets derecognised during the period and use of impairments	–1.4	–0.8	–3.1	–5.3
Removing specific bad debt allowance from presentation	–	–	–39.0	–39.0
Change of models, risk parameters	–1.4	–	–	–1.4
Risk provisioning as at 30 Sep 2023	**6.1**	**1.0**	**0.4**	**7.5**
Risk provisioning as at 1 Oct 2023	**6.1**	**1.0**	**0.4**	**7.5**
Addition of impairment on newly issued/acquired financial assets	1.5	0.9	–	2.4
Unrequired impairments on financial assets derecognised during the period and use of impairments	–2.3	–	–0.1	–2.4
Risk provisioning as at 30 Sep 2024	**5.3**	**1.9**	**0.3**	**7.5**

As at 30 September 2024, risk provisioning totals € 5.1 m (previous year € 4.6 m) for the other receivables and assets class and € 0.2 m (previous year € 0.1 m) for the other financial assets class as well as € 2.2 m (previous year € 2.8 m) for the advances and loans class.

As at 30 September, 2024, two instruments in class other receivables and assets and ten instruments in class advances and loans were reported in stage 3 (previous year one and ten instruments respectively in stage 3). There were no currency differences (previous year no currency differences).

The changes in the scope of consolidation had no material impact on risk provisioning (previous year no changes). No transfer was made in the advances and loans class (previous year transfer from stage 2 to stage 3: € 1.5 m). No transfer was made in the other receivables and assets class (previous year no transfer).

In the current financial year in class advances and loans no material impairments have been used (previous year € 0.0 m).

Change in risk provisions for financial assets measured at amortised cost classified as trade receivables

€ million	Lifetime ECL, simplified approach
Risk provisioning as at 1 Oct 2022	**59.5**
Exchange differences	–0.3
Unrequired impairments on financial assets derecognised during the period	–9.4
Use of impairments	–4.8
Removing specific bad debt allowance from presentation	–41.9
Change of models, risk parameters	–1.0
Risk provisioning as at 30 Sep 2023	**2.1**
Risk provisioning as at 1 Oct 2023	**2.1**
Addition of impairment on newly issued/acquired financial assets	2.0
Use of impairments	–0.3
Risk provisioning as at 30 Sep 2024	**3.8**

Change in risk provisions for financial assets measured at amortised cost classified as lease receivables

€ million	Lifetime ECL, simplified approach
Risk provisioning as at 1 Oct 2022	**0.2**
Unrequired impairments on financial assets derecognised during the period and use of impairments	– 0.2
Risk provisioning as at 30 Sep 2023	**–**
Risk provisioning as at 1 Oct 2023	**–**
Unrequired impairments on financial assets derecognised during the period and use of impairments	–
Risk provisioning as at 30 Sep 2024	**–**

The tables below show a reconciliation of gross carrying amounts for financial assets measured at amortised cost:

Change in gross carrying amounts classified as advances and loans

€ million	Stage 1 12-month-ECL	Stage 2 lifetime-ECL (not impaired)	Stage 3 lifetime-ECL (impaired)	Total
Gross carrying amounts as at 1 Oct 2022	**39.9**	**30.0**	**27.4**	**97.3**
Addition of assets	1.5	17.7	5.7	24.9
Reduction of assets	– 25.5	– 17.2	– 1.4	– 44.1
Transfer to impaired financial assets (Stage 3)	–	– 12.9	12.9	–
Gross carrying amounts as at 30 Sep 2023	**15.9**	**17.6**	**44.6**	**78.1**
Gross carrying amounts as at 1 Oct 2023	**15.9**	**17.6**	**44.6**	**78.1**
Addition of assets	1.1	–	2.7	3.8
Reduction of assets	– 15.4	– 0.9	– 3.5	– 19.8
Transfer to lifetime ECL (Stage 2)	–	12.9	– 12.9	–
Gross carrying amounts as at 30 Sep 2024	**1.6**	**29.6**	**30.9**	**62.1**

There were no significant changes or modifications. There was a transfer of € 12.9 m from stage 3 to stage 2 (previous year one transfer from stage 2 to stage 3: € 12.9 m).

Change in gross carrying amounts classified as other receivables and assets and other financial assets

€ million	Stage 1 12-month-ECL	Stage 2 lifetime-ECL (not impaired)	Stage 3 lifetime-ECL (impaired)	Total
Gross carrying amounts as at 1 Oct 2022	**722.0**	**–**	**52.1**	**774.1**
Addition of assets	679.8	0.5	57.5	737.8
Reduction of assets	– 673.7	–	– 41.4	– 715.1
Transfer to impaired financial assets (Stage 3)	–	–	–	–
Gross carrying amounts as at 30 Sep 2023	**728.1**	**0.5**	**68.2**	**796.8**
Gross carrying amounts as at 1 Oct 2023	**728.1**	**0.5**	**68.2**	**796.8**
Addition of assets	751.6	0.1	19.9	771.6
Reduction of assets	– 634.3	– 0.5	– 4.8	– 639.6
Gross carrying amounts as at 30 Sep 2024	**845.4**	**0.1**	**83.3**	**928.8**

There were no significant changes or modifications. There were no transfers between the stages 1 to 3 (previous year no transfers). No newly issued or acquired instruments were impaired at the date of addition.

Change in gross carrying amounts of assets classified as trade receivables

€ million	Lifetime ECL, simplified approach
Gross carrying amounts as at 1 Oct 2022	**458.7**
Addition of assets	461.3
Reduction of assets	–458.7
Gross carrying amounts as at 30 Sep 2023	**461.3**
Gross carrying amounts as at 1 Oct 2023	**461.3**
Addition of assets	454.6
Reduction of assets	–461.3
Gross carrying amounts as at 30 Sep 2024	**454.6**

Change in gross carrying amounts of assets classified as lease receivables

€ million	Lifetime ECL, simplified approach
Gross carrying amounts as at 1 Oct 2022	**9.8**
Addition of assets	4.1
Reduction of assets	–9.8
Gross carrying amounts as at 30 Sep 2023	**4.1**
Gross carrying amounts as at 1 Oct 2023	**4.1**
Addition of assets	0.8
Reduction of assets	–4.1
Gross carrying amounts as at 30 Sep 2024	**0.8**

LIQUIDITY RISK

Liquidity risks arise from TUI Group being unable to meet its short-term financial obligations and the resulting increases in funding costs. TUI Group has established an internal liquidity management system to secure TUI Group's liquidity at all times and consistently comply with contractual payment obligations. To that end, TUI Group's liquidity management system uses the opportunities of physical and virtual cash pooling for more efficient liquidity pooling. It also uses credit lines to compensate for the seasonal fluctuations in liquidity resulting from the tourism business. The core credit facility is a syndicated revolving credit facility agreed with the previous syndicate banks and KfW Bank, which has been included due to the COVID-19 pandemic in2020. The total amount of the revolving credit facility has now been reduced to a total of €1.7 bn.

As in the previous year, no material assets were deposited as collateral for liabilities. Moreover, the Group companies participating in the automated cash pool are jointly and severally liable for financial liabilities from cash pooling agreements.

At the balance sheet date, 19 TUI Group companies are jointly and severally liable for TUI AG's financial debts from the revolving credit facility and the promissory note loan.

The tables provided below list the contractually agreed (undiscounted) cash flows of all primary financial liabilities as at the balance sheet date. Planned payments for future new liabilities were not taken into account. Where financial liabilities have a floating interest rate, the forward interest rates fixed at the balance sheet date were used to determine future interest payments. Financial liabilities cancellable at any time are allocated to the earliest maturity band.

The analysis of cash flows from derivative financial instruments shows the contractually agreed (undiscounted) cash flows by maturity of foreign exchange hedges and hedges of other price risks of all liabilities that existed at the balance sheet date.

Cash flow of financial instruments – financial and lease liabilities (30 Sep 2024)

	Cash outflow until 30 Sep							
	up to 1 year		1–2 years		2–5 years		more than 5 years	
€ million	**repayment**	**interest**	repayment	interest	repayment	interest	repayment	interest
Financial liabilities								
Convertible bonds	–4.4	–15.4	–	–15.4	–107.9	–40.2	–379.7	–19.0
Bond	–1.3	–29.4	–	–29.4	–497.3	–73.4	–	–
Liabilities to banks	–348.7	–40.0	–114.3	–27.1	–266.0	–44.9	–178.4	–30.4
Other financial debt	–4.4	–0.1	–	–	–	–	–	–
Trade payables	–3,393.2	–	–	–	–	–	–	–
Other financial liabilities	–125.1	–0.2	–30.7	–2.2	–12.6	–0.4	–	–
Lease liabilities	**–582.4**	**–117.4**	**–510.1**	**–95.5**	**–1,037.5**	**–185.9**	**–509.8**	**–263.3**

Cash flow of financial instruments – financial and lease liabilities (30 Sep 2023)

	Cash outflow until 30 Sep							
	up to 1 year		1 – 2 years		2 – 5 years		more than 5 years	
€ million	repayment	interest	repayment	interest	repayment	interest	repayment	interest
Financial liabilities								
Convertible bonds	–	– 29.5	–	– 29.5	– 589.6	– 88.4	–	–
Bond	–	–	–	–	–	–	–	–
Liabilities to banks	– 69.9	– 31.9	– 275.8	– 29.0	– 163.1	– 38.4	– 210.0	– 34.9
Other financial debt	– 15.0	– 1.8	– 3.8	– 2.1	– 16.7	– 0.1	–	–
Trade payables	– 3,373.7	–	–	–	–	–	–	–
Other financial liabilities	– 121.9	– 1.6	– 2.6	–	–	–	–	–
Lease liabilities	**– 701.2**	**– 128.6**	**– 521.5**	**– 104.5**	**– 1,032.1**	**– 184.2**	**– 663.3**	**– 264.3**

Cash flow of derivative financial instruments (30 Sep 2024)

	Cash in- / outflow until 30 Sep			
€ million	**up to 1 year**	1 – 2 years	2 – 5 years	more than 5 years
Derivative financial instruments				
Hedging transactions – inflows	+ 6,539.9	+ 991.7	+ 5.8	–
Hedging transactions – outflows	– 6,920.0	– 1,026.8	– 5.6	–
Other derivative financial instruments – inflows	+ 2,927.6	+ 6.1	–	–
Other derivative financial instruments – outflows	– 3,001.7	– 6.1	–	–

Cash flow of derivative financial instruments (30 Sep 2023)

	Cash in- / outflow until 30 Sep			
€ million	up to 1 year	1 – 2 years	2 – 5 years	more than 5 years
Derivative financial instruments				
Hedging transactions – inflows	+ 1,604.5	+ 133.5	–	–
Hedging transactions – outflows	– 1,638.4	– 136.2	–	–
Other derivative financial instruments – inflows	+ 1,294.1	–	–	–
Other derivative financial instruments – outflows	– 1,308.7	–	–	–

The derivative financial instruments carried as Other derivative financial instruments are derivatives not designated as hedging instruments according to IFRS 9.

For further information for hedging strategies and risk management see also the remarks in the Risk Report section of the Management Report.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGES

STRATEGY AND GOALS

In accordance with TUI Group's policy, derivatives are allowed to be used if they are based on underlying recognised assets or liabilities, firm commitments or forecast transactions. Since April 1, 2024, hedge accounting based on the rules of IFRS 9 is applied to forecast transactions. The rules of IAS 39 have been applied until 31 March 2024. In the completed financial year, hedges consisted of cash flow hedges.

