Q3 Interim Financial Report

1 October 2021 – 30 June 2022

TUI

Content

This Interim Financial Report of the TUI Group was prepared for the reporting period from 1 October 2021 to 30 June 2022.

Interim Management Report

Summary

Q3 2022 with underlying EBIT of €-27m first broadly break-even quarter post pandemic. Excluding flight disruption costs, underlying EBIT clearly profitable at €48m. Q3 delivering further operational and financial progress.

- In Q3 we operated 82% of capacity[1] with customers at 84% of 2019 levels, with Summer 2022 remaining well on track to deliver close to Summer 2019 levels.
- 5.1m customers departed in Q3, an increase of 4.2m customers versus the prior year. Our average load factor in Q3 continued to be strong, at 92% for the period (Q3 2019: Load factor 90%).
- Q3 underlying EBIT broadly break-even at €-27.0m, a strong improvement of €642.8m versus prior year (Q3 2021: €-669.8m loss).
- Excluding the impact of additional flight disruption costs of €75m, the Group underlying EBIT was clearly profitable at €48m.
- In Q3 Cruises and TUI Musement reported the first positive underlying EBIT contributions since the start of the pandemic, in addition to Hotels & Resorts delivering a fourth sequential positive quarter, already back to 2019 levels.
- The combination of unparalleled industry ramp-up after the COVID 19-pandemic compounded by a tight labour market, has seen the aviation industry confronted with significant operational issues and disruptions, resulting in the increase of delayed departures and flight cancellations. This has been mainly caused by third party suppliers and airports due to a shortage in ground handling and airports security staff, reliability issues with lease-in partners and supplier maintenance delays. As a result, disruption costs increased by €75m in Q3, primarily due to significantly increased FDC[2] events in the UK, and costs introduced relating to mitigations. In response, we have swiftly introduced several mitigations to improve resilience and customer experience, including the doubling of our standby aircraft, active management of third parties and increased TUI staff at key customer touch points. Flight disruptions during Q4 still remain at elevated levels and it remains too early to estimate the impact for Q4 2022, however, we expect these disruptions to normalise for future seasons.
  We remain committed to operate the Summer programme with as minimum impact to customers as possible. TUI Airline has carried 4.8m passengers[3] in May and June with 96% of customers arriving without any major impact[4], despite operational issues at airports. Cancellations are rare compared to other airlines, with less 200 outbound flights cancelled in May and June, representing significantly less than 1% of the Summer programme.
- On 30 June 2022, Silent Participation II of €671m was repaid in full, plus interest due, to WSF (Economic Stabilisation Fund). The repayment was made with the proceeds from the equity capital increase in May 2022 and from existing cash funds. Including interest, TUI repaid €725 m to WSF. Due to the continued strong performance of the operating business, the existing and currently undrawn KfW credit lines were also reduced from €2.4bn to €2.1bn as previously announced.
- Significantly positive operating cash flow in Q3 2022, driven by positive EBITDA and a significant working capital inflow from customer bookings.
- Strong liquidity position[5] of €3.9bn as of 5 August 2022, post hand-backs of state support in April and June 2022.
- Continued delivery of our Global Realignment Programme – we expect to deliver a further 20% of our ~€400m p.a. target cost savings in financial year 2022 (€240m already delivered in financial year 2021, with the remainder on track to be delivered in financial year 2023).
- We re-confirm our expectations to return to significant positive underlying EBIT for financial year 2022[4] and remain committed to further reducing debt and German Government exposure.

[1] Available seat (risk) capacities

[2] FDC Flight disruption costs for delays > 3 hours

[3] 4.8m passengers reflect outbound and return sectors

[4] < 3 hours delay from arrival time

[5] Available liquidity defined as available cash plus committed lines including financing packages

Tourism – A force for good: People, Planet & Progress

- Sustainability is top priority for CEO and Boards. The Agenda will be presented in detail in Autumn 2022.
- Highest standards: As an industry leader we seek to actively shape a more sustainable future for tourism through highest sustainability standards.
- Science-based: TUI has committed to the Science Based Targets initiative (SBTi) and has submitted hotel, cruise and airline reduction targets for approval.
- Blueprint for industry: We want to develop a sustainable destination of the future with the Greek government and Island of Rhodes: Co-Lab Rhodes.

TUI Group - financial highlights

€ million		Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %	Var. % at constant currency
Revenue		**4,433.2**	**649.7**	**+ 582.4**	**8,930.8**	**1,365.9**	**+ 553.8**	**+ 545.7**
Underlying EBIT[1]								
Hotels & Resorts		104.9	- 70.3	n. a.	189.7	- 268.6	n. a.	n. a.
Cruises		3.0	- 81.3	n. a.	- 102.3	- 234.6	+ 56.4	+ 58.0
TUI Musement		13.8	- 34.7	n. a.	- 15.7	- 96.7	+ 83.8	+ 83.4
Holiday Experiences		121.6	- 186.3	n. a.	71.7	- 599.9	n. a.	n. a.
Northern Region		- 93.1	- 289.8	+ 67.9	- 445.7	- 708.1	+ 37.1	+ 39.1
Central Region		23.9	- 105.4	n. a.	- 51.8	- 377.4	+ 86.3	+ 85.9
Western Region		- 70.2	- 87.6	+ 19.9	- 159.5	- 247.3	+ 35.5	+ 34.5
Markets & Airlines		- 139.4	- 482.7	+ 71.1	- 657.1	- 1,332.8	+ 50.7	+ 51.5
All other segments		- 9.3	- 0.8	n. a.	- 45.1	- 45.9	+ 1.6	+ 4.4
TUI Group		**- 27.0**	**- 669.8**	**+ 96.0**	**- 630.5**	**- 1,978.6**	**+ 68.1**	**+ 68.5**
EBIT[1]		**- 42.5**	**- 748.0**	**+ 94.3**	**- 657.0**	**- 2,046.6**	**+ 67.9**	
Underlying EBITDA		**180.8**	**- 448.7**	**n. a.**	**- 7.7**	**-1304.8**	**+ 99.4**	
EBITDA[2]		**171.2**	**- 491.4**	**n. a.**	**- 14.2**	**- 1,322.9**	**+ 98.9**	
Group loss		- 331.2	- 939.8	+ 64.8	- 1,039.1	- 2,438.0	+ 57.4	
Earnings per share	€	-0.22	-0.85	+ 74.1	-0.68	-2.66	+ 74.4	
Net capex and investment		152.0	- 14.4	n. a.	288.7	- 122.8	n. a.	
Equity ratio (30 June)[3]	%				- 1.2	- 3.6	+ 2.4	
Net debt (30 June)					- 3,314.1	- 6,348.7	- 47.8	
Employees (30 June)					60,058	46,518	+ 29.1	

Differences may occur due to rounding.

[1] 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 16.

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

[3] Equity divided by balance sheet total in %, variance is given in percentage points.

All change figures refer to the same period of the previous year, unless otherwise stated.

- Q3 2022 Group revenue of €4.4bn improved by €3.8bn year-on-year (Q3 2021: €0.6bn), reflecting the more normalised travel environment versus prior year. Q3 2022 Group underlying EBIT was broadly break-even with €-27.0m, a strong improvement of €642.8m versus prior year (Q3 2021: €-669.8m loss). Excluding the impact of additional flight disruption costs of €75m, the Group underlying EBIT was clearly profitable at €48m.

- 9M 2022 Group revenue of €8.9bn was up €7.6bn versus previous year (9M 2021: €1.4bn). The Group's 9M 2022 operating loss (underlying EBIT) of €-630.5m decreased by €1,348.1m compared to previous year (9M 2021: €-1,978.6m).

Trading update

Booking momentum for Summer 2022 remains encouraging, we are confident the season will be close to 2019 levels

- Solid pipeline of 11.5m bookings[1] for Summer 2022, with 3.9m bookings added since our H1 2022 Report on 11 May 2022.
- Summer 2022 bookings are 90% of Summer 2019 levels, up 5%pts from 85% at our H1 announcement. Booking momentum remains encouraging, with levels in line with normalised Summer 2019 levels, as a result of a return to a more pre-pandemic environment of restriction-free travel.
- ASP continues to be strong at up 18%, reflecting a higher mix of package products and the popularity of our summer holidays.
- The UK remains our most advanced market in terms of bookings with cumulative volumes remaining well ahead of Summer 2019 at + 5%, demand in Germany since our H1 update is particularly encouraging with bookings up c.20% compared to the same period of Summer 2019.
- Supported by the latest booking trends, particularly in mainland Europe, combined with a later booking profile, we are confident in our Summer 2022 capacity assumption of close to normalised 2019 Summer levels.
- Winter 2022/23 bookings[1] are currently at a very early stage, with only the UK market currently booked as usual at this point of time. The UK have started positively with volumes up 16% compared to the same stage of Winter 2018/19 with the programme c.27% sold. As usual, we expect to update on Winter 2022/23 performance with our Trading Update in September 2022 as we see the later booking profile as experienced this Summer to also continue into the Winter.
- Hotels & Resorts –The segment delivered a fourth consecutive quarter of positive underlying EBIT since the start of the pandemic and is already back to 2019 levels. The Canaries, Balearics, Greece and Turkey are our key summer destinations for both Markets & Airlines and third-party customers. We expect occupancies and average rates to continue to develop through Q4 2022, with the short-term booking environment to continue to contribute significantly to a strong Summer. Our integrated model and growing ability to distribute successfully directly to customers support the development.
- Cruises – Mein Schiff and Hapag-Lloyd Cruises are currently operating a full fleet of twelve ships, resuming itineraries in the Western and Eastern Mediterranean and around the world, with Asia itineraries resuming in Winter 2022/23. Marella Cruises is currently operating a full fleet of four ships in the Canaries and the Caribbean. Cruises continue to recover into Q4, with occupancies building steadily at higher rates. Short-term bookings continue to represent a large share of overall bookings.
- TUI Musement – Benefitting from our increased inventory of products offered in global cities as well as sun and beach locations, we expect excursions, activities and tours to develop ahead of the capacity assumptions of our Markets & Airlines for Q4, as third-party sales return, in line with a return to a more normalised pre-pandemic travel environment.