Derivative financial instruments in the form of fixed-price transactions and options as well as structured products can be used to limit currency, interest rate and fuel-price risks.

The COVID-19 pandemic significantly impacted TUI's business operations, causing a strong increase in TUI's credit risk premiums. The significant increase in TUI's credit risk had a direct impact on the effectiveness of hedging relationships according to IAS 39 and explicitly on the retrospective hedge effectiveness testing, because when calculating retrospective effectiveness, the credit risk is included in the derivative instrument entered into with the counterparty, but not in the hypothetical derivative. As a result, fuel price, interest rate and currency hedges had to be de-designated as they no longer met the effectiveness requirements of IAS 39. For the de-designated hedging instruments cash flow hedge accounting is terminated and the hedges are recognized as other derivative financial instruments. Based on these de-designations any further changes in the fair value of these instruments will be recognized in profit or loss in the income statement in the cost of sales or, in the case of interest rate hedges, in the financial result.

Following the transition to IFRS 9, prospective effectiveness testing can be assessed inter alia on the basis of an economic relationship. The de-designations made under IAS 39 will continue unchanged until the underlying transaction occurs or until the hedging instrument matures.

At 30 September 2024, only interest rate hedges that had to be de-designated from hedge accounting as part of the COVID-19 pandemic are still present. Hedging instruments for foreign currencies and fuels, for which an early reclassification was necessary due to inadequate retrospective effectiveness of the hedging relationship, have matured. The fair value of the reclassified interest rate hedges at 30 September 2024, amounts to € 0.8 m with a nominal volume of € 46.0 m (previous year € 2.5 m with a nominal volume of € 46.0 m). In the previous year, the fair value for fuel price hedges that were de-designated due to insufficient effectiveness was € 3.5 m with a nominal volume of € 10.3 m and for currency hedges € 0.3 m with a nominal volume of € 2.4 m.

CASH FLOW HEDGES

At 30 September 2024, hedges in hedging relationships in accordance with IFRS 9 existed to manage cash flows in foreign currencies with maturities of up to three years (previous year up to two years). The fuel price hedges in hedging relationships in accordance with IFRS 9 had terms of up to two years (previous year up to two years). Hedges in hedging relationships in accordance with IFRS 9 to protect variable interest payment obligations are currently not in the portfolio (previous year none). The impact on profit or loss of derivatives that have been designated as hedging relationships occurs at the time the underlying transaction occurs.

Nominal amounts of derivative financial instruments used

				30 Sep 2024
	Remaining term			
€ million	up to 1 year	more than 1 year	**Total**	Average hedged rate / price
Currency hedges				
Forwards	6,628.4	1,444.2	8,072.6	
Forwards EUR / GBP	2,572.1	328.7	2,900.8	1.1526
Forwards EUR / USD	1,225.7	517.1	1,742.8	0.9053
Forwards GBP / USD	1,745.9	444.0	2,189.9	0.7902
Forwards EUR / SEK	242.7	87.0	329.7	0.0875
Other currencies	842.0	67.4	909.4	
Commodity hedges				
Swaps	963.4	228.2	1,191.6	
Jet fuel	915.5	216.4	1,131.9	712.80
Marine fuel	47.9	11.8	59.7	548.44
Other fuels	–	–	–	–
Other derivative financial instruments*	**3,819.5**	**51.9**	**3,871.4**	

* Including embedded derivatives

Nominal amounts of derivative financial instruments used

				30 Sep 2023
	Remaining term			
€ million	up to 1 year	more than 1 year	Total	Average hedged rate / price
Currency hedges				
Forwards	5,798.5	554.1	6,352.6	
Forwards EUR / GBP	2,267.6	173.6	2,441.2	1.1380
Forwards EUR / USD	1,086.1	114.3	1,200.4	0.9081
Forwards GBP / USD	1,646.5	182.2	1,828.7	0.7982
Forwards EUR / SEK	235.3	50.3	285.6	0.0859
Other currencies	563.0	33.7	596.7	
Commodity hedges				
Swaps	779.5	25.7	805.2	
Jet fuel	732.7	20.7	753.4	737.29
Marine fuel	46.8	5.0	51.8	530.08
Other fuels	–	–	–	–
Other derivative financial instruments	**3,356.6**	**46.0**	**3,402.6**	

Other derivative financial instruments comprise the nominal value of derivative financial instruments not designated for hedge accounting. TUI Group exclusively enters into derivative financial instruments for hedging purposes. Depending on the type of the hedged underlying transaction, TUI exercises the option to apply hedge accounting according to IFRS 9.

The nominal values correspond to the total of all purchase and sale amounts underlying the transactions or the respective contract values of the transactions.

In order to hedge the risks of fluctuations in future cash flows from currency, interest rate and fuel price risks, TUI regularly enters into hedges. The cumulative changes in fair value of the highly probable forecasted underlying transactions are used to determine the ineffective portions of hedges designated as cash flow hedges. In designating cash flow hedges, the forward element is partly not designated in hedge accounting as a hedge for some foreign exchange forward transactions. For foreign exchange forward transactions that are entered from 1 April 2024 and accounted for as cash flow hedges, the forward element is listed in the cost of hedging reserve and shown accordingly in the relevant tables. Derivatives without a hedging relationship in accordance with IFRS 9 are listed separately under other derivative financial instruments in all relevant tables.

Disclosures on underlying transactions of cash flow hedges

€ million	Fair value changes to determine ineffective portions	Balance of hedging reserve of active cash flow hedges	Balance of cost of hedging reserve of active cash flow hedges	Hedging reserve completed (ended) cash flow hedges
	30 Sep 2024			
Interest rate risk hedges	–	–	–	–11.8
Currency risk hedges	232.7	–239.2	5.7	–
Fuel price risk hedges	119.0	–119.3	–	–11.3
Hedging	**351.7**	**–358.5**	**5.7**	**–23.1**
Total	**351.7**	**–358.5**	**5.7**	**–23.1**

Disclosures on underlying transactions of cash flow hedges

€ million	Fair value changes to determine ineffective portions	Balance of hedging reserve of active cash flow hedges	Hedging reserve completed (ended) cash flow hedges
	30 Sep 2023		
Interest rate risk hedges	–	–	–13.2
Currency risk hedges	–78.3	78.7	–
Fuel price risk hedges	–152.6	132.0	18.1
Hedging	**–230.9**	**210.7**	**4.9**
Total	**–230.9**	**210.7**	**4.9**

In accounting for cash flow hedges, the effective portions of the hedging relationships have to be recognised in OCI outside profit and loss. Any additional changes in the fair value of the designated components are recognised as ineffective portions in cost of sales. The table below presents the development of OCI during the financial year.

Development of OCI

€ million	30 Sep 2024 Interest rate risk Hedging Reserve	Currency risk Hedging Reserve	Currency risk Cost of Hedging Reserve	Fuel price risk Hedging Reserve	Total	30 Sep 2023 Interest rate risk	Currency risk	Fuel price risk	Total
Balance as at 1.10.2023 / 1.10.2022	**– 13.2**	**78.7**	**–**	**150.1**	**215.6**	**– 30.6**	**123.0**	**– 42.2**	**50.2**
Classification to cash flow hedge reserve	– 5.5	– 376.3	5.7	– 193.5	– 569.6	–	– 50.2	153.2	103.0
Due to market value changes of new hedges	–	– 245.5	5.7	– 147.8	– 387.6	–	78.6	152.8	231.4
Due to market changes in the past financial year	– 5.5	– 130.8	–	– 45.7	– 182.0	–	– 128.8	0.4	– 128.4
Reclassification from cash flow hedge reserve to income statement	6.9	58.4	–	– 87.2	– 21.9	17.4	5.9	39.1	62.4
Due to early termination of the hedge	–	7.0	–	–	7.0	–	0.9	–	0.9
Due to recognition of the underlying transaction	6.9	51.4	–	– 87.2	– 28.9	17.4	5.0	39.1	61.5
Balance as at 30.9.2024 / 30.9.2023	**– 11.8**	**– 239.2**	**5.7**	**– 130.6**	**– 375.9**	**– 13.2**	**78.7**	**150.1**	**215.6**

The table 'Development of OCI' presents the changes including foreign currency effects and can therefore not be directly reconciled with the statement of comprehensive income.

In the reporting period, income of € 35.8 m (previous year expenses of € 44.1 m) from currency hedges and derivative financial instruments used to hedge the impact of exposure to fuel price risks was recognised in cost of sales. Interest rate hedges result in expenses of € 6.9 m (previous year expenses of € 17.4 m), carried in net interest income. The expenses or income from the hedging transactions are recorded in profit or loss when the corresponding underlying transactions occur by reclassifying the amounts recorded in equity without affecting profit or loss to the profit and loss statement.

Expenses of € 22.3 m (previous year income of € 1.0 m) was recognised for the ineffective portion of cash flow hedges.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

The fair values of derivative financial instruments generally correspond to the market value. The market price determined for all derivative financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A description of the determination of the fair values of derivative financial instruments is provided with the classification of financial instruments measured at fair value.

Positive and negative fair values of derivative financial instruments shown as receivables or liabilities

	30 Sep 2024						30 Sep 2023			
€ million	Receivables	Liabilities	FV changes to determine ineffective portions – designated –	FV changes to determine the cost of hedging reserve	FV changes hedged item	Nominal volume	Receivables	Liabilities	FV changes to determine ineffective portions	Nominal volume
Cash flow hedges for										
currency risks	9.5	250.8	–247.9	5.7	232.7	8,072.6	102.9	24.4	78.5	6,352.5
fuel price risks	0.2	132.6	–132.4	–	119.0	1,191.6	133.5	1.5	132.0	805.1
interest rate risks	–	–	–	–	–	–	–	–	–	–
Hedging	**9.7**	**383.4**	**–380.3**	**5.7**	**351.7**	**9,264.2**	**236.4**	**25.9**	**210.5**	**7,157.6**
Other derivative financial instruments*	**21.1**	**76.0**	**–**	**–**	**–**	**3,871.4**	**32.1**	**11.1**	**–**	**3,402.5**
Total	**30.8**	**459.4**	**–380.3**	**5.7**	**351.7**	**13,135.6**	**268.5**	**37.0**	**210.5**	**10,560.1**

* Including embedded derivatives

Financial instruments which are entered into in order to hedge a risk position according to operational criteria but do not meet the criteria of IFRS 9 to qualify for hedge accounting are analogous to hedging instruments that are voluntarily not designated in hedge accounting are shown as other derivative financial instruments. They include foreign currency transactions entered into in order to hedge against foreign exchange-exposure to changes in the value of balance sheet items and foreign exchange fluctuations from future expenses in tourism.

FINANCIAL INSTRUMENTS – ADDITIONAL DISCLOSURES

CARRYING AMOUNTS AND FAIR VALUES

Where financial instruments are listed in an active market, e. g. shares held and bonds issued, the fair value or market value is the respective quotation in this market at the balance sheet date. For over-the-counter bonds, debt components of bonds with warrants and convertible bonds, liabilities to banks, promissory notes and other non-current financial liabilities, the fair value is determined as the present value of future cash flows, taking account of yield curves and the respective credit spread, which depends on the credit rating.

In financial year 2024, the fair values of other current receivables and current liabilities to banks were determined in line with the past financial year, taking into account yield curves and the respective credit risk premium (credit spread) based on credit rating. As a result, the assumption that the carrying amount approximately corresponds to the fair value due to the short remaining term has been adjusted to the current market conditions.

The fair values of non-current trade receivables and current other receivables, other financial assets as well as non-current other financial liabilities correspond to the present values of the cash flows associated with the assets or liabilities, 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, current trade payables and current other financial liabilities the carrying amount approximates the fair value due to the short remaining term.

The table below shows the reconciliation of the balance sheet items to the financial instrument categories by carrying amount and fair value of the financial instruments.

Carrying amounts and fair values according to classes and measurement categories according to IFRS 9 as at 30 Sep 2024

€ million	Carrying amount	Category according to IFRS 9: 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	Fair value of financial instruments
Assets						
Trade receivables and other receivables						
thereof instruments within the scope of IFRS 9	1,276.6	1,276.6	–	–	–	1,261.1
thereof instruments within the scope of IFRS 16	0.8	–	–	–	–	0.9
Derivative financial instruments						
Hedging transactions	9.7	–	–	9.7	–	9.7
Other derivative financial instruments*	21.1	–	–	–	21.1	21.1
Other financial assets	64.6	53.4	10.3	–	0.9	61.8
Cash and cash equivalents	2,848.2	1,894.7	–	–	953.5	2,848.2
Liabilities						
Financial liabilities	1,902.4	1,902.4	–	–	–	1,914.6
Trade payables	3,393.2	3,393.2	–	–	–	3,393.2
Derivative financial instruments						
Hedging transactions	383.4	–	–	383.4	–	383.4
Other derivative financial instruments	76.0	–	–	–	76.0	76.0
Other financial liabilities	168.4	168.4	–	–	–	169.7

* Including embedded derivatives

Carrying amounts and fair values according to classes and measurement categories according to IFRS 9 as at 30 Sep 2023

€ million	Carrying amount	Category according to IFRS 9: 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	Fair value of financial instruments
Assets						
Trade receivables and other receivables						
thereof instruments within the scope of IFRS 9	1,161.0	1,122.6	–	–	38.9	1,153.0
thereof instruments within the scope of IFRS 16	4.1	–	–	–	–	4.4
Derivative financial instruments						
Hedging transactions	236.4	–	–	236.4	–	236.4
Other derivative financial instruments	32.1	–	–	–	32.1	32.1
Other financial assets	59.4	48.6	9.9	–	0.9	57.3
Cash and cash equivalents	2,060.3	1,588.3	–	–	472.2	2,060.5
Liabilities						
Financial liabilities	1,297.0	1,297.0	–	–	–	1,120.1
Trade payables	3,373.7	3,374.7	–	–	–	3,374.7
Derivative financial instruments						
Hedging transactions	25.9	–	–	25.9	–	25.9
Other derivative financial instruments	11.1	–	–	–	11.1	11.1
Other financial liabilities	124.4	124.4	–	–	–	124.4

The amounts shown in the column 'carrying amount' (as shown in the balance sheet) in the tables above can differ from those in the other columns of a particular row since the latter include all financial instruments. That is the latter columns include financial instruments which are part of disposal groups according to IFRS 5. In the balance sheet, financial instruments, which are part of a disposal group, are shown as separate items. If such financial instruments are included, further details on these financial instruments are explained in the sections 'Assets held for sale' and 'Liabilities related to assets held for sale´.

The instruments measured at fair value through other comprehensive income within the other financial assets class are investments in companies based on medium to long-term strategic objectives. Recording all short-term fluctuations in the fair value in the income statement would not be in line with TUI Group's strategy; these equity instruments were therefore designated as fair value through OCI.

Aggregation according to measurement categories under IFRS 9 as at 30 Sep 2024

€ million	**Carrying amount of financial instruments, total**	Fair value
Financial assets		
at amortised cost	3,224.7	3,211.5
at fair value – recognised directly in equity without recycling	10.3	10.3
at fair value – through profit and loss	975.5	975.5
Financial liabilities		
at amortised cost	5,464.0	5,477.5
at fair value – through profit and loss	76.0	76.0

Aggregation according to measurement categories under IFRS 9 as at 30 Sep 2023

€ million	Carrying amount of financial instruments, total	Fair value
Financial assets		
at amortised cost	2,759.5	3,221.1
at fair value – recognised directly in equity without recycling	9.9	9.9
at fair value – through profit and loss	544.1	544.1
Financial liabilities		
at amortised cost	4,796.1	4,619.2
at fair value – through profit and loss	11.1	11.1

FAIR VALUE MEASUREMENT

The table below presents the fair values of recurring, non-recurring and other financial instruments measured at fair value in line with the underlying measurement level. The individual measurement levels have been defined as follows in line with the inputs:

- Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs for the measurement other than quoted market prices included within Level 1 that are observable in the market for the asset or liability, either directly (as quoted prices) or indirectly (derivable from quoted prices).
- Level 3: inputs for the measurement of the asset or liability not based on observable market data.

Hierarchy of financial instruments measured at fair value as at 30 Sep 2024

		Fair value hierarchy		
€ million	**Total**	Level 1	Level 2	Level 3
Assets				
Other receivables	–	–	–	–
Other financial assets	11.2	–	–	11.2
Derivative financial instruments				
Hedging transactions	9.7	–	9.7	–
Other derivative financial instruments*	21.1	–	21.1	–
Cash and cash equivalents	953.5	953.5	–	–
Liabilities				
Derivative financial instruments				
Hedging transactions	383.4	–	383.4	–
Other derivative financial instruments	76.0	–	76.0	–

* Including embedded derivatives

Hierarchy of financial instruments measured at fair value as at 30 Sep 2023

		Fair value hierarchy		
€ million	Total	Level 1	Level 2	Level 3
Assets				
Other receivables	38.9	–	–	38.9
Other financial assets	10.8	–	–	10.8
Derivative financial instruments				
Hedging transactions	236.4	–	236.4	–
Other derivative financial instruments	32.1	–	32.1	–
Cash and cash equivalents	472.2	472.2	–	–
Liabilities				
Derivative financial instruments				
Hedging transactions	25.9	–	25.9	–
Other derivative financial instruments	11.1	–	11.1	–

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. In the reporting period there were no other transfers from or to Level 3. TUI Group records transfers from or to Level 3 at the date of the obligating event or occasion triggering the transfer.

LEVEL 1 FINANCIAL INSTRUMENTS

The fair value of financial instruments for which an active market exists is based on quoted prices at the reporting date. An active market exists if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions on an arm's length basis. These financial instruments are classified as Level 1. The fair values correspond to the nominal amounts multiplied by the quoted prices at the reporting date. At 30 September 2024 Level 1 financial instruments only include shares in money market funds measured at fair value.

LEVEL 2 FINANCIAL INSTRUMENTS

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

If one or several key inputs are not based on observable market data, the instrument is classified as Level 3.

The following specific valuation techniques are used to measure financial instruments:

- 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 receivables 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.
- The fair value of over-the-counter derivatives (including embedded derivatives) 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 values of optional financial instruments are calculated on the basis of option pricing models. The fair values determined on the basis of the group's own systems are periodically compared with fair value confirmations of the external counterparties.
- Other valuation techniques, e.g., discounting future cash flows, are used to determine the fair values of other financial instruments.

LEVEL 3 FINANCIAL INSTRUMENTS

The table below presents the fair values of the financial instruments measured at fair value on a recurring basis, classified as Level 3.

Financial assets measured at fair value in Level 3

€ million	Other receivables IFRS 9	Other financial assets IFRS 9
Balance as at 1 Oct 2022	**106.5**	**10.5**
Additions	–	0.1
acquisition	–	0.1
Disposals	–70.6	–24.0
sale	–	–24.0
payment	–70.6	–
Total gains or losses for the period	3.0	23.8
recognised through profit and loss	3.0	–
recognised in other comprehensive income	–	23.8
Foreign currency effects	–	0.4
Balance as at 30 Sep 2023	**38.9**	**10.8**
Balance as at 1 Oct 2023	**38.9**	**10.8**
Disposals	–39.1	–
payment	–39.1	–
Total gains or losses for the period	0.2	0.9
recognised through profit and loss	0.2	–
recognised in other comprehensive income	–	0.9
Foreign currency effects	–	–0.5
Balance as at 30 Sep 2024	**–**	**11.2**

EVALUATION PROCESS

The fair value of financial instruments in level 3 has been determined by TUI Group's financial 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 based on 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 – 5.9% and 34.8% (previous year – 5.9% and 34.2%). The constant growth rate is 1% (previous year 1%). The weighted average cost of capital (WACC) is 10.08% (previous year 11.0%). Due to materiality, no detailed figures have been provided. With the exception of the WACC, there is a positive correlation between the input factors and the fair value.

Financial instruments classified as Other financial assets include shares in corporations. The total fair value of these financial investments is € 10.3 m (previous year € 9.9 m). None of these strategic financial investments were sold in the completed financial year. These financial investments resulted in dividend payments totalling € 0.1 m in the reporting period (previous year € 0.1 m).

In previous year the Other receivables according to IFRS 9 in Level 3 at a carrying amount of € 38.9 m relate to a discounted variable purchase price receivable from the sale of Riu Hotels S.A., carried as a financial instrument in the measurement category at fair value through profit and loss. The nominal value of the receivable is € 39.7 m. After granting a discount of € 0.6 m, the purchase price receivable was settled early on 15 December 2023. Income of € 0.2 m was recognised in the income statement in the first quarter of the financial year.

EFFECTS ON RESULTS

The effects of remeasuring the 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.

The net results of the financial instruments by measurement category according to IFRS 9 are as follows:

Net results of financial instruments

€ million	**2024** from interest	other net results	net result
Financial assets	42.3	– 8.0	34.3
at amortised cost	42.3	– 8.0	34.3
Financial liabilities	– 194.3	– 117.5	– 311.8
at amortised cost	– 194.3	– 117.5	– 311.8
Financial instruments at fair value through profit or loss	– 18.7	– 101.6	– 120.3
Total	**– 170.7**	**– 227.1**	**– 397.8**

Net results of financial instruments

€ million	2023 from interest	other net results	net result
Financial assets	35.4	– 48.7	– 13.3
at amortised cost	35.4	– 48.7	– 13.3
Financial liabilities	– 229.4	– 119.7	– 349.1
at amortised cost	– 229.4	– 119.7	– 349.1
Financial instruments at fair value through profit or loss*	– 41.8	– 93.1	– 134.9
Total	**– 235.8**	**– 261.5**	**– 497.3**

* Previous year adjusted

The presentation of the table has been adjusted compared to the previous year. The net result of financial instruments at fair value through profit or loss is presented without a breakdown into assets and liabilities.

The adjustment of the gross amount presented and published in the previous year by a total of € – 53.5 m affects the other net results and arises from a correction in the determination of the expenses and income to be included.

Financial assets at amortized cost include expenses of € 61.3 m (previous year € 58.5 m), arising from credit card costs incurred when settling receivables. In addition, the financial assets at amortized cost include expenses from bank fees amounting to € 6.9 m (previous year € 5.3 m). For financial liabilities at amortized cost, expenses from bank fees amounted to € 6.3 m (previous year € 4.1 m). Financial liabilities at amortized cost include interest expenses (€ 46.6 million) from the partial repurchase of the convertible bond issued in the 2021 financial year.