[1] Bookings up to 31 July 2022 compared to Summer 2019 and Winter 2018/19 programme (undistorted by COVID-19 effects and thus provide an appropriate benchmark) and relate to all customers whether risk or non-risk

Global Realignment Programme – Targeted savings ~€400m p.a. by financial year 2023
In May 2020, we announced our Global Realignment Programme to address group-wide costs, with a target of permanently saving more than €400m per annum by financial year 2023.

In the financial year ending September 2021, ~60% (€240m) of our announced targeted savings were delivered. Savings have been most significantly delivered across the Markets & Airlines division (~85% of savings to date).

We expect to deliver a further ~20% (€80m) of our targeted savings in financial year 2022 and we remain on track to deliver the full programme benefits by end of financial year 2023.

Net debt
30 June 2022 net debt position of €-3,314.1m is a year-on-year improvement of €3,034.6m (30 June 2021: €6,348.7m), driven by positive cash flow as bookings and operations recover, and net of repayments from our capital increases completed in financial year 2022 net of the repayments made to WSF in Q3 2022.

Strategic priorities
Ongoing priorities – we will continue with our disciplined cash management, drive operating effectiveness, whilst maximising opportunities to de-lever, continue the reduction of debt and German government exposure in order to return to a solid balance sheet. Mid-term ambitions – we expect underlying EBIT to significantly build on financial year 2019, driven by both top-line growth and benefits from our Global Realignment Programme, with a target to return to gross leverage ratio of less than 3.0x.

Our growth opportunities will be driven by the expansion of our TUI Musement tours & activities segment, which will benefit from both our integration as well as growth through third party sales, accelerated digitalisation, our increased offer of dynamic packaging, growth through asset-right financing structures and execution of our Global Realignment Programme. The combination of these drivers will enable us to emerge stronger, leaner, more digitalised and more agile, and ready to exploit market recovery and growth opportunities.

TUI is strategically well positioned and will continue to benefit from the strong rebound in the leisure industry.

Report on changes in expected development

The impact of the pandemic and the war in Ukraine on customer behaviour remains difficult to predict. The greatest area of uncertainty will be the impact on consumer confidence, should travel restrictions be reintroduced, should there be further cost inflation volatility and/or an escalation of the war in Ukraine. In view of these considerable uncertainties, the Executive Board continues to believe that it is not in a position to issue a specific, quantified forecast for the financial year 2022.

Against the backdrop of current bookings and the business performance to date, we confirm our expectation in the 2021 Annual Report of a significant improvement in TUI Group's underlying EBIT compared with 2021 and, unchanged from our Half-Year Financial Report H1 2022, expect to return to a significantly positive underlying EBIT in the current financial year.

We continue to consider the remaining assumptions for the financial year 2022 made in the Annual Report 2021 to be valid.

➪ See also TUI Group Annual Report 2021 page 50 ff

Structure and strategy of TUI Group

Reporting structure
The present Interim Report for 9M 2022 is based on TUI Group's reporting structure set out in the Consolidated Financial Statements of TUI AG as at 30 September 2021.

➪ See TUI Group Annual Report 2021 from page 28

Group strategy
The TUI Group's strategy outlined in the Annual Report 2021 will be continued in the current financial year.

➪ See TUI Group Annual Report 2021 from page 25

Consolidated earnings

Revenue

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Hotels & Resorts	259.5	74.0	+ 250.7	638.8	157.9	+ 304.5
Cruises	103.3	1.1	n. a.	178.8	2.7	n. a.
TUI Musement	158.6	19.0	+ 734.7	287.4	37.5	+ 665.5
Holiday Experiences	521.4	94.1	+ 454.1	1,105.0	198.2	+ 457.5
Northern Region	1,762.8	56.0	n. a.	3,262.9	215.1	n. a.
Central Region	1,449.1	370.3	+ 291.3	3,053.8	707.7	+ 331.5
Western Region	683.2	120.5	+ 467.0	1,465.5	222.6	+ 558.4
Markets & Airlines	3,895.1	546.8	+ 612.3	7,782.2	1,145.5	+ 579.4
All other segments	16.7	8.7	+ 92.0	43.6	22.3	+ 95.3
TUI Group	**4,433.2**	**649.7**	**+ 582.3**	**8,930.8**	**1,365.9**	**+ 553.8**
TUI Group (at constant currency)	**4,394.8**	**649.7**	**+ 576.4**	**8,819.1**	**1,365.9**	**+ 545.7**

Underlying EBIT

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Hotels & Resorts	104.9	- 70.3	n. a.	189.7	- 268.6	n. a.
Cruises	3.0	- 81.3	n. a.	- 102.3	- 234.6	+ 56.4
TUI Musement	13.8	- 34.7	n. a.	- 15.7	- 96.7	+ 83.8
Holiday Experiences	121.6	- 186.3	n. a.	71.7	- 599.9	n. a.
Northern Region	- 93.1	- 289.8	+ 67.9	- 445.7	- 708.1	+ 37.1
Central Region	23.9	- 105.4	n. a.	- 51.8	- 377.4	+ 86.3
Western Region	- 70.2	- 87.6	+ 19.9	- 159.5	- 247.3	+ 35.5
Markets & Airlines	- 139.4	- 482.7	+ 71.1	- 657.1	- 1,332.8	+ 50.7
All other segments	- 9.3	- 0.8	n. a.	- 45.1	- 45.9	+ 1.7
TUI Group	**- 27.0**	**- 669.8**	**+ 96.0**	**- 630.5**	**- 1,978.6**	**+ 68.1**

EBIT

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Hotels & Resorts	104.8	- 74.8	n. a.	211.6	- 273.1	n. a.
Cruises	3.0	- 81.3	n. a.	- 102.3	- 234.6	+ 56.4
TUI Musement	11.0	- 46.1	n. a.	- 22.3	- 113.2	+ 80.3
Holiday Experiences	118.8	- 202.1	n. a.	87.0	- 621.0	n. a.
Northern Region	- 97.0	- 293.1	+ 66.9	- 457.7	- 734.1	+ 37.7
Central Region	15.7	- 110.6	n. a.	- 77.3	- 334.7	+ 76.9
Western Region	- 71.1	- 102.0	+ 30.3	- 161.8	- 268.5	+ 39.7
Markets & Airlines	- 152.3	- 505.6	+ 69.9	- 696.8	- 1,337.3	+ 47.9
All other segments	- 9.0	- 40.3	+ 77.7	- 47.3	- 88.3	+ 46.4
TUI Group	**- 42.5**	**- 748.0**	**+ 94.3**	**- 657.0**	**- 2,046.6**	**+ 67.9**

Segmental performance

Holiday Experiences

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue	521.4	94.1	+ 454.1	1,105.0	198.2	+ 457.5
Underlying EBIT	121.6	- 186.3	n. a.	71.7	- 599.9	n. a.
Underlying EBIT at constant currency	117.5	- 186.3	n. a.	67.2	- 599.9	n. a.

Hotels & Resorts

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Total revenue[1]	385.2	135.4	+ 184.5	909.8	282.2	+ 222.4
Revenue	259.5	74.0	+ 250.7	638.8	157.9	+ 304.6
Underlying EBIT	104.9	- 70.3	n. a.	189.7	- 268.6	n. a.
Underlying EBIT at constant currency	100.8	- 70.3	n. a.	181.7	- 268.6	n. a.
Capacity hotels total[2] ('000)	**10,738**	**6,640**	**+ 61.7**	**26,267**	**16,058**	**+ 63.6**
Riu	3,514	2,750	+ 27.8	10,004	7,532	+ 32.8
Robinson	1,046	594	+ 76.2	2,367	1,194	+ 98.2
Blue Diamond	1,364	1,289	+ 5.8	4,030	3,321	+ 21.4
Occupancy rate hotels total[3] (in %, variance in % points)	**74**	**48**	**+ 26**	**68**	**44**	**+ 24**
Riu	88	59	+ 29	77	48	+ 29
Robinson	61	48	+ 13	59	48	+ 11
Blue Diamond	82	57	+ 25	78	46	+ 32
Average revenue per bed hotels total[4] (in €)	**73**	**70**	**+ 3.7**	**76**	**67**	**+ 13.7**
Riu	63	56	+ 12.6	66	56	+ 19.0
Robinson	94	98	- 4.1	101	95	+ 6.2
Blue Diamond	140	104	+ 34.6	135	99	+ 36.5

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

[1] Total revenue includes intra-Group revenue

[2] Group owned or leased hotel beds multiplied by opening days per quarter

[3] Occupied Group owned or leased hotel beds divided by capacity

[4] Arrangement revenue divided by occupied Group owned or leased hotel beds

9M 2022 revenue grew to €638.8m, an improvement of €480.9m year-on-year (9M 2021: €157.9m) reflecting the more normalised pre-pandemic travel environment across our multiple destinations, versus the prior year. The segment reported a 9M underlying EBIT profit of €189.7m as a result, improving by €458.3m year-on-year (9M 2021: €-268.6m loss), with Riu delivering strong results in the Caribbean and Spanish markets in particular.

Q3 2022 revenue respectively grew to €259.5m, improving €185.5m year-on-year (Q3 2021: €74.0m), delivering an underlying EBIT profit of €104.9m, an improvement of €175.2m year-on-year (Q3 2021: €-70.3m loss), the fourth sequential quarterly positive underlying EBIT result since the start of the pandemic.

As of 30 June 2022, 99% of our 354 hotels were in operation (30 June 2021: 79%), allowing us to offer our guests our entire portfolio in Summer. In Q3 2022 we operated 10.7m available bednights (capacity) which is an increase of 4.1m available bednights versus the prior year (Q3 2021: 6.6m). Again, the popular year-round destination Caribbean achieved a high average occupancy of 90% at a high capacity level. Towards summer, the Canaries, Balearics, Greece and Turkey are our key summer destinations for both Markets & Airlines and third-party customers. Q3 occupancy rate increased 26%pts year-on-year to 74% for the segment, with Riu achieving 88% in the quarter, up 29%pts year-on-year (Q3 2021: 59%) and Blue Diamond achieving 82%, up 25%pts year-on-year (Q3 2021: 57%). This reflects the benefit of third-party sales in the Caribbean from North America and our ability to steer our base of European customers to our own hotels e.g. in the Canaries first. Robinson average occupancy increased by 13%pts to 61% year-on-year (Q3 2021: 48%), driven by mix as the prior year was significantly impacted by travel restrictions.