NETTING

Offsetting of financial assets

€ million	Gross amounts of financial assets	Gross amounts of financial liabilities set off	**Net amounts of financial assets set off, presented in the balance sheet**	Financial assets and liabilities not set off in the balance sheet: Financial liabilities	Collateral received	Net amount
Financial assets as at 30 Sep 2024						
Derivative financial assets	30.8	–	30.8	15.0	–	15.8
Cash and cash equivalents	2,848.2	–	2,848.2	–	–	2,848.2
Financial assets as at 30 Sep 2023						
Derivative financial assets	268.5	–	268.5	37.0	–	231.5
Cash and cash equivalents	2,075.4	15.1	2,060.3	–	–	2,060.3

Offsetting of financial liabilities

€ million	Gross amounts of financial liabilities	Gross amounts of financial assets set off	**Net amounts of financial liabilities set off, presented in the balance sheet**	Financial assets and liabilities not set off in the balance sheet: Financial assets	Collateral granted	Net amount
Financial liabilities as at 30 Sep 2024						
Derivative financial liabilities	459.4	–	459.4	15.0	–	444.4
Financial liabilities	1,902.4	–	1,902.4	–	–	1,902.4
Financial liabilities as at 30 Sep 2023						
Derivative financial liabilities	37.0	–	37.0	37.0	–	–
Financial liabilities	1,312.1	15.1	1,297.0	–	–	1,297.0

Financial assets and financial liabilities are only netted in the balance sheet if a legally enforceable right to netting exists and the Company concerned intends to settle on a net basis.

The contracts for financial instruments are based on standardised master agreements for financial derivatives (including ISDA Master Agreement, German master agreement for financial derivatives), creating a conditional right to netting contingent on defined future events. Under the contractual agreements all derivatives contracted with the corresponding counterparty with positive or negative fair values are netted in that case, resulting in a net receivable or payable in the amount of the balance. As this conditional right to netting is not enforceable in the course of ordinary business transactions and thus the criteria for netting are not met, the derivative financial assets and liabilities are carried at their gross amounts in the balance sheet at the reporting date.

Financial assets and liabilities in the framework of the cash pooling scheme are shown on a net basis if there is a right to netting in ordinary business transactions and TUI intends to settle on a net basis. These financial instruments are included in the balance sheet items in the tables shown above. The gross amount of these netted cash and cash equivalents is € 139.4 m as at 30 September 2024 (previous year € 181.9 m), while the gross amount of the netted financial liabilities is € 0.0 m as at 30 September 2024 (previous year € 15.1 m).

(40) Capital management

TUI Group's capital management ensures that our goals and strategies can be achieved in the interest of our share- / bond- and credit-holders as well as other stakeholders. The primary objectives of the Group are as follows:

- Ensuring sufficient liquidity for the Group
- Profitable growth and a sustainable increase in TUI Group's value
- Strengthening our cash generation allowing to invest, pay dividends and strengthen the balance sheet
- Maintaining sufficient debt capacity and an at least unchanged credit rating

The financing measures carried out in the year under review are described in detail in the section on 'Financial liabilities', page 236 in the Notes. Additional information can be found in the section on 'Financial instruments', page 241 in the Notes.

Management variables used in capital management to measure and control the above objectives are Return On Invested Capital (ROIC) and the net leverage ratio, presented in the table below.

From a Group perspective, invested capital is derived from liabilities, comprising equity (including non-controlling interests) and the balance of interest-bearing liabilities and interest-bearing assets with an adjustment for the seasonality of the Group's net financial position. The cumulative amortisations of purchase price allocations are then added to the invested capital.

TUI Group calculates the net leverage ratio as the ratio of gross financial debt plus lease liabilities minus cash and cash equivalents and other current financial assets to EBITDA. Due to lower net debt and the improvement in our EBITDA (underlying), our net-leverage ratio improved to 0.8x in the financial year 2024 (previous year 1.2x). We are aiming for a net-leverage ratio of strongly less than 1.0x in the medium term.

Key figures of capital risk management

€ million	**2024**	2023
Ø Invested Capital	5,209.5	5,115.1
Underlying EBIT	1,296.2	977.2
ROIC	**24.9%**	**19.1%**
Financial liabilities	1,902.4	1,297.0
plus Lease liabilities	2,639.7	2,918.1
less Cash and cash equivalents	2,848.2	2,060.3
less Other current financial assets	53.4	48.6
Net Debt	**1,640.5**	**2,106.2**
EBITDA (underlying)	2,119.7	1,775.3
Net Leverage Ratio	**0.8**	**1.2**

Reconciliation to underlying EBITDA

€ million	**2024**	2023	Var. %
EBIT	**1,275.3**	**999.3**	**+ 27.6**
Amortisation and impairment (+) / reversals (–) of other intangible assets and depreciation and impairment (+) / reversals (–) of property, plants and equipment and right-of-use assets	846.6	859.1	– 1.5
EBITDA	**2,121.9**	**1,858.5**	**+ 14.2**
Adjustments	– 2.2	– 83.2	+ 97.3
EBITDA (underlying)	**2,119.7**	**1,775.3**	**+ 19.4**

The items recognised in the reconciliation of EBITDA to adjusted EBITDA correspond to the items adjusted in EBIT without taking into account the impairments, depreciation / amortization and reversals of € 23.1 m (previous year € 61.1 m) included therein.

TUI Group's financial and liquidity management for all Group subsidiaries is centrally operated by TUI AG, which acts as the Group's internal bank. Financing and refinancing requirements, derived from the multi-year finance budget, are satisfied by the timely conclusion of appropriate financing instruments. The short-term liquidity reserve is safeguarded by syndicated credit facilities, bilateral bank loans and liquid funds. Moreover, through intra-Group cash pooling the cash surpluses of individual Group companies are used to finance the cash requirements of other Group companies.

Notes to the Cash Flow Statement

The cash flow statement shows the flow of cash and cash equivalents on the basis of a separate presentation of cash inflows and outflows from operating, investing and financing activities. The effects of changes in the group of consolidated companies and of foreign currency translation are eliminated.

We refer to Note 31 'Financial and lease liabilities' for information on cash and non-cash changes in financial and lease liabilities.

In the period under review, cash and cash equivalents increased by € 787.7 m to € 2,848.2 m.

(41) Cash inflow / cash outflow from operating activities

Based on the Group result after tax, the cash flow from operating activities is derived using the indirect method. In the completed financial year, the cash inflow from operating activities totalled € 1,910.8 m (previous year € 1,637.3 m). This amount includes interest payments received of € 88.5 (previous year € 54.9 m), dividends of € 67.2 m from companies measured at equity (previous year € 24.1 m) and dividends of € 0.1 m from non-consolidated companies and other investments (previous year € 0.1 m). Income tax payments resulted in a cash outflow of € 152.2 m (previous year € 106.9 m).

(42) Cash inflow / cash outflow from investing activities

In financial year 2024, the cash outflow from investing activities totalled € 604.3 m (previous year € 492.2 m). This amount includes a cash outflow for capital expenditure related to property, plant and equipment and intangible assets of € 712.5 m. The Group recorded a cash inflow of € 81.9 m from the sale of property, plant and equipment and intangible assets.

TUI recorded cash inflows of € 39.1 m from the earn-out payment in connection with the sale of the stakes in Riu Hotels S.A. and € 1.0 m from the sale of the hotel company Tenuta di Castelfalfi S.p.A., effected in financial year 2021, € 12.0 m from the sale of the stake in WOT Hotels Adriatic Assets Company, and € 2.9 m from the sale of the stake in Raiffeisen-Tours RT Reisen GmbH. The TUI Group contributed € 73.5 m to the capital increase of Pep Toni Hotels S.A. and € 4.3 m to the capital increase of the TUI Global Hospitality Fund. TUI's share in the capitalization of the joint venture Fly4 Airlines Green Limited amounted to € 3.9 m. TUI received € 8.0 m from capital reductions of the associated company Midnight Canada, Inc. For the sale of Club Hotel CV to the TUI Global Hospitality Fund, the TUI Group received € 44.1 m, net of cash disposed of.

The sale of money market funds generated € 0.3 m, € 2.3 m was spent on the purchase.

(43) Cash inflow / cash outflow from financing activities

The cash outflow from financing activities totalled € 531.4 m (previous year € 834.6 m).

From the sustainability-linked bond issued in March 2024, TUI AG received € 486.6 m after deducting discounts and transaction costs. In July 2024, TUI AG issued a convertible bond, which, after deduction of transaction costs, generated € 377.3 m in debt and € 101.8 m in equity. Also in July 2024, the company bought back € 472.0 m of the 2021 convertible bond due in 2028. After taking into account the premium for the buyback, € 477.8 m was attributable to debt and € 1.2 m to equity. Other TUI Group companies took out loans totaling € 225.2 m. € 712.8 m was used to repay other financial liabilities, thereof € 619.6 m lease liabilities. The syndicated credit facility was not used as at the balance sheet date. Interest payments resulted in a cash outflow of € 384.7 m, while a cash outflow of € 145.8 m was attributable to the payment of dividends to minority shareholders.

(44) Development of cash and cash equivalents

Cash and cash equivalents comprise all liquid funds, i.e. cash in hand, bank balances and cheques.

Cash and cash equivalents increased by € 12.5 m (previous year € 13.1 m) due to foreign exchange effects.

Other Notes

(45) Services of the auditors of the consolidated financial statements

TUI AG's consolidated financial statements have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. Since financial year 2022, Annika Deutsch has been the auditor in charge. Total expenses for the services provided by the auditors of the consolidated financial statements in financial year 2024 are as follows:

Services of the auditors of the consolidated financial statements

€ million	2024	2023
Audit fees for TUI AG and subsidiaries in Germany	3.7	3.7
Audit fees	**3.7**	**3.7**
Review of interim financial statements	0.3	0.3
Other certification services (mainly in connection with comfort letters)	0.7	0.8
Other certification services	**1.0**	**1.1**
Total	**4.7**	**4.8**

(46) Remuneration of Executive and Supervisory Board members according to § 314 HGB

In the completed financial year, the remuneration granted to active Executive Board members totalled € 11.7 m (previous year € 9.0 m, adjusted), and that of the Supervisory Board members totalled € 2.9 m (previous year € 3.1 m). The remuneration granted to the former members of the Executive Board members in the financial year totaled € 8.4 m (previous year € 4.1 m, adjusted). The aforementioned remuneration of the Executive Board members includes a tranche of the long term incentive plan of € 6.8 m (previous year € 1.8 m), which represents the fair value at the time of granting in relation to a number of 1,309,450 phantom shares granted in the 2024 financial year (previous year 679,328). This includes € 1.9 m (previous year € 0.6 m, adjusted) for former Executive Board members.

Pension payments for former Executive Board members or their surviving dependants totalled € 6.6 m (previous year € 6.4) in the completed financial year. Pension obligations according to IAS 19 for former Executive Board members and their surviving dependants amounted to € 63.8 m (previous year € 59.1 m) at the balance sheet date.