Q3 2022 average daily rate increased by 4% year-on-year to €73, with Riu's average daily rate increasing 13% to €63 (Q3 2021: €56) and Blue Diamond average daily rate increasing 35% to €140 (Q3 2021: €104), driven by higher average spend in the Caribbean. Robinson delivered an average rate of €94, a decrease of -4% year-on-year (Q3 2021: €98) due to mix.

Cruises

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue[1]	103.3	1.1	n. a.	178.8	2.7	n. a.
Underlying EBIT	3.0	- 81.3	n. a.	- 102.3	- 234.6	+ 56.4
Underlying EBIT at constant currency	3.4	- 81.3	n. a.	- 98.5	- 234.6	+ 58.0
Occupancy (in %, variance in % points)						
Mein Schiff[2]	70	41	+ 29	59	37	+ 22
Hapag-Lloyd Cruises	57	42	+ 15	50	33	+ 17
Marella Cruises	70	48	+ 22	59	48	+ 11
Passenger days ('000)						
Mein Schiff[2]	1,101	256	+ 329.5	2,378	610	+ 289.8
Hapag-Lloyd Cruises	78	23	+ 245.4	194	43	+ 353.9
Marella Cruises	461	6	n. a.	826	6	n. a.
Average daily rates[3] (in €)						
Mein Schiff[2]	188	125	+ 50.7	166	113	+ 46.9
Hapag-Lloyd Cruises	616	443	+ 39.1	610	407	+ 49.9
Marella Cruises (in £)	160	128	+ 25.0	155	128	+ 21.3

[1] No revenue is carried for Mein Schiff and Hapag-Lloyd Cruises as the joint venture TUI Cruises is consolidated at equity
[2] The brand Mein Schiff was reported under TUI Cruises in the previous year's periods
[3] Per day and passenger

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.

9M 2022 Cruises revenue (reflecting Marella Cruises solely; TUI Cruises consisting of Mein Schiff and Hapag-Lloyd Cruises is accounted for using the equity method), grew to €178.8m, an improvement of €176.1m year-on-year (9M 2021: €2.7m), reflecting the recovery towards a more normalised pre-pandemic travel environment with a full fleet in operation, versus the prior year where Marella gradually restarted their operations from June onwards. Resultingly, 9M 2022 underlying EBIT loss for the segment (including the equity result of TUI Cruises) was €-102.3m, an improvement of €132.3m (9M 2021: €-234.6m loss). The complete fleets of all three brands were only in operation from April 2022 due to Omicron restrictions in the Winter months, which held back the performance for the segment.

Q3 2022 revenue grew to €103.3m respectively, improving €102.2m year-on-year (Q3 2021: €1.1m), as Marella returned to operating its full fleet of four vessels in April 2022. Q3 underlying EBIT (including equity result for TUI Cruises) turned positive for the first time since the start of the pandemic and improved by €84.3m to €3.0m.

Mein Schiff – Mein Schiff operated their full fleet of seven ships since April 2022 reflecting the recovery of demand for Cruises towards more normalised pre-pandemic levels. Occupancy of the operated fleet in Q3 2022 was 70% as a result (Q3 2021: 41%), with cruises operated in Northern Europe and the Mediterranean during Q3, versus shorter average duration "Blue Cruises" operated in the prior year. At €188, the average daily rate reached pre-pandemic level (Q3 2019: 190€) and was up 51% versus prior year (Q3 2021: €125).

In Q3, TUI Cruises started the construction of two of three newbuildings that will complement the Mein Schiff fleet until 2026 and bring it to nine ships. After two pandemic years, TUI Cruises is thus continuing its growth as planned.

Hapag-Lloyd Cruises – Hapag-Lloyd Cruises operated their full fleet of five ships in Q3 2022. Q3 average daily rate of operated fleet was €616, well above pre-pandemic levels (Q3 2019: 584€) and an increase of 39% on prior year (Q3 2021: €443). Q3 occupancy of the operated fleet was 57% (Q3 2021: 42%), reflecting the increased demand for Cruises.

Marella Cruises – Similarly to Mein Schiff and Hapag-Lloyd Cruises, Marella operated their full fleet of four ships in Q3 2022. Q3 average daily rate totalled £160 with occupancy at 70%, versus a previous Q3 where Marella gradually restarted their operations with a first ship in June 2021.

TUI Musement

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Total revenue[1]	250.3	25.7	+ 873.9	442.9	51.2	+ 765.0
Revenue	158.6	19.0	+ 734.7	287.4	37.5	+ 666.4
Underlying EBIT	13.8	- 34.7	n. a.	- 15.7	- 96.7	+ 83.8
Underlying EBIT at constant currency	13.4	- 34.7	n. a.	- 16.1	- 96.7	+ 83.4

[1] Total revenue includes intra-Group revenue

9M 2022 revenue of €287.4m, up €249.9m year-on-year (9M 2021: €37.5m). 9M underlying EBIT loss of €-15.7m decreased by €81.0m year-on-year (9M 2021: €-96.7m), reflecting the recovery to a more normalised pre-pandemic environment.

Q3 2022 revenue of €158.6m, up €139.6m year-on-year (Q3 2021: €19.0m). Q3 underlying EBIT was the first time positive since the start of the pandemic and amounted to €13.8m, improving €48.5m year-on-year (Q3 2021: €-34.7m loss).

2.0m excursions, activities and tours sold in Q3 2022, an increase of 1.8m excursions versus the prior year (Q3 2021: 0.2m) reflecting the more normalised pre-pandemic travel environment across our global destinations. The increase reflects the breadth of our coverage in both popular cities and traditional sun & beach locations, benefitting from the advantage of our integrated model and growth of third-party sales through the Musement platform.

Q3 2022 online distribution was 36% (Q3 2021: 39%) reflecting the return of destination staff in resorts versus the prior year, in line with our hybrid in-person and online self-service model.

Markets & Airlines

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue	3,895.1	546.8	+ 612.3	7,782.2	1,145.5	+ 579.4
Underlying EBIT	- 139.4	- 482.7	+ 71.1	- 657.1	- 1,332.8	+ 50.7
Underlying EBIT at constant currency	- 143.0	- 482.7	+ 70.4	- 646.3	- 1,332.8	+ 51.5
Direct distribution mix[1] (in %, variance in % points)	78	73	+ 5	78	74	+ 4
Online mix[2] (in %, variance in % points)	55	52	+ 3	55	54	+ 1
Customers ('000)	5,061	876	+ 477.8	9,174	1,560	+ 488.1

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

[2] Share of online sales

9M 2022 revenue of €7,782.2m, up €6,636.7m year-on-year (9M 2021: €1,145.5m). 9M underlying EBIT loss for the sector of €-657.1m decreased by €675.7m year-on-year (9M 2021: €-1,332.8m) reflecting the more normalised pre-pandemic travel environment versus the prior year, with 9,174k passengers departing in financial year 2022 so far compared to 1,560k in financial year 2021.

Q3 2022 revenue of €3,895.1m, up €3,348.3m year-on-year (Q3 2021: €546.8m). Q3 underlying EBIT loss of €-139.4m, decreased significantly due to clear pent up demand by €343.3m year-on-year (Q3 2021: €-482.7m). The result includes the impact of operational flight disruption encountered during May and June 2022 totaling €75m, as well as savings delivered by our Global Realignment Programme across all markets.

A total of 5,061k customers departed in Q3, an increase of 4,185k customers versus Q3 2021. Capacity operated was 82% of Q3 2019 levels, with an average load factor achieved of 92% for Q3 2022 (Q3 2019: 90%)

Northern Region

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue	1,762.8	56.0	n. a.	3,262.9	215.1	n. a.
Underlying EBIT	- 93.1	- 289.8	+ 67.9	- 445.7	- 708.1	+ 37.1
Underlying EBIT at constant currency	- 94.3	- 289.8	+ 67.5	- 431.0	- 708.1	+ 39.1
Direct distribution mix[1] (in %, variance in % points)	94	95	- 1	94	93	+ 1
Online mix[2] (in %, variance in % points)	71	77	- 6	71	76	- 5
Customers ('000)	2,095	50	n. a.	3,511	169	n. a.

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

[2] Share of online sales

9M 2022 revenue of €3,262.9m, up €3,047.8m year-on-year (9M 2021: €215.1m). 9M underlying EBIT loss for the region of €-445.7m decreased by €262.4m year-on-year (9M 2021: €-708.1m) per the factors mentioned above.

Q3 2022 revenue of €1,762.8m, up €1,706.8m year-on-year (Q3 2021: €56.0m). Q3 2022 underlying EBIT loss for the region of €-93.1m, decreased by €196.7m year-on-year (Q3 2021: €-289.8m), driven by ability to operate a more normalised programme. The result was impacted by operational disruptions encountered during May and June 2022 as a result of airport operational issues, fleet impacts and supplier issues, in addition to resilience measures, in particular the cancellation of flying from Manchester during June to help protect the programme and reduce the impact on our customers.

Northern Region reported an increase in Q3 2022 customer volumes, with 2,095k guests departing in the quarter representing 97% of pre-pandemic Q3 2019 volumes and versus 50k customers in Q3 2021. Online distribution for the Region continues to be strong at 71%, up 5%pts versus pre-pandemic levels (Q3 2019: 66%). With 94% direct distribution stood at pre-pandemic levels (Q3 2019: 94%)

Central Region

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue	1,449.1	370.3	+ 291.3	3,053.8	707.7	+ 331.5
Underlying EBIT	23.9	- 105.4	n. a.	- 51.8	- 377.4	+ 86.3
Underlying EBIT at constant currency	23.0	- 105.4	n. a.	- 53.2	- 377.4	+ 85.9
Direct distribution mix[1] (in %, variance in % points)	58	63	- 5	57	63	- 6
Online mix[2] (in %, variance in % points)	31	39	- 8	31	38	- 7
Customers ('000)	1,708	510	+ 235.0	3,149	842	+ 274.0

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

[2] Share of online sales

9M revenue of €3,053.8m, up €2,346.1m year-on-year (9M 2021: €707.7m). 9M underlying EBIT loss for the region of €-51.8m, decreased by €325.6m year-on-year (9M 2021: €-377.4m) per the factors already mentioned.