(47) Use of exemption provision

The following German subsidiaries fully included in consolidation made use of the exemption provision in accordance with section 264 (3) of the German Commercial Code (HGB) in financial year 2024:

Use of exemption provisions

DEFAG Beteiligungsverwaltungs GmbH I, Hanover	TUI BLUE DE GmbH, Hanover
DEFAG Beteiligungsverwaltungs GmbH III, Hanover	TUI Business Services GmbH, Hanover
FIRST Travel GmbH, Hanover	TUI Customer Operations GmbH, Hanover
Leibniz-Service GmbH, Hanover	TUI Deutschland GmbH, Hanover
l'tur GmbH, Rastatt	TUI Group Services GmbH, Hanover
Preussag Beteiligungsverwaltungs GmbH IX, Hanover	TUI Hotel Betriebsgesellschaft mbH, Hanover
Robinson Club GmbH, Hanover	TUI Immobilien Services GmbH, Hanover
TICS GmbH Touristische Internet und Call Center Services, Rastatt	TUI InfoTec GmbH, Hanover
TLT Urlaubsreisen GmbH, Hanover	TUI Insurance & Financial GmbH, Hanover
TUI 4 U GmbH, Bremen	TUI Leisure Travel Service GmbH, Neuss
TUI Airline Service GmbH, Hanover	TUI Platform Services GmbH, Hanover
TUI Asset Management and Advisory GmbH, Hanover	TUI TravelStar GmbH, Hanover
TUI Aviation GmbH, Hanover	TUIfly GmbH, Langenhagen
TUI Aviation Holding GmbH, Hanover	TUIfly Vermarktungs GmbH, Hanover
TUI Beteiligungs GmbH, Hanover	

(48) Related parties

Apart from the subsidiaries included in the consolidated financial statements, TUI AG, in carrying out its ordinary business activities, maintains indirect or direct relationships with related parties. Related parties controlled by TUI Group or over which TUI Group is able to exercise a significant influence are shown in the list of shareholdings (Note 51) published in the Unternehmensregister (www.unternehmensregister.de). Apart from pure equity investments, related parties also include companies that supply goods or provide services for TUI Group companies.

Financial obligations from order commitments vis-à-vis related parties primarily relate to the purchasing of hotel services.

Transactions with related parties

€ million	2024	2023
Services provided by the Group		
Management and consultancy services	11.2	8.1
Sales of tourism services	59.4	66.4
Other services	1.0	0.5
Total	**71.6**	**75.0**
Services received by the Group		
Rental and leasing agreements	36.8	12.5
Purchase of hotel services	403.8	377.9
Distribution services	3.3	8.7
Other services	8.9	13.8
Total	**452.8**	**412.9**

Transactions with related parties

€ million	2024	2023
Services provided by the Group to		
non-consolidated Group companies	0.6	0.4
joint ventures	60.2	46.3
associates	10.8	28.3
Total	**71.6**	**75.0**
Services received by the Group from		
non-consolidated Group companies	1.7	1.6
joint ventures	338.8	296.0
associates	112.0	115.3
Total	**452.5**	**412.9**

Transactions with joint ventures and associates mainly occur in the tourism business. They relate in particular to the tourism services of the hotel companies used by the Group's tour operators.

In accordance with IAS 24, all transactions with related parties were executed on an arm's length basis as would be customary with third parties outside the Group.

Receivables from related parties

€ million	30 Sep 2024	30 Sep 2023
Trade receivables from		
joint ventures	13.8	13.6
associates	1.2	0.6
Total	**15.0**	**14.2**
Advances and loans to		
non-consolidated Group companies	–	–
joint ventures	3.1	3.1
associates	0.2	4.6
Total	**3.3**	**7.7**
Payments on account to		
joint ventures	12.8	7.4
Total	**12.8**	**7.4**
Other receivables from		
non-consolidated Group companies	1.3	1.1
joint ventures	14.0	3.9
associates	–	0.3
Total	**15.3**	**5.3**

Payables due to related parties

€ million	30 Sep 2024	30 Sep 2023
Trade payables due to		
non-consolidated Group companies	0.1	0.1
joint ventures	52.7	45.3
associates	12.6	12.5
Total	**65.4**	**57.9**
Financial liabilities due to		
non-consolidated Group companies	0.1	0.4
joint ventures	189.6	217.4
Total	**189.7**	**217.8**
Other liabilities due to		
non-consolidated Group companies	8.5	4.8
joint ventures	53.2	15.6
associates	5.1	6.0
key management personnel	7.2	6.8
Total	**74.0**	**33.2**

Financial liabilities to joint ventures included liabilities from leases of € 189.6 m (previous year € 217.0 m).

The share of result of associates and joint ventures is shown separately in segment reporting.

The Executive Board and the Supervisory Board are key management personnel. They are therefore related parties in the meaning of IAS 24 whose compensation must be disclosed separately.

Remuneration of Executive and Supervisory Board

€ million	**2024**	2023
Short-term benefits	9.9	10.9
Post-employment benefits	0.9	1.2
Share-based payment	4.7	2.3
Termination benefits – Share-based payment	– 0.3	0.1
Termination benefits – Other	3.9	1.4
Total	**19.1**	**15.9**

Post-employment benefits are transfers to or reversals of pension provisions for Executive Board members active in the reporting period. The expenses mentioned do not meet the definition of remuneration for Executive and Supervisory Board members under German accounting rules. The share-based payments are an offset amount of expenses due to the addition to the provision and income resulted from the reversal of the provision due to the valuation. The termination benefits relate to payments to David Burling as compensation for the early termination of his employment contract and the compensation for a 12-month non-compete clause. In the previous year, they related to provisions in connection with the departure of Frank Rosenberger, whose employment contract continued until 31 December 2023.

Pension provisions for active Executive Board members total € 7.7 m (previous year € 11.8 m) as at the balance sheet date. In addition, provisions for active Executive Board members of € 8.3 m (previous year € 4.8 m) are recognised relating to the long-term incentive programme.

(49) International Financial Reporting Standards (IFRS) not yet applied

New standards endorsed by the EU, but applicable after 30 Sep 2024

Standard	Applicable from	Amendments	Expected impact on financial position and performance
Amendments to IAS 1 Classification of Liabilities as Current or Non-Current	1 Jan 2024	The amendments to IAS 1 are intended to clarify the criteria used to classify a liability as current or non-current. In future, the classification of liabilities as current or non-current will exclusively be based on 'rights' that are in existence at the end of the reporting period. The amendments additionally include guidance on the interpretation of the criterion 'right to defer settlement by at least twelve months' and clarify what 'settlement' refers to. On 15 July 2020, the IASB had issued an amendment resulting in the deferral of the effective date to 1 January 2023. By the amendments to IAS 1 (Non-current Liabilities with Covenants) issued on 31 October 2022, the effective date of these amendments is deferred again to 1 January 2024.	No material impact
Amendments to IAS 1 Non-Current Liabilities with Covenants	1 Jan 2024	The amendments to IAS 1 clarify that only covenants an entity must comply with on or before the reporting period should affect the classification of the corresponding liability as current or non-current. However, an entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	No material impact
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 Jan 2024	The amendments intend to increase the transparency of supplier finance arrangements and their effect on an entities liabilities, cash flows and exposure to liquidity risk. The amendments complement existing disclosure requirements insofar that an entity shall provide additional qualitative and quantitative information about finance arrangements with suppliers.	No material impact
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	1 Jan 2024	The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	No material impact
Amendments to IAS 21 Lack of Exchangeability	1 Jan 2025	The amendments require an entity to apply a consistent approach in assessing whether a currency is exchangeable into another currency and, if not, in determining the exchange rate to be used and the required disclosures in the notes.	No material impact

The following amendments and new standards have not yet been endorsed by the European Union.

New standards and interpretations not yet endorsed by the EU and applicable after 30 Sep 2024

Standard	Applicable from	Amendments	Expected impact on financial position and performance
Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments	1 Jan 2026	The amendments concerns three subjects: • The derecognition of financial liabilities settled via electronic payment methods. There is now an accounting choice regarding the timing of derecognition; and • the application of the cash flow criterion for the classification of financial instruments in the case of (a) financial instruments with ESG conditions, (b) financial instruments with non-recourse features, and so-called contractually-linked instruments (CLI); and • additional disclosure requirements for (a) equity instruments classified as FVOCI, and (b) financial instruments with cash flows whose amount or timing depends on the occurrence or non-occurrence of contingent events.	No material impact
Annual Improvements to IFRS Standards Volume 11	1 Jan 2026	The amendments from the annual improvement process include clarifications, narrow-scope corrections, or the resolution of inconsistencies between individual IFRS. The omnibus standard issued on 18 July 2024 includes improvements to IFRS 1, IFRS 7, IFRS 9, IFRS 10 und IAS 7.	No material impact
IFRS 18 Presentation and Disclosure in Financial Statements	1 Jan 2027	IFRS 18 replaces IAS 1 Presentation of Financial Statements. The aim of IFRS 18 is the improvement of the reporting of financial performance with a focus on the income statement. Most important impacts comprise the introduction of pre-defined subtotals and the categorisation of income and expenses in the income statement as well as the introduction of disclosures that are related to certain management-defined performance measures. IFRS 18 is effective for annual periods beginning on or after 1 January 2027 and needs to be applied retrospectively. Early adoption is permitted. The transition requirements stipulate that the quantitative information according to IAS 8.28f. does not need to be provided. Instead, a reconciliation of the prior year comparatives must be disclosed.	TUI will review the impact of this standard in due course.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 Jan 2027	IFRS 19 permits certain subsidiaries without public accountability, which prepare individual financial statements according to IFRS, to make reduced disclosures according to IFRS 19 instead to apply the dedicated disclosure requirements in other IFRS accounting standards.	Not relevant

(50) Significant events after balance sheet date

In November 2024, TUI concluded an agreement with The Boeing Company and BOC Aviation (Cayman) Ltd on the financing of pre-delivery payments for up to 14 aircraft orders in the low three-digit million euro range.

(51) TUI Group Shareholdings

Company	Country	Capital share in %
Consolidated companies		
Tourism		
Absolut Holding Limited, Qormi	Malta	99.9
Advent Insurance PCC Limited (Absolut Cell), Qormi	Malta	100
Africa Focus Tours Namibia (Proprietary) Limited, Windhoek	Namibia	100
Atalaya Collections SL, Palma	Spain	100
ATC African Travel Concept Proprietary Limited, Cape Town	South Africa	50.1
ATC-Meetings and Conferences Proprietary Limited, Cape Town	South Africa	100
B.D.S. Destination Services Tours, Cairo	Egypt	100
Cabotel-Hoteleria e Turismo Lda, Santiago	Cape Verde	100
Cel Obert SL, Sant Joan de Caselles	Andorra	100
Chaves Hotel & Investimentos S.A., Sal-Rei, Boa Vista Island	Cape Verde	100
Citirama Ltd., Quatre Bornes	Mauritius	100
Club Hôtel Management Tunisia SARL, Djerba	Tunisia	100
Clubhotel Cala Serena S.A., Madrid	Spain	100
Clubhotel IP S.A., Athens	Greece	100
Clubhotel JD, S.A., Las Palmas	Spain	100
Clubhotel Zanzibar Limited, Zanzibar	Tanzania	100
Cruisetour AG, Zurich	Switzerland	100
Daidalos Hotel- und Touristikunternehmen A.E., Athens	Greece	89.8
Darecko S.A., Luxembourg	Luxembourg	100
Destination Services Singapore Pte Limited, Singapore	Singapore	100
Egyptian Germany Co. for Hotels Limited, Cairo	Egypt	66.6
Elena SL, Palma de Mallorca	Spain	100
ETA Turizm Yatirim ve Isletmeleri A.Ş., Ankara	Türkiye	100
Explorers Travel Club Limited, Luton	United Kingdom	100
First Choice (Turkey) Limited, Luton	United Kingdom	100
First Choice Holiday Hypermarkets Limited, Luton	United Kingdom	100
First Choice Holidays & Flights Limited, Luton	United Kingdom	100
First Choice Land (Ireland) Limited, Dublin	Ireland	100
FIRST Reisebüro Güttler GmbH & Co. KG, Dormagen	Germany	75.1
FIRST Travel GmbH, Hanover	Germany	100
Follow Coordinate Hotels Portugal Unipessoal Lda, Albufeira	Portugal	100
Fritidsresor Tours & Travels India Pvt Ltd., Bardez, Goa	India	100