Q3 2022 revenue of €1,449.1m, up €1,078.8m year-on-year (Q3 2021: €370.3m). Q3 underlying EBIT for the region was positive for the first time since the start of the pandemic and amounted to €23.9m, an improvement of €129.3m year-on-year (Q3 2021: €-105.4m loss). The result reflected the return to more normalised operating environment with 1,708k passengers departing in the quarter, which represented 76% of Q3 2019 pre-pandemic volumes. The Central Region result was impacted by disruption costs occurring in May and June 2022.

Online distribution for Central Region stood at 31%, up 7%pts versus pre-pandemic levels (Q3 2019: 24%). Direct distribution is up 5%pts to 58% versus pre-pandemic levels (Q3 2019: 53%).

Western Region

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue	683.2	120.5	+ 467.0	1,465.5	222.6	+ 558.4
Underlying EBIT	- 70.2	- 87.6	+ 19.9	- 159.5	- 247.3	+ 35.5
Underlying EBIT at constant currency	- 71.7	- 87.6	+ 18.2	- 162.1	- 247.3	+ 34.5
Direct distribution mix[1] (in %, variance in % points)	80	85	- 5	81	86	- 5
Online mix[2] (in %, variance in % points)	60	69	- 9	62	70	- 8
Customers ('000)	1,259	317	+ 297.0	2,513	549	+ 357.8

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

[2] Share of online sales

9M 2022 revenue of €1,465.5m, up €1,242.9m year-on-year (9M 2021: €222.6m). 9M underlying EBIT loss for the region of €-159.5m, decreased by €87.8m year-on-year (9M 2021: €-247.3m) per the factors already mentioned.

Q3 2022 revenue of €683.2m, up €562.7m year-on-year (Q3 2021: €120.5m). Q3 2022 underlying EBIT loss for the region of €-70.2m, decreased by €17.4m year-on-year (Q3 2021: €-87.6m), driven by better departure volumes in a more normalised pre-pandemic travel environment. The costs for flight delays and cancellations caused by capacity overload in particular at Schiphol Airport impacted the result.

Western Region also saw operations ramp-up, with 1,259k customers departing in the third quarter, representing 78% of pre-pandemic Q3 2019 volumes and versus 317k customers in Q3 2021. Online distribution for region stood at 60%, up 4%pts versus pre-pandemic levels (Q3 2019: 56%). Direct distribution is up 4%pts to 80% versus pre-pandemic levels (Q3 2019: 76%).

All other segments

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue	16.7	8.7	+ 92.0	43.6	22.3	+ 95.5
Underlying EBIT	- 9.3	- 0.8	n. a.	- 45.1	- 45.9	+ 1.7
Underlying EBIT at constant currency)	- 9.1	- 0.8	n. a.	- 43.9	- 45.9	+ 4.4

9M 2022 underlying EBIT loss of €-45.1m, improved €0.8m year-on-year (9M 2021: €-45.9m) and Q3 underlying EBIT loss of €-9.3m, increased by €-8.5m year-on-year (Q3 2021: €-0.8m).

Financial position and net assets

Cash Flow / Net capex and investments / Net debt
As a result of the continued lifting of global travel restrictions in the course of the financial year 2022, TUI Group was able to increase its business volume year-on-year. Nevertheless, TUI Group's operating cash inflow continued to be impacted by the COVID-19 pandemic in the period under review. At €1,970.6m, it increased by €3,060.0m compared to previous year, driven by an improved EBITDA and a significant inflow of working capital from customer bookings.

In October 2021 and in May 2022, TUI AG carried out capital increases. This resulted in an inflow of €1,522.9m after deduction of transaction costs for 9M 2022.

Net debt position as at 30 June 2022 of €3,314.1m is a year-on-year improvement of €3,034.6m (30 June 2021: €6,348.7m). The improvement is due to the positive cash flow from the recovery of business operations and the net proceeds from the capital increases carried out in Q1 and Q3 2022 less the repayments made to WSF in Q3.

Net debt

€ million	30 Jun 2022	30 Jun 2021	Var. %
Financial debt	- 1,781.5	- 4,578.9	- 61.1
Lease liabilities	- 3,231.3	- 3,307.8	- 2.3
Cash and cash equivalents	1,583.4	1,524.4	+ 3.9
Short-term interest-bearing investments	115.5	13.6	+ 749.3
Net debt	**-3,314.1**	**-6,348.7**	**- 47.8**

Net capex and investments

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Cash gross capex						
Hotels & Resorts	67.7	22.1	+ 206.3	123.7	92.0	+ 34.5
Cruises	8.0	1.2	+ 566.7	36.3	16.3	+ 122.7
TUI Musement	5.3	3.9	+ 35.9	13.4	9.7	+ 38.1
Holiday Experiences	81.0	27.1	+ 198.9	173.4	118.0	+ 46.9
Northern Region	6.1	2.2	+ 177.3	18.9	7.6	+ 148.7
Central Region	0.4	1.2	- 66.7	5.1	3.7	+ 37.8
Western Region	1.0	1.9	- 47.4	4.4	3.5	+ 25.7
Markets & Airlines*	66.9	20.3	+ 229.6	90.5	35.3	+ 156.4
All other segments	32.4	21.2	+ 52.8	85.7	54.1	+ 58.4
TUI Group	**180.4**	**68.7**	**+ 162.6**	**349.7**	**207.4**	**+ 68.6**
Net pre delivery payments on aircraft	- 17.3	- 54.5	+ 68.3	- 61.9	- 86.1	+ 28.1
Financial investments	0.3	1.2	- 75.0	0.3	22.9	- 98.7
Divestments	- 11.4	- 29.8	+ 61.7	0.6	- 266.9	n. a.
Net capex and investments	**152.0**	**- 14.4**	**n. a.**	**288.7**	**- 122.8**	**n. a.**

* Including €59.4m for Q3 2022 (Q3 2021: €15.0m) and €62.1m for 9M 2022 (9M 2021: €20.5m) cash gross capex of the aircraft leasing companies, which are allocated to Markets & Airlines as a whole, but not to the individual segments Northern Region, Central Region and Western Region.

Cash gross capex in 9M 2022 was 68.6% higher year-on-year. This increase year-on-year was mainly due to investments in the airline sector, higher investments in Hotels & Resorts and dock periods at Marella Cruises. Net capex and investments of €288.7m increased by €411.5m year-on-year. The divestments related mainly to the sale and lease back of spares. In addition, a subsequent reduction of the disposal of RIU Hotels S.A. was included, in total resulting in neutral divestments. Previous year’s divestments included sale and lease back of spares and aircraft as well as a part of the sales proceeds of Hapag-Lloyd Kreuzfahrten to our joint venture TUI Cruises.

Assets and liabilities

€ million	30 June 2022	30 Sep 2021	Var. %
Non-current assets	11,260.1	11,222.3	+ 0.3
Current assets	4,684.4	2,933.3	+ 59.7
Total assets	**15,944.5**	**14,155.7**	**+ 12.6**
Equity	- 190.0	- 418.4	+ 54.6
Provisions	1,864.3	2,238.2	- 16.7
Financial liabilities	1,781.5	3,320.8	- 46.4
Other liabilities	12,488.7	9,015.2	+ 38.5
Total equity, liabilities and provisions	**15,944.5**	**14,155.7**	**+ 12.6**

Comments on the consolidated income statement

As a result of the continued easing or lifting of global travel restrictions, TUI Group was able to increase its business volume compared with the prior-year period under review. Nevertheless, the development of revenue and earnings in 9M 2022 continued to be significantly impacted by the measures to contain the spread of COVID-19. TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months, however this period the impact is less evident due to the COVID-19 pandemic.

In 9M 2022, consolidated revenue increased by €7.6bn year-on-year to €8.9bn.

Unaudited condensed consolidated Income Statement of TUI AG for the period from 1 Oct 2021 to 30 Jun 2022

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Revenue	4,433.2	649.7	+582.3	8,930.8	1,365.9	+553.8
Cost of sales	4,313.4	1,124.2	+283.7	9,047.8	2,642.4	+242.4
Gross profit / loss	**119.8**	**- 474.5**	n. a.	**- 117.0**	**- 1,276.4**	**+90.8**
Administrative expenses	189.6	216.5	- 12.4	566.6	604.2	- 6.2
Other income	3.3	10.1	- 67.3	34.1	20.9	+63.2
Other expenses	2.2	1.0	+120.0	3.7	9.2	- 59.8
Impairment (+) / Reversal of impairment (-) of financial assets	- 3.3	- 6.8	+51.5	- 7.8	- 35.9	+78.3
Financial income	4.6	- 1.9	n. a.	30.5	25.0	+22.0
Financial expense	127.2	100.5	+26.6	408.5	356.5	+14.6
Share of result of investments accounted for using the equity method	26.4	- 69.4	n. a.	- 9.2	- 226.5	+95.9
Impairment (+) / Reversal of impairment (-) of net investments in joint ventures and associates	-	-	-	-	- 0.5	n. a.
Earnings before income taxes	**- 161.6**	**- 846.9**	+80.9	**- 1,032.6**	**- 2,390.7**	**+56.8**
Income taxes (expense (+), income (-))	169.6	92.9	+82.6	6.5	47.3	- 86.3
Group loss	**- 331.2**	**- 939.8**	+64.8	**- 1,039.1**	**- 2,438.0**	**+57.4**
Group loss attributable to shareholders of TUI AG	- 356.7	- 934.8	+61.8	- 1,076.7	- 2,409.6	+55.3
Group profit / loss attributable to non-controlling interest	25.5	- 5.0	n. a.	37.5	- 28.4	n. a.

Alternative performance measures

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

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

Reconciliation to underlying EBIT

€ million	**Q3 2022**	Q3 2021	Var. %	**9M 2022**	9M 2021	Var. %
Earnings before income taxes	**- 161.6**	**- 846.9**	**+80.9**	**- 1,032.6**	**- 2,390.7**	**+56.8**
plus: Net interest expenses (excluding expense / income from measurement of interest hedges)	130.6	97.2	+34.4	384.4	336.7	+14.2
plus / less: (Expenses) income from measurement of interest hedges	- 11.5	1.8	n. a.	- 8.8	7.4	n. a.
EBIT	**- 42.5**	**- 748.0**	**+94.3**	**- 657.0**	**- 2,046.6**	**+67.9**
Adjustments:						
plus: Separately disclosed items	8.3	70.0		5.0	43.5	
plus: Expense from purchase price allocation	7.2	8.2		21.5	24.4	
Underlying EBIT	**- 27.0**	**- 669.8**	**+96.0**	**- 630.5**	**- 1,978.6**	**+68.1**

The TUI Group's operating loss adjusted for special items decreased by €1,348.1m to €-630.5m in 9M 2022.

➪ For further details on the separately disclosed items see page 43 in the Notes of this Interim Report.

Key figures of income statement

€ million	**Q3 2022**	Q3 2021	Var. %	**9M 2022**	9M 2021	Var. %
EBITDAR	**175.8**	**- 489.5**	n. a.	**1.7**	**- 1,313.5**	n. a.
Operating rental expenses	- 4.6	- 1.9	- 142.1	- 15.9	- 9.4	- 69.1
EBITDA	**171.2**	**- 491.4**	n. a.	**- 14.2**	**- 1,322.9**	+ 98.9
Depreciation/amortisation less reversals of depreciation*	- 213.7	- 256.6	+ 16.7	- 642.8	- 723.7	+ 11.2
EBIT	**- 42.5**	**- 748.0**	+ 94.3	**- 657.0**	**- 2,046.6**	+ 67.9
Income/Expense from the measurement of interest hedges	- 11.5	1.8	n. a.	- 8.8	7.4	n. a.
Net interest expense (excluding expense/income from measurement of interest hedges)	130.6	97.2	+ 34.4	384.4	336.7	+ 14.2
EBT	**- 161.6**	**- 846.9**	+ 80.9	**- 1,032.6**	**- 2,390.7**	+ 56.8

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

Other segment indicators

Underlying EBITDA

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Hotels & Resorts	147.9	- 18.8	n. a.	322.8	- 105.9	n. a.
Cruises	20.7	- 65.2	n. a.	- 49.8	- 187.4	+ 73.4
TUI Musement	20.0	- 28.7	n. a.	2.3	- 78.3	n. a.
Holiday Experiences	188.6	- 112.7	n. a.	275.3	- 371.6	n. a.
Northern Region	- 10.9	- 204.7	+ 94.7	- 212.9	- 460.2	+ 53.7
Central Region	49.3	- 77.4	n. a.	29.7	- 287.3	n. a.
Western Region	- 34.8	- 53.6	+ 35.1	- 55.2	- 144.2	+ 61.7
Markets & Airlines	3.6	- 335.7	n. a.	- 238.3	- 891.8	+ 73.3
All other segments	- 11.4	- 0.4	n. a.	- 44.6	- 41.5	- 7.5
TUI Group	**180.8**	**- 448.7**	**n. a.**	**- 7.7**	**- 1,304.8**	**+ 99.4**

EBITDA

€ million	Q3 2022	Q3 2021	Var. %	9M 2022	9M 2021	Var. %
Hotels & Resorts	147.8	- 21.2	n. a.	344.7	- 108.4	n. a.
Cruises	20.7	- 65.2	n. a.	- 49.8	- 187.4	+ 73.4
TUI Musement	19.0	- 38.2	n. a.	1.0	- 89.1	n. a.
Holiday Experiences	187.6	- 124.5	n. a.	296.0	- 384.9	n. a.
Northern Region	- 11.4	- 205.6	+ 94.5	- 214.8	- 477.7	+ 55.0
Central Region	41.1	- 79.0	n. a.	6.0	- 240.3	n. a.
Western Region	- 34.9	- 66.2	+ 47.3	- 54.9	- 159.9	+ 65.7
Markets & Airlines	- 5.2	- 350.8	+ 98.5	- 263.6	- 878.0	+ 70.0
All other segments	- 11.1	- 16.1	+ 31.1	- 46.6	- 60.0	+ 22.3
TUI Group	**171.2**	**- 491.4**	**n. a.**	**- 14.2**	**- 1,322.9**	**+ 98.9**

Employees

	30 June 2022	30 June 2021	Var. %
Hotels & Resorts	27,212	18,312	+ 48.6
Cruises*	64	58	+ 10.3
TUI Musement	8,137	4,510	+ 80.4
Holiday Experiences	35,413	22,880	+ 54.8
Northern Region	10,191	9,210	+ 10.7
Central Region	6,976	7,636	- 8.6
Western Region	5,110	4,495	+ 13.7
Markets & Airlines	22,277	21,341	+ 4.4
All other segments	2,368	2,297	+ 3.1
Total	**60,058**	**46,518**	**+ 29.1**

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

Corporate Governance

Composition of the Boards

In the third quarter 2022 the composition of the Boards of TUI AG changed as follows:

Executive Board

On 24 June 2022 Friedrich Joussen, Chief Executive Officer of TUI AG, has announced his decision to step down as of 30 September 2022. He is exercising a right of resignation granted in connection with the conditions of the COVID stabilisation measures.

On 27 June 2022 the Supervisory Board appointed Sebastian Ebel, currently Chief Financial Officer, as Chief Executive Officer, effective 1 October 2022 and Mathias Kiep, previously Group Director Controlling, Corporate Finance and Investor Relations, as the new Chief Financial Officer. Both new appointments have a contract term of three years.

Supervisory Board

In Q2 2022 Alexey Mordashov and Vladimir Lukin resigned from their mandates on the Supervisory Board of TUI AG. To fill these two vacancies, in June 2022 the Hanover Local Court has appointed Helena Murano, Senior Advisor Arcano Partners, Palma de Mallorca, and Christian Baier, Member of the Executive Board of Metro AG, Düsseldorf, as members of the Supervisory Board of TUI AG with retroactive effect from 31 May 2022. Christian Baier also became member of the Audit Committee.

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

➪ www.tuigroup.com/en-en/investors/corporate-governance

Risk and Opportunity Report

Successful management of existing and emerging risks is critical to the long-term success of our business and to the achievement of our strategic objectives.

We aggregate the risks into principal risks, were senior management is deciding its risk appetite upon. Full details of our risk governance framework and principal risks can be found in the Annual Report 2021.

➪ Details see Risk Report in our Annual Report 2021, from page 35

External events, namely the COVID 19-pandemic, the impact on input cost due the Ukraine war, and supply chain disruptions impact the principal risks. The impact is higher if a combination of principal risks is affected.

Although the number of COVID 19-cases remains high, contact restriction measures and travel restrictions were gradually eased in our source markets and many of our destinations since the beginning of the calendar year and our customers are confident to travel. Our businesses have proven to adapt to changing hygiene requirements and will continue to do so, should certain measures be re-imposed.

The booking dynamics in our most important markets have so far remained largely unaffected by Russia's war of aggression on Ukraine. However, the intensified general price increases of recent months could continue, especially due to rising energy costs, and lead to a significant reduction in the private budget available for travel services, thus lowering purchasing power and resulting in declining customer demand. In addition, the war is affecting our main input cost volatility risk, leading to an increase in fuel costs as well as other services, especially those we source in US dollars. This particularly affects the results of the Northern Region, Central Region, Western Region and Cruises segments.

Our operation is dependent on a complex chain of supply of goods and services. In some areas, suppliers cannot easily be interchanged, leading to a reliance on these key suppliers. In May and June poor services of some direct and indirect suppliers caused disruptions to our flight operations predominantly at, but not limited to UK airports. Increasing the resilience of our airline operations by adding further stand-by aircraft and by closely managing our key suppliers through continuous operational meetings mitigates this reliance risk. If disruptions happen, we seek to mitigate the impact by increased our support staff, offering flexible rebooking or providing additional compensations via vouchers. Whilst we recognise a positive impact of these measures, we believe that the situation will continue to be challenging during the main summer season.

From the Executive Board's perspective, despite the existing risks, the TUI Group currently has and will continue to have sufficient funds, resulting from both borrowings and operating cash flows, to meet its payment obligations and to ensure the going concern of the company accordingly in the foreseeable future. In this context, the Executive Board assumes that the credit lines expiring in summer 2024 will be refinanced. Therefore, as at 30 June 2022, the Executive Board does not identify any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern risk. The Executive Board does not consider the remaining risk with regard to a further pandemic/war-related change in booking behaviour as a going concern. In its assessment, the Executive Board assumes that booking figures will gradually recover in the remainder of the 2022 financial year and that volumes in the summer of 2022 will settle approximately close to the level of the summer of 2019.

For the 2023 financial year, we expect a further normalisation towards pre-pandemic levels. In this regard, the Board assumes that travel behaviour will not be affected by further long-term closures and lockdowns or by the impact of Russia's war of aggression on Ukraine. Nevertheless, customer bookings may deteriorate due to new pandemic or war-related travel restrictions, virus variants for which there is insufficient vaccination protection and an increase in general price increases, thus affecting TUI Group's performance. In addition, the increased costs for cerosine and bunkers could also weigh on future earnings.