Company	Country	Capital share in %
GBH Turizm Sanayi Isletmecilik ve Ticaret A.Ş., Istanbul	Türkiye	100
GEAFOND Número dos Fuerteventura S.A., Las Palmas, Gran Canaria	Spain	100
GEAFOND Número uno Lanzarote S.A., Las Palmas, Gran Canaria	Spain	100
Gemma Limited, Unguja	Tanzania	100
Germantur Turizm Ticaret A.Ş., Izmir	Türkiye	100
Gulliver Travel d.o.o., Dubrovnik	Croatia	100
Hannibal Tourisme et Culture SA, Tunis	Tunisia	100
Hellenic EFS Hotel Management E.P.E., Athens	Greece	100
Holiday Center S.A., Cala Serena / Cala d'Or	Spain	100
Holidays Services S.A., Agadir	Morocco	100
Holidays USA, Inc., Fort Lauderdale	United States	100
Hoteli Koločep d.d., Koločep	Croatia	100
Hoteli Živogošće d.d., Živogošće	Croatia	100
Iberotel International A.S., Antalya	Türkiye	100
Iberotel Otelcilik A.Ş., Istanbul	Türkiye	100
Imperial Cruising Company SARL, Heliopolis-Cairo	Egypt	90
Inter Hotel SARL, Tunis	Tunisia	100
Intercruises Port Operations Spain SLU, Barcelona	Spain	100
Intercruises Port Operations USA, Inc., Wilmington DE	United States	100
Intercruises Shoreside & Port Services Canada, Inc., Quebec	Canada	100
Intercruises Shoreside & Port Services Pty Limited, Sydney	Australia	100
Intercruises Shoreside & Port Services Sam, Monaco	Monaco	100
Intercruises Shoreside & Port Services SARL, Paris	France	100
Intercruises Shoreside & Port Services UK Limited, Luton	United Kingdom	100
Intercruises Shoreside & Port Services, Inc., Wilmington DE	United States	100
Itaria Limited, Nicosia	Cyprus	100
Jandia Playa S.A., Morro Jable / Fuerteventura	Spain	100
Kurt Safari Proprietary Limited, White River - Mpumalanga	South Africa	51
Kybele Turizm Yatırım San. Ve Tic. A.Ş., Istanbul	Türkiye	100
Label Tour EURL, Levallois-Perret	France	100
Le Passage to India Tours and Travels Pvt Ltd., New Delhi	India	100
Lima Tours S.A.C., Lima	Peru	100
l'tur GmbH, Rastatt	Germany	100
L'TUR Suisse AG, Basel	Switzerland	99.5
Magic Hotels SA, Tunis	Tunisia	100
MAGIC LIFE Assets GmbH, Vienna	Austria	100

Company	Country	Capital share in %
Magic Life Egypt for Hotels LLC, Sharm el Sheikh	Egypt	100
Magic Tourism International S.A., Tunis	Tunisia	100
Mai Khao Golden Land Company Limited, Phuket	Thailand	100
Manahe Ltd., Quatre Bornes	Mauritius	51
Manufacturer's Serial Number 852 Limited, Dublin	Ireland	100
Marella Cruises Limited, Luton	United Kingdom	100
Meetings & Events Spain S.L.U., Palma de Mallorca	Spain	100
MSN 41662 Limited, Luton	United Kingdom	100
MSN 41663 Limited, Luton	United Kingdom	100
Musement S.p.A., Milan	Italy	100
MX RIUSA II S.A. de C.V., Cabo San Lucas	Mexico	100
Nazar Nordic AB, Malmo	Sweden	100
Nouvelles Frontières Senegal S.R.L., Dakar	Senegal	100
Nungwi Limited, Zanzibar	Tanzania	100
Ocean College LLC, Sharm el Sheikh	Egypt	100
Ocean Ventures for Hotels and Tourism Services SAE, Sharm el Sheikh	Egypt	98
Pacific World (Shanghai) Travel Agency Co. Limited, Shanghai	China	100
Pacific World Destination East Sdn. Bhd., Penang	Malaysia	65
Pacific World Meetings & Events Hong Kong, Limited, Hong Kong	Hong Kong SAR	100
Pacific World Meetings and Events France SARL, Nice	France	100
Papirüs Otelcilik Yatırım Turizm Seyahat İnşaat Ticaret A.Ş., Antalya	Türkiye	100
Paradise Hotel Management Company LLC, Cairo	Egypt	100
PATS N.V., Ostend	Belgium	100
Promociones y Edificaciones Chiclana S.A., Palma de Mallorca	Spain	100
PT Pacific World Nusantara, Bali	Indonesia	100
RC Clubhotel Cyprus Limited, Limassol	Cyprus	100
RCHM S.A.S., Agadir	Morocco	100
Rideway Investments Limited, London	United Kingdom	100
Riu Jamaicotel Ltd., Negril	Jamaica	100
Riumauricio Ltd., Port Louis	Mauritius	100
RIUSA II S.A., Palma de Mallorca*	Spain	50
Riusa Lanka (PVT) Ltd., Ahungalla	Sri Lanka	100
RIUSA NED SL, Palma	Spain	100
Robinson Austria Clubhotel GmbH, Villach-Landskron	Austria	100
Robinson Club GmbH, Hanover	Germany	100
Robinson Club Italia S.p.A., Marina di Ugento	Italy	100
Robinson Club Maldives Private Limited, Malé	Maldives	100
Robinson Clubhotel Turizm Ltd. Sti., Istanbul	Türkiye	100
Robinson Hoteles España S.A., Cala d'Or	Spain	100
Robinson Hotels Portugal S.A., Vila Nova de Cacela	Portugal	67
Robinson Otelcilik A.Ş., Istanbul	Türkiye	100
SERAC Travel GmbH, Zermatt	Switzerland	100
Société d'Exploitation du Paladien Marrakech SA, Marrakesh	Morocco	100
Société d'Investissement Aérien S.A., Casablanca	Morocco	100
Société d'investissement hotelier Almoravides S.A., Marrakesh	Morocco	100
Société Marocaine pour le Developpement des Transports Touristiques S.A., Agadir	Morocco	100
Sons of South Sinai for Tourism Services and Supplies SAE, Sharm el Sheikh	Egypt	84.1
Stella Polaris Creta A.E., Heraklion	Greece	100
STIVA RII Ltd., Dublin	Ireland	100
Summer Times Ltd., Quatre Bornes	Mauritius	100
Summertime International Ltd., Quatre Bornes	Mauritius	100
Sunshine Cruises Limited, Luton	United Kingdom	100
Tantur Turizm Seyahat A.Ş., Istanbul	Türkiye	100
Tec4Jets NV, Zaventem	Belgium	100
Thomson Reisen GmbH, St. Johann	Austria	100
Thomson Travel Group (Holdings) Limited, Luton	United Kingdom	100
TICS GmbH Touristische Internet und Call Center Services, Rastatt	Germany	100
TLT Reisebüro GmbH, Hanover	Germany	100
TLT Urlaubsreisen GmbH, Hanover	Germany	100
Travel Choice Limited, Luton	United Kingdom	100
Trust Travel B.V., Rijswijk	Netherlands	100
TT Hotels Croatia d.o.o., Zagreb	Croatia	100
TT Hotels Italia S.R.L., Rome	Italy	100
TT Hotels Turkey Otel Hizmetleri Turizm ve ticaret A.Ş., Antalya	Türkiye	100
TUI (Suisse) AG, Zurich	Switzerland	100
TUI 4 U GmbH, Bremen	Germany	100
TUI Airline Service GmbH, Hanover	Germany	100
TUI Airlines Belgium N.V., Ostend	Belgium	100
TUI Airlines Nederland B.V., Rijswijk	Netherlands	100

* Entrepreneurial management

Company	Country	Capital share in %
TUI Airways Limited, Luton	United Kingdom	100
TUI Ambassador Tours Unipessoal Lda, Lisbon	Portugal	100
TUI Asset Management and Advisory GmbH, Hanover	Germany	100
TUI Austria Holding GmbH, Vienna	Austria	100
TUI Aviation Asset Company Limited, Luton	United Kingdom	100
TUI Aviation GmbH, Hanover	Germany	100
TUI Aviation Services Limited, Luton	United Kingdom	100
TUI Belgium NV, Ostend	Belgium	100
TUI Belgium Real Estate N.V., Brussels	Belgium	100
TUI Belgium Retail N.V., Zaventem	Belgium	100
TUI BLUE AT GmbH, Schladming	Austria	100
TUI BLUE DE GmbH, Hanover	Germany	100
TUI Blue Hotels L.L.C., Dubai	United Arab Emirates	100
TUI Brasil Operadora e Agência de Viagens LTDA., Curitiba	Brazil	100
TUI Bulgaria EOOD, Varna	Bulgaria	100
TUI Chile Operador y Agencia de Viajes SpA, Santiago	Chile	100
TUI China Travel CO. Ltd., Beijing	China	75
TUI Curaçao N.V., Curaçao	Country of Curaçao	100
TUI Customer Operations GmbH, Hanover	Germany	100
TUI Cyprus Limited, Nicosia	Cyprus	100
TUI Danmark A/S, Copenhagen	Denmark	100
TUI Destination Experiences (Thailand) Limited, Bangkok*	Thailand	49
TUI Destination Experiences Costa Rica SA, San José	Costa Rica	100
TUI Destination Services Cyprus, Nicosia	Cyprus	100
TUI Deutschland GmbH, Hanover	Germany	100
TUI Dominicana SAS, Higuey	Dominican Republic	100
TUI España Turismo SL, Palma de Mallorca	Spain	100
TUI Finland OY AB, Helsinki	Finland	100
TUI France SA, Levallois-Perret	France	100
TUI Group Fleet Finance Limited, Luton	United Kingdom	100
TUI Group UK Healthcare Limited, Luton	United Kingdom	100
TUI Hellas Travel Tourism and Airlines A.E., Athens	Greece	100
TUI Holding Spain S.L., Palma de Mallorca	Spain	100
TUI Holidays Ireland Limited, Dublin	Ireland	100
TUI Hotel Betriebsgesellschaft mbH, Hanover	Germany	100