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

Unaudited condensed consolidated Interim Financial Statements

Unaudited condensed consolidated Income Statement of TUI AG for the period from 1 Oct 2021 to 30 Jun 2022

€ million	Notes	**Q3 2022**	Q3 2021	**9M 2022**	9M 2021
Revenue	(1)	4,433.2	649.7	8,930.8	1,365.9
Cost of sales	(2)	4,313.4	1,124.2	9,047.8	2,642.4
Gross profit / loss		**119.8**	**- 474.5**	**- 117.0**	**- 1,276.4**
Administrative expenses	(2)	189.6	216.5	566.6	604.2
Other income	(3)	3.3	10.1	34.1	20.9
Other expenses	(4)	2.2	1.0	3.7	9.2
Impairment (+) / Reversal of impairment (-) of financial assets	(21)	- 3.3	- 6.8	- 7.8	- 35.9
Financial income	(5)	4.6	- 1.9	30.5	25.0
Financial expense	(5)	127.2	100.5	408.5	356.5
Share of result of investments accounted for using the equity method	(6)	26.4	- 69.4	- 9.2	- 226.5
Impairment (+) / Reversal of impairment (-) of net investments in joint ventures and associates	(6)	-	-	-	- 0.5
Earnings before income taxes		**- 161.6**	**- 846.9**	**- 1,032.6**	**- 2,390.7**
Income taxes (expense (+), income (-))	(7)	169.6	92.9	6.5	47.3
Group loss		**- 331.2**	**- 939.8**	**- 1,039.1**	**- 2,438.0**
Group loss attributable to shareholders of TUI AG		- 356.7	- 934.8	- 1,076.7	- 2,409.6
Group profit / loss attributable to non-controlling interest	(8)	25.5	- 5.0	37.5	- 28.4

Earnings per share

€	**Q3 2022**	Q3 2021	**9M 2022**	9M 2021
Basic and diluted loss / earnings per share	- 0.22	- 0.85	- 0.68	- 2.66

Unaudited condensed consolidated Statement of Comprehensive Income of TUI AG for the period from 1 Oct 2021 to 30 Jun 2022

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Group loss	**- 331.3**	**- 939.9**	**- 1,039.2**	**- 2,438.0**
Remeasurements of defined benefit obligations and related fund assets	149.0	- 124.5	354.6	- 268.8
Other comprehensive income of investments accounted for using the equity method that will not be reclassified	-	9.4	-	39.3
Fair value loss on investments in equity instruments designated as at FVTOCI	- 0.9	0.2	- 1.4	- 0.3
Income tax related to items that will not be reclassified (expense (-), income (+))	- 43.2	85.1	- 101.7	118.0
Items that will not be reclassified to profit or loss	**104.9**	**- 29.8**	**251.5**	**- 111.8**
Foreign exchange differences	88.6	- 15.2	120.4	47.9
Foreign exchange differences outside profit or loss	88.6	- 13.3	120.5	48.9
Reclassification	-	- 2.0	- 0.1	- 1.0
Cash flow hedges	39.2	39.0	100.9	92.9
Changes in the fair value	59.9	21.5	124.4	24.9
Reclassification	- 20.7	17.5	- 23.5	68.0
Other comprehensive income of investments accounted for using the equity method that may be reclassified	5.1	1.2	13.5	- 22.1
Income tax related to items that may be reclassified (expense (-), income (+))	- 7.8	- 6.7	- 20.3	- 28.8
Items that may be reclassified to profit or loss	**125.1**	**18.3**	**214.5**	**89.9**
Other comprehensive income	**230.0**	**- 11.5**	**466.0**	**- 21.9**
Total comprehensive income	**- 101.3**	**- 951.4**	**- 573.2**	**- 2,459.9**
attributable to shareholders of TUI AG	- 147.6	- 945.5	- 646.2	- 2,443.6
attributable to non-controlling interest	46.3	- 5.9	73.0	- 16.3

Unaudited condensed consolidated Statement of Financial Position of TUI AG as at 30 Jun 2022

€ million	Notes	30 Jun 2022	30 Sep 2021
Assets			
Goodwill	(9)	3,003.1	2,993.1
Other intangible assets		514.3	498.6
Property, plant and equipment	(10)	3,384.2	3,159.3
Right-of-use assets	(11)	2,994.1	3,009.2
Investments in joint ventures and associates		660.1	640.5
Trade and other receivables	(12), (21)	171.2	308.7
Derivative financial instruments	(21)	15.0	8.9
Other financial assets	(13), (21)	10.0	12.3
Touristic payments on account		125.6	107.6
Other non-financial assets		207.6	183.4
Income tax assets		-	9.6
Deferred tax assets		174.8	291.1
Non-current assets		**11,260.1**	**11,222.3**
Inventories		58.6	42.8
Trade and other receivables	(12), (21)	1,238.3	471.6
Derivative financial instruments	(21)	198.8	53.4
Other financial assets	(13), (21)	115.5	12.1
Touristic payments on account		1,285.1	508.6
Other non-financial assets		141.0	106.7
Income tax assets		63.8	57.7
Cash and cash equivalents	(21)	1,583.4	1,583.9
Assets held for sale	(14)	-	96.5
Current assets		**4,684.4**	**2,933.3**
Total assets		**15,944.5**	**14,155.7**

Unaudited condensed consolidated Statement of Financial Position of TUI AG as at 30 Jun 2022

€ million	Notes	30 Jun 2022	30 Sep 2021
Equity and liabilities			
Subscribed capital		1,785.2	1,099.4
Capital reserves		6,086.7	5,249.6
Revenue reserves		- 9,222.2	- 8,525.7
Silent participation		420.0	1,091.0
Equity before non-controlling interest		**- 930.3**	**- 1,085.8**
Non-controlling interest		740.3	667.3
Equity	(20)	**- 190.0**	**- 418.4**
Pension provisions and similar obligations	(15)	553.7	901.9
Other provisions		652.5	763.6
Non-current provisions		**1,206.2**	**1,665.5**
Financial liabilities	(16), (21)	1,628.0	3,036.1
Lease liabilities	(17)	2,537.8	2,606.1
Derivative financial instruments	(21)	2.7	10.9
Other financial liabilities	(18), (21)	3.0	5.9
Other non-financial liabilities		172.1	206.3
Income tax liabilities		8.1	56.4
Deferred tax liabilities		68.5	123.3
Non-current liabilities		**4,420.2**	**6,045.1**
Non-current provisions and liabilities		**5,626.5**	**7,710.5**
Pension provisions and similar obligations	(15)	33.1	33.2
Other provisions		625.0	539.5
Current provisions		**658.0**	**572.7**
Financial liabilities	(16), (21)	153.6	284.6
Lease liabilities	(17)	693.5	623.3
Trade payables	(21)	2,787.5	2,052.4
Derivative financial instruments	(21)	42.6	12.9
Other financial liabilities	(18), (21)	134.2	313.0
Touristic advance payments received	(19)	5,347.8	2,379.4
Other non-financial liabilities		617.2	518.0
Income tax liabilities		73.8	56.7
Current liabilities		**9,850.1**	**6,240.3**
Liabilities related to assets held for sale		-	50.6
Current provisions and liabilities		**10,508.1**	**6,863.6**
Total equity, liabilities and provisions		**15,944.5**	**14,155.7**

Unaudited condensed consolidated Statement of Changes in Equity of TUI AG as of 30 Jun 2022

€ million	Subscribed capital	Capital reserves	Revenue reserves	Silent participation	Equity before non-controlling interest	Non-controlling interest	Total
Balance as at 30 Sep 2020	**1,509.4**	**4,211.0**	**- 6,168.8**	**-**	**- 448.4**	**666.5**	**218.1**
Dividends	-	-	-	-	-	- 0.1	- 0.1
Share-based payment schemes	-	-	0.7	-	0.7	-	0.7
Issuance of bonds with warrant and convertible bonds	-	95.7	-	-	95.7	-	95.7
Capital increase	509.0	27.7	-	1,091.0	1,627.7	-	1,627.7
Capital reduction	- 919.0	919.0	-	-	-	-	-
Other	-	-	- 6.9	-	- 6.9	-	- 6.9
Group loss for the year	**-**	**-**	**- 2,409.6**	**-**	**- 2,409.6**	**- 28.4**	**- 2,438.0**
Foreign exchange differences	-	-	35.8	-	35.8	12.1	47.9
Financial assets at FVTOCI	-	-	- 0.3	-	- 0.3	-	- 0.3
Cash flow hedges	-	-	92.9	-	92.9	-	92.9
Remeasurements of defined benefit obligations and related fund assets	-	-	- 268.8	-	- 268.8	-	- 268.8
Other comprehensive income of investments accounted for using the equity method	-	-	17.2	-	17.2	-	17.2
Taxes attributable to other comprehensive income	-	-	89.2	-	89.2	-	89.2
Other comprehensive income	**-**	**-**	**- 34.0**	**-**	**- 34.0**	**12.1**	**- 21.9**
Total comprehensive income	-	-	- 2,443.6	-	- 2,443.6	- 16.3	- 2,459.9
Balance as at 30 Jun 2021	**1,099.4**	**5,253.4**	**- 8,618.6**	**1,091.0**	**- 1,174.8**	**650.1**	**- 524.7**
Balance as at 30 Sep 2021	**1,099.4**	**5,249.6**	**- 8,525.7**	**1,091.0**	**- 1,085.7**	**667.3**	**- 418.4**
Coupon on silent participation	-	-	- 51.0	-	- 51.0	-	- 51.0
Share-based payment schemes	-	-	0.6	-	0.6	-	0.6
Capital increase	685.8	837.1	-	-	1,522.9	-	1,522.9
Repayment of silent participation	-	-	-	- 671.0	- 671.0	-	- 671.0
Group profit/loss for the year	**-**	**-**	**- 1,076.7**	**-**	**- 1,076.7**	**37.5**	**- 1,039.2**
Foreign exchange differences	-	-	84.9	-	84.9	35.5	120.4
Financial assets at FVTOCI	-	-	- 1.4	-	- 1.4	-	- 1.4
Cash flow hedges	-	-	100.9	-	100.9	-	100.9
Remeasurements of defined benefit obligations and related fund assets	-	-	354.6	-	354.6	-	354.6
Other comprehensive income of investments accounted for using the equity method	-	-	13.5	-	13.5	-	13.5
Taxes attributable to other comprehensive income	-	-	- 122.0	-	- 122.0	-	- 122.0
Other comprehensive income	**-**	**-**	**430.5**	**-**	**430.5**	**35.5**	**466.0**
Total comprehensive income	-	-	- 646.2	-	- 646.2	73.0	- 573.2
Balance as at 30 Jun 2022	**1,785.2**	**6,086.7**	**- 9,222.2**	**420.0**	**- 930.3**	**740.3**	**- 190.0**

Unaudited condensed consolidated Cash Flow Statement of TUI AG for the period from 1 Oct 2021 to 30 Jun 2022

€ million	Notes	**9M 2022**	9M 2021
Group loss		- 1,039.1	- 2,438.0
Depreciation, amortisation and impairment (+) / write-backs (-)		642.8	723.7
Other non-cash expenses (+) / income (-)		30.9	190.0
Interest expenses		394.9	352.3
Dividends from joint ventures and associates		0.2	13.4
Profit (-) / loss (+) from disposals of non-current assets		- 28.7	- 5.9
Increase (-) / decrease (+) in inventories		- 18.8	6.0
Increase (-) / decrease (+) in receivables and other assets		- 1,421.4	224.9
Increase (+) / decrease (-) in provisions		- 90.1	- 230.1
Increase (+) / decrease (-) in liabilities (excl. financial liabilities)		3,499.9	74.3
Cash inflow / cash outflow from operating activities	(24)	**1,970.6**	**- 1,089.4**
Payments received from disposals of property, plant and equipment and intangible assets		112.6	294.6
Payments received/made from disposals of consolidated companies (less disposals of cash and cash equivalents due to divestments)		- 2.2	51.3
Payments received/made from disposals of other non-current assets		- 20.1	23.5
Payments made for investments in property, plant and equipment and intangible assets		- 376.5	- 220.6
Payments made for investments in consolidated companies (less cash and cash equivalents received due to acquisitions)		-	- 1.9
Payments made for investments in other non-current assets		- 0.3	- 21.5
Cash inflow / cash outflow from investing activities	(24)	**- 286.5**	**125.4**
Payments received from capital increase by issuing new shares		1,522.9	-
Payments received from capital increase and from equity component of the bond with warrants issued		-	1,723.5
Payments made for repayment of the silent participation		- 671.0	-
Payments received from the issuance of employee shares		-	- 0.5
Coupons of the silent participation (dividends)		- 51.0	-
Payments received from the raising of financial liabilities		47.2	711.7
Payments made for redemption of loans and financial liabilities		- 1,774.4	- 452.7
Payments made for principal of lease liabilities		- 437.5	- 454.0
Interest paid		- 298.7	- 299.6
Cash inflow / cash outflow from financing activities	(24)	**- 1,662.4**	**1,228.3**
Net change in cash and cash equivalents		**21.7**	**264.3**
Development of cash and cash equivalents	(24)		
Cash and cash equivalents at beginning of period		**1,586.1**	**1,233.1**
Change in cash and cash equivalents due to exchange rate fluctuations		- 24.4	27.0
Net change in cash and cash equivalents		21.7	264.3
Cash and cash equivalents at end of period		**1,583.4**	**1,524.4**

NOTES

General

The TUI Group and its major subsidiaries and shareholdings operate in tourism. TUI AG, based in Karl-Wiechert-Allee 4, 30625 Hanover, Germany, is the 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), Germany. The shares in TUI AG are traded on the London Stock Exchange and the Hanover and Frankfurt Stock Exchanges. In this document, the term "TUI Group" represents the consolidated group of TUI AG and its direct and indirect investments. Additionally, the unaudited condensed consolidated interim financial statements of TUI AG are referred to as "Interim Financial Statements", the unaudited condensed consolidated income statement of TUI AG is referred to as "income statement", the unaudited condensed consolidated statement of financial position of TUI AG is referred to as "statement of financial position", the unaudited condensed consolidated statement of comprehensive income of TUI AG is referred to as "statement of comprehensive income" and the unaudited condensed consolidated statement of changes in equity of TUI AG is referred to as "statement of changes in equity".

The Interim Financial Statements cover the period from 1 October 2021 to 30 June 2022. The Interim Financial Statements are prepared in euros. Unless stated otherwise, all amounts are stated in million euros (€m).

The Interim Financial Statements were approved for publication by the Executive Board of TUI AG on 8 August 2022.

Accounting principles

Declaration of compliance

The consolidated interim financial report for the period ended 30 June 2022 comprise the Interim Financial Statements and the Interim Management Report in accordance with section 115 of the German Securities Trading Act (WpHG).

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

In accordance with IAS 34, the Interim Financial Statements are published in a condensed form compared with the consolidated annual financial statements and should therefore be read in combination with TUI Group's consolidated financial statements for financial year 2021. The Interim Financial Statements were reviewed by the Group's auditor.

Going concern reporting in accordance with the UK Corporate Governance Code

The TUI Group covers its day-to-day working capital requirements through cash on hand, balances with and borrowings from banks. TUI Group's net debt (financial debt plus lease liabilities less cash and cash equivalents and less short-term interest-bearing cash investments) as of 30 June 2022 was €3.3bn (as at 30 September 2021 €5.0bn).

Net debt

€ million	**30 Jun 2022**	30 Sept 2021	Var. %
Financial debt	- 1,781.5	- 3,320.8	- 46.4
Lease liabilities	- 3,231.3	- 3,229.4	+ 0.1
Cash and cash equivalents	1,583.4	1,583.9	-
Short-term interest-bearing investments	115.5	12.1	+ 854.5
Net debt	**-3,314.1**	**-4,954.2**	**- 33.1**

The global travel restrictions to contain COVID-19 have had a continuous negative impact on the Group's earnings and liquidity development since the end of March 2020. To cover the resulting liquidity needs, the Group has carried out various financing measures in the financial years 2020 and 2021, which, in addition to a capital increase, the use of the banking and capital markets and cash inflows from the sale of assets, also include financing measures from the Federal Republic of Germany in the form of a KfW credit line totalling €2.85bn, an option bond from the Economic Stabilisation Fund (WSF) totalling €150m and two silent participations from the WSF totalling €1.091bn. In the IFRS consolidated financial statements, the silent participations are – with the exception of €11.3m accumulated interest – reported as equity due to their nature and are therefore not included in the Group's net debt. The financing measures are described in detail in the annual reports for the past two financial years.

With the entry of the new shares in the commercial register on 28 October 2021 and final settlement with the participating banks on 2 November 2021, TUI AG successfully completed another capital increase. The gross issue proceeds totalled around €1.1bn. The Group's share capital increased nominally by €523.5m to €1.623bn.

On 17 May 2022, TUI AG placed around 162.3m new shares with institutional investors in the framework of a capital increase against cash contributions without subscription rights for shareholders by way of an accelerated placement, corresponding to around 10% of TUI AG's share capital. The gross proceeds of around €425.2m from the capital increase and available cash were used to fully repay the German government's silent participation II (Economic Stabilisation Fund, 'WSF') of €671.0m in full ahead of schedule on 30 June 2022. Including the coupons to be shown as dividends, TUI repaid €725.4m to the WSF. Following full repayment and termination of the KfW credit line, TUI has to pay remuneration to the German state for the coupons saved by the early repayment of Silent Participation II.

As at 30 June 2022, TUI Group's credit facilities comprised the following

- €1.75bn credit line from 20 private banks (incl. €215m guarantee line)
- €2.1bn KfW credit line.

As at 30 June 2022, TUI Group's revolving credit facilities totalled €3.85bn. For regulatory reasons due to Brexit, the credit line of a British bank (around €80m liquid funds and €25m guarantee line) could not be extended beyond summer 2022. It was therefore repaid or terminated as of July 20, 2022. The remaining credit lines of around €3.7bn have a term until summer 2024.

With regard to the KfW credit lines, it was also agreed that TUI AG would use 50% of individual cash inflows exceeding €50m by 20 July 2022, but not exceeding €700m, for example from capital measures or disposals of assets or companies, to reduce the financing granted to TUI AG to bridge the effects of COVID-19. In accordance with this agreement, TUI AG returned the unused credit facility of €170m on 1 April 2022. In addition, the volume of unused credit commitments under the KfW credit line as at 31 March 2022 was reduced by €413.7m. Finally, 913 of the 1,500 warrant bonds issued to WSF were redeemed. A purchase price of €91.3m plus accrued interest and early repayment penalties of €7.2m was paid for these. On June 30, 2022, the existing and at that date undrawn KfW credit lines were reduced by a further €336m to €2.1bn.

After 20 July 2022, 50% of individual specific cash inflows exceeding €50m must be used to reduce the financing granted to TUI AG to bridge the effects of COVID-19; there is no maximum limit.

TUI AG's €1.75bn credit line from private banks 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 on the basis of the last four reported quarters at the end of the financial year or the half-year of a financial year. Against the backdrop of the ongoing pressures from the COVID-19 pandemic, the review will only be resumed in September 2022. In addition, higher limits will be applied on the first two cut-off dates before normalised limits have to be complied with from September 2023.

Currently, TUI Group continues to be affected by the negative financial impact of the COVID-19 pandemic.

Although the number of COVID-19 cases remained high, in particular due to the rapid spread of the Omicron variant, contact restriction measures and travel restrictions were gradually eased in most countries in the first months of the calendar year. TUI Group's operating business continued to record good demand during Q3 2022. The booking momentum in our key markets was largely unaffected by Russia's war of aggression on our European neighbour Ukraine. The TUI Group's operating business continued to record good demand in the course of Q3 2022.

From the Executive Board's perspective, despite the existing risks, the TUI Group currently has and will continue to have sufficient funds, resulting from both borrowings and operating cash flows, to meet its payment obligations and to ensure the going concern of the company accordingly in the foreseeable future. In this context, the Executive Board assumes that the credit lines expiring in summer 2024 will be refinanced. Therefore, as at 30 June 2022, the Executive Board does not identify any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In its assessment, the Executive Board assumes that booking figures will gradually recover in the rest of the 2022 financial year and that volumes in the summer of 2022 will almost return to the level of the summer of 2019. For the 2023 financial year, it is expected that booking behaviour will largely correspond to the pre-pandemic level. The Executive Board assumes that travel behaviour will not be affected by further long-term closures and lockdowns or by the impact of Russia's war of aggression on Ukraine.

The Executive Board does not consider the remaining risk with regard to a further pandemic/war-related change in booking behaviour to be a threat to the company's existence. Nevertheless, the intensified general price increase of recent months could continue, in particular due to rising energy costs, and lead to a significant reduction in the private budget available for travel services, thus lowering purchasing power and resulting in declining customer demand. In addition, a permanent increase in fuel costs as well as other services, especially those we purchase in US dollars, could lead to an increase in our input costs. In view of the disruptions in our flight operations in Q3 2022, we have initiated measures to increase the resilience of our flight operations, for example by deploying more stand-by aircraft. In the medium term, we expect the situation at international airports to ease.