Company	Country	Capital share in %
TUI India Private Limited, New Delhi	India	100
TUI International Holiday (Malaysia) Sdn. Bhd., Kuala Lumpur	Malaysia	100
TUI Ireland Limited, Luton	United Kingdom	100
TUI Italia S.r.l., Sorrent	Italy	100
TUI Italia S.r.l. "in liquidazione", Fidenza	Italy	100
TUI Jamaica Limited, Montego Bay	Jamaica	100
TUI LTE Viajes S.A de C.V, Mexico City	Mexico	100
TUI Malta Limited, Pieta	Malta	100
TUI Mexicana S.A. de C.V., Mexico City	Mexico	100
TUI Musement UK Holding Limited, Luton	United Kingdom	100
TUI Nederland Holding N.V., Rijswijk	Netherlands	100
TUI Nederland N.V., Rijswijk	Netherlands	100
TUI Nordic Holding AB, Stockholm	Sweden	100
TUI Norge AS, Stabekk	Norway	100
TUI Northern Europe Limited, Luton	United Kingdom	100
TUI Österreich GmbH, Vienna	Austria	100
TUI Pension Scheme (UK) Limited, Luton	United Kingdom	100
TUI Pensions Restricted SPV Limited, Luton	United Kingdom	100
TUI Platform Services GmbH, Hanover	Germany	100
TUI Poland Dystrybucja Sp. z o.o., Warsaw	Poland	100
TUI Poland Sp. z o.o., Warsaw	Poland	100
TUI PORTUGAL - Agencia de Viagens e Turismo S.A., Faro	Portugal	100
TUI Reisecenter Austria Business Travel GmbH, Vienna	Austria	74.9
TUI Service AG, Altendorf	Switzerland	100
TUI Spain, SLU, Madrid	Spain	100
TUI Suisse Retail AG, Zurich	Switzerland	100
TUI Sverige AB, Stockholm	Sweden	100
TUI Travel Aviation Finance Limited, Luton	United Kingdom	100
TUI TRAVELStar GmbH, Hanover	Germany	100
TUI Tunisia S.A., Tunis	Tunisia	100
TUI UK Limited, Luton	United Kingdom	100
TUI UK Retail Limited, Luton	United Kingdom	100

* Entrepreneurial management

Company	Country	Capital share in %
TUI UK Transport Limited, Luton	United Kingdom	100
TUIfly GmbH, Langenhagen	Germany	100
TUIfly Nordic AB, Stockholm	Sweden	100
TUIfly Vermarktungs GmbH, Hanover	Germany	100
Tunisie Investment Services Holding S.A., Tunis	Tunisia	100
Turcotel Turizm A.Ş., Istanbul	Türkiye	100
Turkuaz Insaat Turizm A.Ş., Ankara	Türkiye	100
Ultramar Express Transport S.A., Palma de Mallorca	Spain	100
Umbhaba Eco Lodge Proprietary Limited, Cape Town	South Africa	90
WOT Hotels Adriatic Management d.o.o., Zagreb	Croatia	51
Zanzibar Beach Village Limited, Zanzibar	Tanzania	100
All other segments		
Absolut Insurance Limited, St. Peter Port	Guernsey	100
Canadian Pacific (UK) Limited, Luton	United Kingdom	100
Cast Agencies Europe Limited, Luton	United Kingdom	100
CP Ships (Bermuda) Ltd., Hamilton	Bermuda	100
CP Ships (UK) Limited, Luton	United Kingdom	100
DEFAG Beteiligungsverwaltungs GmbH I, Hanover	Germany	100
DEFAG Beteiligungsverwaltungs GmbH III, Hanover	Germany	100
First Choice Holidays Finance Limited, Luton	United Kingdom	100
First Choice Holidays Limited, Luton	United Kingdom	100
First Choice Olympic Limited, Luton	United Kingdom	100
Jetset Group Holding (Brazil) Limited, Luton	United Kingdom	100
Jetset Group Holding Limited, Luton	United Kingdom	100
Leibniz-Service GmbH, Hanover	Germany	100
Mala Pronta Viagens e Turismo Ltda., Curitiba	Brazil	100
PM Peiner Maschinen GmbH, Hanover	Germany	100
Preussag Beteiligungsverwaltungs GmbH IX, Hanover	Germany	100
Sovereign Tour Operations Limited, Luton	United Kingdom	100

Company	Country	Capital share in %
Thomson Airways Trustee Limited, Luton	United Kingdom	100
travel-Ba.Sys GmbH & Co KG, Muelheim an der Ruhr	Germany	83.5
TUI Aviation Holding GmbH, Hanover	Germany	100
TUI Beteiligungs GmbH, Hanover	Germany	100
TUI Business Services GmbH, Hanover	Germany	100
TUI Canada Holdings, Inc., Toronto	Canada	100
TUI Global Business Services Tunisia S.A.R.L, Tunis	Tunisia	100
TUI Group Services GmbH, Hanover	Germany	100
TUI Group UK Trustee Limited, Luton	United Kingdom	100
TUI Immobilien Services GmbH, Hanover	Germany	100
TUI InfoTec GmbH, Hanover	Germany	100
TUI Insurance & Financial GmbH, Hanover	Germany	100
TUI Leisure Travel Service GmbH, Neuss	Germany	100
TUI Technology NV, Zaventem	Belgium	100
TUI Technology Portugal Unipessoal Lda., Matosinhos	Portugal	100
TUI Travel Common Investment Fund Trustee Limited, Luton	United Kingdom	100
TUI Travel Group Solutions Limited, Luton	United Kingdom	100
TUI Travel Holdings Limited, Luton	United Kingdom	100
TUI Travel Limited, Luton	United Kingdom	100
TUI Travel Overseas Holdings Limited, Luton	United Kingdom	100
Non-consolidated Group companies		
Tourism		
"Schwerin Plus" Touristik-Service GmbH, Schwerin	Germany	80
Airline Consultancy Services S.A.R.L., Casablanca	Morocco	100
Ambassador Tours S.A., Barcelona	Spain	100
Centro de Servicios Destination Management S.A. de C.V., Cancun	Mexico	100
FIRST Reisebüro Güttler Verwaltungs GmbH, Hanover	Germany	75
L'TUR SARL, Schiltigheim	France	100
Lunn Poly (Jersey) Limited, St. Helier	Jersey	100
Nouvelles Frontières Burkina Faso EURL, Ouagadougou	Burkina Faso	100
Nouvelles Frontières Tereso EURL, Grand Bassam	Ivory Coast	100
Nouvelles Frontières Togo S.R.L.(i.L), Lome	Togo	99

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FINANCIAL YEAR 2024

COMBINED MANAGEMENT REPORT

CORPORATE GOVERNANCE

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Company	Country	Capital share in %
Riusa Hotel Management FZC, Dubai	United Arab Emirates	100
Société de Gestion du resort Al Baraka, Marrakesh	Morocco	100
Trendturc Turizm Otelcilik ve Ticaret A.Ş., Istanbul	Türkiye	100
TUI 4 U Poland sp.zo.o., Warsaw	Poland	100
TUI d.o.o., Maribor	Slovenia	100
TUI Magyarország Utazasi Iroda Kft., Budapest	Hungary	100
TUI Reisecenter GmbH, Salzburg	Austria	100
TUI ReiseCenter Slovensko s.r.o., Bratislava	Slovakia (Slovak Republic)	100
TUI Travel Cyprus Limited, Nicosia	Cyprus	100
TUI Travel Tech Vietnam Limited, Ho Chi Minh City	Vietnam	100
TUIFly Academy Brussels, Zaventem	Belgium	100
VPM Antilles S.R.L., Clichy	France	100
VPM SA, Clichy	France	100
All other segments		
Bergbau Goslar GmbH, Goslar	Germany	100
travel-Ba.Sys Beteiligungs GmbH, Muelheim an der Ruhr	Germany	83.5
Joint ventures and associates		
Tourism		
Abou Soma for Hotels S.A.E., Giza	Egypt	16.7
Ahungalla Resorts Limited, Colombo	Sri Lanka	40
Aitken Spence Travels (Private) Limited, Colombo	Sri Lanka	50
ARP Africa Travel Limited, Harrow	United Kingdom	25
Atlantica Hellas A.E., Rhodes	Greece	50
Atlantica Hotels and Resorts Limited, Lemesos	Cyprus	49.9
Bartu Turizm Yatirimlari Anonim Sirketi, Istanbul	Türkiye	50
Clubhotel Kleinarl GmbH & Co KG, Flachau	Austria	24
Daktari Travel & Tours Ltd., Limassol	Cyprus	33.3
DER Reisecenter TUI GmbH, Dresden	Germany	50
ENC for touristic Projects Company S.A.E., Sharm el Sheikh	Egypt	50
Etapex, S.A., Agadir	Morocco	35
Fanara Residence for Hotels S.A.E., Sharm el Sheikh	Egypt	50
Fly4 Airlines Green Limited, Dublin	Ireland	49

Company	Country	Capital share in %
Gebeco Gesellschaft für internationale Begegnung und Cooperation mbH & Co. KG, Kiel	Germany	50
Grupotel dos S.A., Can Picafort	Spain	50
Ha Minh Ngan Company Limited, Hanoi	Vietnam	50
Holiday Travel (Israel) Limited, Airport City	Israel	50
Hydrant Refuelling System NV, Brussels	Belgium	25
InteRes Gesellschaft für Informationstechnologie mbH, Darmstadt	Germany	25.2
Jaz Hospitality Services DMCC, Dubai	United Arab Emirates	50
Jaz Hotel Group S.A.E., Cairo	Egypt	51
Kamarayat Nabq Company for Hotels S.A.E., Sharm el Sheikh	Egypt	50
Midnight Canada, Inc., Toronto	Canada	49
Midnight Holdings Limited, George Town	Cayman Islands	49
Midnight International Holdings Limited, Toronto	Canada	49
Pep Toni Hotels S.A., Palma	Spain	49
Pollman's Tours and Safaris Limited, Mombasa	Kenya	25
Ranger Safaris Ltd., Arusha	Tanzania	25
Sharm El Maya Touristic Hotels Co. S.A.E., Cairo	Egypt	50
Südwest Presse + Hapag-Lloyd Reisebüro GmbH & Co.KG, Ulm	Germany	50
Sun Oasis for Hotels Company S.A.E., Hurghada	Egypt	50
Teckcenter Reisebüro GmbH, Kirchheim unter Teck	Germany	50
Tikida Bay S.A., Agadir	Morocco	34
TIKIDA DUNES S.A., Agadir	Morocco	30
Tikida Palmeraie S.A., Marrakesh	Morocco	33.3
Travco Group Holding S.A.E., Cairo	Egypt	50
TUI Cruises GmbH, Hamburg	Germany	50
TUI Global Hospitality Fund SCS, SICAF-RAIF, Grevenmacher	Luxembourg	10
UK Hotel Holdings FZC L.L.C., Fujairah	United Arab Emirates	50
Vitya Holding Co. Ltd., Takua, Phang Nga Province	Thailand	47.5
All other segments		
.BOSYS SOFTWARE GMBH, Hamburg	Germany	25.2

Responsibility Statement by Management

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the 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.

Hanover, 9 December 2024

The Executive Board

Sebastian Ebel   Mathias Kiep   Peter Krueger

Sybille Reiss   David Schelp

Independent Auditor's Report

To TUI AG, Berlin and Hanover / Germany

Report on the audit of the consolidated financial statements and of the combined management report

Audit Opinions

We have audited the consolidated financial statements of TUI AG, Berlin and Hanover / Germany, and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 30 September 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2023 to 30 September 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the parent and the group of TUI AG, Berlin and Hanover / Germany, for the financial year from 1 October 2023 to 30 September 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report set out in the appendix to the auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 30 September 2024 and of its financial performance for the financial year from 1 October 2023 to 30 September 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of those parts of the combined management report set out in the appendix to the auditor's report.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537 / 2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2023 to 30 September 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

❶ Recoverability of goodwill
❷ Specific provisions

Our presentation of these key audit matters has been structured as follows:

Ⓐ description (including reference to corresponding information in the consolidated financial statements)
Ⓑ auditor's response

❶ Recoverability of goodwill

Ⓐ In TUI AG's consolidated financial statements as at 30 September 2024, goodwill totalling m EUR 2,998.7 is reported under the item "Goodwill" in the statement of financial position. Goodwill is subject to an impairment test at least once a year. Valuation is made by means of a valuation model based on the discounted cash flow method. Since the outcome of this valuation strongly depends on the estimate of future cash inflows by the executive board and on the discount rate used, forecasting uncertainty is higher given the further geopolitical development and the general price development. Thus, the valuation is subject to significant uncertainty. Against this background, we believe that this is a key audit matter.

The information provided by the Company on goodwill can be found in chapter (12) and in the chapters "Accounting policies" and "Significant accounting judgements, assumptions and estimates" within the notes to the consolidated financial statements.

Ⓑ We evaluated the process for performing the impairment test on goodwill, and carried out an assessment of the accounting-relevant controls contained therein. Specifically, we satisfied ourselves of the appropriateness of the future cash inflows used in the calculation. To do this, we compared, among other things, the figures considered in the impairment test with the budget for the financial year 2025 approved by the supervisory board and the planning for the financial years 2026 and 2027 adopted by the executive board as well as a reconciliation with general and industry-specific market expectations. Since even relatively small changes in the discount rate can have a material effect on the amount of the business value determined in this way, we also focused on examining the parameters used to determine the discount rate used, including the weighted average cost of capital, and analysed the calculation algorithm. Owing to the material significance of goodwill and the fact that the valuation also depends on macroeconomic conditions which are beyond the control of the Company, we also assessed the sensitivity analyses prepared by the Company for the cash-generating units with low excess cover (carrying amount compared to the recoverable amount).

❷ Specific provisions

Ⓐ TUI AG's consolidated financial statements as at 30 September 2024 report provisions for maintenances of m EUR 839 under the statement of financial position item "Other provisions". Furthermore, provisions for pensions and similar obligations of m EUR 664.4 were recognised as at 30 September 2024. In our view, these facts are key audit matters, as the recognition and measurement of these significant items are based to a large extent on estimates and assumptions made by the executive board.

The information provided by the company on the provisions is contained in chapters (29) and (30) as well as in the chapters "Accounting policies" and 'Significant accounting judgements, assumptions and estimates" of the notes to the consolidated financial statements.

Ⓑ We evaluated the process of recognition and measurement applicable to specific provisions, and carried out an assessment of the accounting-relevant controls contained therein. In the knowledge that there is an increased risk of misstatements in financial reporting with estimated values, and that the valuation decisions of the executive board have a direct and significant effect on the consolidated profit, we assessed the appropriateness of the values recognised by, among other things, comparing them against historical values and by means of the contractual bases presented to us.

Among other things, we

- assessed the computation of the expected maintenance costs for aircraft. This was done on the basis of group-wide maintenance contracts, price increases expected on the basis of external market forecasts and the discount rates applied, supported by our own analyses;
- assessed the appropriateness of the valuation parameters used to calculate the pension provisions. Among other things, we did so by comparing them against market data and taking into account the expertise of our internal pension valuation experts.

Other Information

The executive board and / or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the report of the audit committee,
- the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG),
- the unaudited content of the combined management report specified in the appendix to the auditor's report,
- the executive directors' confirmation regarding the consolidated financial statements and the combined management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board and for the report of the audit committee. The executive board and the supervisory board are responsible for the statement pursuant to Section 161 AktG on the German Corporate Governance Code, which forms part of the corporate governance statement included in the section "Corporate Governance Report" set out in the combined management report, and for the remuneration report. Otherwise, the executive board is responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive board is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive board is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive board is responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive board is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive board and the reasonableness of estimates made by the executive board and related disclosures.
- conclude on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

AUDIT OPINION

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA 256 value 8016198821aa00ea4e0e33a7d6d4edb745153f5a0ec7a51e73ec58d73d5cee9d, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 October 2023 to 30 September 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

BASIS FOR THE AUDIT OPINION

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

RESPONSIBILITIES OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive board of the parent is responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the group management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive board of the parent is responsible for such internal controls that it has considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

GROUP AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i. e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the general meeting on 13 February 2024. We were engaged by the supervisory board on 7 and 13 May 2024. We have been the group auditor of TUI AG, Berlin and Hanover/Germany, without interruption since the financial year 2016/17.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Annika Deutsch.

Hanover / Germany, 9 December 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Annika Deutsch	Elmar Meier
Wirtschaftsprüferin	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT: PARTS OF THE COMBINED MANAGEMENT REPORT WHOSE CONTENTS ARE UNAUDITED

We have not audited the content of the following parts of the combined management report:

- the non-financial statement pursuant to Sections 315b and 315c HGB included in the section "Non-financial group statement" of the combined management report
- the statement on corporate governance with the statement on corporate governance pursuant to Sec. 289f and Sec. 315d HGB, and
- the other parts of the combined management report marked as unaudited.

Report of the Independent Practitioner regarding the Non-Financial Group Declaration

Limited assurance report of the independent practitioner regarding the non-financial group declaration for the financial year from 1 October 2023 to 30 September 2024

To TUI AG, Hanover / Germany

Our Engagement

We have performed a limited assurance engagement on the non-financial group declaration, which is included in the combined management report for the parent and the group, of TUI AG, Hanover / Germany, (hereafter referred to as "the Company") for the financial year from 1 October 2023 to 30 September 2024 (hereafter referred to as "non-financial reporting"). Our assurance engagement did not cover the references to the TCFD compliance statement as well as to other websites made in the non-financial group declaration.

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the non-financial reporting in accordance with Sections 315c in conjunction with 289c to 289e HGB and Article 8 of Regulation (EU) 2020 / 852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019 / 2088 (hereafter referred to as "EU Taxonomy Regulation") and the delegated acts adopted thereon, as well as with their own interpretation of the wording and terminology contained in the EU Taxonomy Regulation and the delegated acts adopted thereon, as is presented in section "Disclosures pursuant to the EU Taxonomy Regulation (2020 / 852)" of the non-financial reporting.

These responsibilities of the executive directors of the Company include the selection and application of appropriate methods regarding the non-financial reporting and the use of assumptions and estimates for individual non-financial disclosures of the Group which are reasonable under the given circumstances. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of a non-financial reporting that is free from material misstatement, whether due to fraud (i.e. fraudulent non-financial reporting) or error.

Some of the wording and terminology contained in the EU Taxonomy Regulation and the delegated acts adopted thereon is still subject to considerable interpretation uncertainty and have not yet been officially clarified. Therefore, the executive directors have laid down their own interpretation of the EU Taxonomy Regulation and of the delegated acts adopted thereon in section "Disclosures pursuant to the EU Taxonomy Regulation (2020 / 852)" of the non-financial reporting. They are responsible for the reasonableness of this interpretation. As there is the inherent risk that indefinite legal concepts may allow for various interpretations, the legal conformity of the interpretation is prone to uncertainty.

The preciseness and completeness of the environmental data in the non-financial reporting is subject to inherent restrictions resulting from the manner in which the data was collected and calculated as well as from assumptions made.

Independence and Quality Assurance of the Audit Firm

We have complied with the German professional requirements on independence and other professional rules of conduct.

Our firm applies the national statutory rules and professional announcements – particularly the "Professional Charter for German Public Auditors and German Sworn Auditors" (BS WP / vBP) and the *IDW Quality Assurance Standard: Requirements for Quality Assurance in Audit Practices (IDW QS 1)* promulgated by the Institut der Wirtschaftsprüfer (IDW) – and therefore maintains a comprehensive quality assurance system comprising documented regulations and measures in respect of compliance with professional rules of conduct, professional standards, as well as relevant statutory and other legal requirements.

Responsibilities of the Independent Practitioner

Our responsibility is to express a conclusion on the non-financial reporting based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether matters have come to our attention to cause us to believe that the non-financial reporting of the Company, with the exception of the external sources of documentation (references to the TCFD compliance statement as well as to websites) referenced therein, has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts adopted thereon, as well as with the interpretation by the executive directors presented in section "Disclosures pursuant to the EU Taxonomy Regulation (2020/852)" of the non-financial reporting.

The procedures performed in a limited assurance engagement are less in extent than in a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the practitioner's professional judgement.

Within the scope of our limited assurance engagement, which we performed between August and December 2024, we notably performed the following work and other activities:

- Obtaining an understanding of the structure of the Group's sustainability organisation and of the stakeholder engagement,
- Inquiries of the executive directors and relevant employees involved about the process of preparation, about the system of internal control relating to this process, as well as about the disclosures contained in the non-financial reporting,
- Identification of probable risks of material misstatements in the non-financial reporting,
- Analytical evaluation of selected disclosures in the non-financial reporting,
- Squaring of selected disclosures with the corresponding data in the consolidated and annual financial statements as well as in the combined management report,
- Evaluation of the presentation of the non-financial reporting,
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial reporting.

The determination of the disclosures pursuant to Article 8 of the EU Taxonomy Regulation requires the executive directors to make interpretations of indefinite legal concepts. As there is the inherent risk that indefinite legal concepts may allow for various interpretations, the legal conformity of the interpretation, and hence our related examination, is prone to uncertainty.

Practitioner's Conclusion

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial group declaration of the Company for the financial year from 1 October 2023 to 30 September 2024 does not comply, in all material respects, with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts adopted thereon, as well as with the executive directors' interpretation presented in section "Disclosures pursuant to the EU Taxonomy Regulation (2020/852)" of the non-financial reporting. Our conclusion does not cover the references to the TCFD compliance statement as well as to websites made in the non-financial group declaration.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" as of 1 January 2024 promulgated by the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was performed for the purposes of the Company and the report is solely designed for informing the Company about the findings of the assurance engagement. Therefore, it may not be suitable for any other than the aforementioned purpose. Hence, this report should not be used by third parties as a basis for any (asset) decision.

We are solely liable to the Company. We assume no responsibility with regard to any third parties. Our conclusion is not modified in this respect.

Hanover/Germany, 9 December 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Daniel Oehlmann p.p. Ida Mau
Wirtschaftsprüfer
(German Public Auditor)

Forward-Looking Statements

The annual report, in particular the report on expected developments included in the management report, includes various forecasts and expectations as well as statements relating to the future development of the TUI Group and TUI AG. These statements are based on assumptions and estimates and may entail known and unknown risks and uncertainties. Actual development and results as well as the financial and asset situation may therefore differ substantially from the expectations and assumptions made. This may be due to market fluctuations, the development of world market prices for commodities, of financial markets and exchange rates, amendments to national and international legislation and provision or fundamental changes in the economic and political environment. TUI does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this annual report.

FINANCIAL CALENDAR

11 FEBRUARY 2025
Annual General Meeting 2025

11 FEBRUARY 2025
Quarterly Statement Q1 2025

14 MAY 2025
Half-Year Financial Report H1 2025

13 AUGUST 2025
Quarterly Statement Q3 2025

23 SEPTEMBER 2025
Pre-Close Trading Update 2025

10 DECEMBER 2025
Annual Report,
Analyst and Investor Conference 2025

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PHOTOGRAPHY
TUI Group (cover photo, p. 10); Ben Fisher (p. 6 – 9); Maxwell Photography (p. 12)