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

Accounting and measurement methods

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

Both the recent development of the pandemic and current trading for the summer programme have confirmed the business performance guidance provided by TUI at the end of financial year 2021. The positive booking momentum has remained largely unaffected by Russia’s war of aggression against Ukraine. TUI therefore continues to expect bookings for Summer 2022 to approach the level of Summer 2019. However, the war has resulted in an increase in jet fuel costs, impacting the results delivered by the Northern Region, Western Region and Central Region segments. There is the risk that jet fuel prices will remain high. In the Northern Region segment in particular, but also in the Western Region and Central Region segments, it became apparent that the adjustment of flight handling capacities at the airports were not yet sufficient. Flight cancellations caused by this and countermeasures taken by TUI led to an additional burden on the results. The first nine months were challenging for the Cruises segment. This segment was more and longer impacted by measures to restrict the spread of COVID-19. As expected Cruises recovery started in the third quarter of the financial year. Additionally short-term bookings continue to represent a large share of overall bookings. The increase in bunker oil might impact the results additionally. Hotels & Resorts remains largely unaffected by the war in Ukraine.

Taking account, in particular, of the above-mentioned factors, a risk assessment was performed for the Group’s assets to identify any indications of impairment as at 30 June 2022. On the basis of that assessment, TUI does not see any indication that the Group’s assets may generally be impaired.

The accounting and measurement methods adopted in the preparation of the Interim Financial Statements as at 30 June 2022 are materially consistent with those followed in preparing the annual consolidated financial statements for the financial year ended 30 September 2021, except for the initial application of new or amended standards, as outlined below.

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

Newly applied standards

Since the beginning of financial year 2022, TUI Group has initially applied the following standards, amended by the IASB and endorsed by the EU, on a mandatory basis:

Newly applied standards in financial year 2022

Standard	Applicable from	Amendments	Impact on financial statements
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform (Phase 2)	1 Jan 2021	The amendments relate to the provision of relief from potential consequences arising from the reform of interbank offered rates (IBORs) such as LIBOR on companies' financial reporting. They address issues that affect financial reporting when an existing interest rate benchmark is actually replaced by an alternative interest rate benchmark as a result of the interest rate benchmark reform.	Not material.

Group of consolidated companies

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

The Interim Financial Statements as of 30 June 2022 comprised a total of 272 subsidiaries of TUI AG.

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

	Consolidated subsidiaries	Associates	Joint ventures
Number at 30 Sep 2021	**272**	**18**	**27**
Additions	3	-	-
Incorporation	3	-	-
Disposals	3	-	-
Sale	1	-	-
Merger	2	-	-
Change in ownership stake	-	-	-
Number at 30 Jun 2022	**272**	**18**	**27**

* excl. TUI AG

Acquisitions – Divestments

Acquisitions in the period under review

In 9M 2022, no companies were acquired.

No acquisitions were made after the reporting date.

Acquisitions of the prior financial year

In financial year 2021, no companies were acquired under IFRS 3.

Divestments

On 16 July 2021, a contract was signed with Grupotel S.A., a joint venture of TUI Group, to sell Nordotel S.A., a fully consolidated entity within the Hotels & Resorts segment. Accordingly, the assets and liabilities of the disposal group were classified as 'held for sale' in August 2021. The disposal transaction was completed on 5 October 2021. The first purchase price payment of €50.0m was made on 21 September 2021. Additional deferred purchase price payments of €10.2m and €20.4m are due one and two years, respectively, after the closing of the transaction, taking account of final purchase price adjustments. The divestment of the stakes taking currency effects into account generated a preliminary profit of €22.0m, reported within Other income.

Condensed balance sheet of 'Nordotel S.A.' divestment as at 5 Oct 2021

€ million	
Assets	
Property, plant and equipment and intangible assets	65.7
Other non-current assets	26.8
Trade receivables	21.2
Other current assets	0.7
Cash and cash equivalents	2.2
	116.6

€ million	
Provisions and liabilities	
Trade payables	21.2
Touristic advance payments received	4.9
Other current liabilities	31.4
	57.5

Notes to the unaudited condensed consolidated Income Statement

As a result of the partial easing of global travel restrictions, TUI Group was able to increase its business volume compared with 9M 2021. Nevertheless, the development of revenue and earnings in the first nine months of the financial year 2022 continued to be significantly impacted by the measures to contain the spread of COVID-19. TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months, however this period the impact is less evident due to the COVID-19 pandemic.

(1) Revenue

In the first nine months of the financial year 2022, consolidated revenue increased by €7.6bn year-on-year to €8.9bn.

External revenue allocated by destinations for the period from 1 Oct 2021 to 30 Jun 2022

€ million	Spain (incl. Canary Islands)	Other European destinations	Caribbean, Mexico, USA & Canada	North Africa & Turkey	Rest of Africa, Ind. Ocean, Asia	Other countries	**9M 2022 Revenues from contracts with customers**	Other	**9M 2022 Total**
Hotels & Resorts	252.3	42.0	184.3	32.4	127.8	-	638.8	-	638.8
Cruises	83.9	45.4	49.4	-	-	0.1	178.8	-	178.8
TUI Musement	57.5	97.9	73.4	13.7	24.2	20.7	287.4	-	287.4
Holiday experiences	393.7	185.3	307.1	46.1	152.0	20.8	1,105.0	-	1,105.0
Northern Region	992.8	931.4	738.7	338.5	241.8	14.6	3,257.8	5.1	3,262.9
Central Region	901.1	933.8	213.3	590.5	413.0	1.6	3,053.3	0.5	3,053.8
Western Region	561.7	352.6	309.1	145.7	91.0	4.1	1,464.2	1.3	1,465.5
Markets & Airlines	2,455.6	2,217.8	1,261.1	1,074.7	745.8	20.3	7,775.3	6.9	7,782.2
All other segments	1.3	10.6	3.8	2.7	19.4	5.8	43.6	-	43.6
Total	**2,850.6**	**2,413.7**	**1,572.0**	**1,123.5**	**917.2**	**46.9**	**8,923.9**	**6.9**	**8,930.8**

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

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

(2) Cost of sales and administrative expenses

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

Due to the increased business volume, the cost of sales increased by 242.4% to €9.0bn in 9M 2022.

Government Grants

€ million	9M 2022	9M 2021
Cost of Sales	58.5	125.2
Administrative expenses	36.1	53.5
Total	**94.6**	**178.7**

The government grants reported under cost of sales and administrative expenses include in particular grants for wages and salaries as well as social security contributions directly reimbursed to the relevant company. In addition, a number of Group companies have received government grants, e. g. in the form of grants for fixed costs. The resumption of travel activity in Summer 2021 led to a decrease in government grants. In the first nine months of the financial year TUI received amongst other grants for fixed costs which are granted with a time lag from the months affected by travel restrictions.

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

Administrative expenses

€ million	9M 2022	9M 2021
Staff costs	411.1	398.6
Rental and leasing expenses	10.5	11.8
Depreciation, amortisation and impairment	57.4	88.8
Others	87.7	105.1
Total	**566.6**	**604.2**

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

Staff costs

€ million	9M 2022	9M 2021
Wages and salaries	1,234.0	952.9
Social security contributions, pension costs and benefits	289.9	222.7
Total	**1,523.9**	**1,175.6**

Depreciation/amortisation/impairment

€ million	9M 2022	9M 2021
Depreciation and amortisation of other intangible assets, property, plant and equipment and right-of-use assets	644.0	659.0
Impairment of other intangible assets, property, plant and equipment and right-of-use assets	4.7	77.4
Total	**648.7**	**736.4**

In 9M 2022, reversals of impairment losses of €5.6m were recognized, all recorded in cost of sales (9M 2021 €12.6m). €4.5m of the impairments were presented within cost of sales (9M 2021 €50.0m). Of the impairments losses of the previous year €45.9m correspond to right-of-use assets, €31.3m relate to property, plant and equipment, and €0.3m to other intangible assets.

(3) Other income

In 9M 2022 other income reflects mainly €22.0m from the disposal of Nordotel S.A., plus the sale of aircraft assets. In the prior year, this item had primarily included income from the disposal of TUI Group companies and the sale of aircraft assets.

(4) Other expenses

In 9M 2022 other expenses do result particularly from the disposal of group companies in the prior year. In the previous year, losses from the disposal of aircraft assets and the result from the sale of TUI Group companies were presented in other expenses.

(5) Financial income and financial expenses

The decrease in the net financial result from €-331.6 m in the first nine months of the previous year to €-378.0m in the current financial year is mainly the result of higher interest expenses, higher expenses from the compounding of provisions as well as exchange rate changes on financial instruments.

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

Share of result of investments accounted for using the equity method

€ million	9M 2022	9M 2021
Hotels & Resorts	42.9	- 60.5
Cruises	- 24.9	- 141.5
TUI Musement	3.5	- 2.8
Holiday Experiences	21.5	- 204.8
Northern Region	- 33.1	- 22.5
Central Region	2.2	0.8
Western Region	-	-
Markets & Airlines	- 30.9	- 21.7
All other segments	0.2	-
Total	**- 9.2**	**- 226.5**

The result improved in comparison to the first nine months of the prior year due to the resumption of the business.

(7) Income taxes

The tax expense arising in the first nine months of the 2022 financial year is mainly driven by the tax expense in profitable countries.

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

TUI Group's result attributable to non-controlling interests is substantially a gain, primarily relating to RIUSA II Group at an amount of €37.8m (9M 2021 €25.4m loss).

Notes to the unaudited condensed consolidated Statement of Financial Position

(9) Goodwill

Goodwill increased by €10.0m to €3,003.1m due to foreign exchange translation. The following table presents a breakdown of goodwill by cash generating unit (CGU) at carrying amounts.

Goodwill per cash generating unit

€ million	30 Jun 2022	30 Sep 2021
Northern Region	1,231.6	1,224.6
Central Region	502.2	501.7
Western Region	412.3	412.3
Riu	343.1	343.1
Marella Cruises	296.2	295.2
TUI Musement	170.6	170.3
Other	47.1	45.9
Total	**3,003.1**	**2,993.1**

As at June 30, 2022, a risk assessment of the capitalised goodwill was carried out based on updated information for the current financial year. As part of this assessment, there were no indications that led to a requirement to perform impairment testing of the capitalised goodwill. In this context, please refer to the section 'Accounting and measurement methods'.

(10) Property, plant and equipment

Compared to 30 September 2021 property, plant and equipment increased by €224.9m to €3,384.2m. Additions of €350.3m included €121.2m of acquisitions in the Hotels & Resorts segment. The construction of a new hotel in Mexico, the refurbishment and extension of a hotel in Zanzibar and the renovation of hotels in Spain, Cape Verde and Mexico led to additions in the Riu Group totalling €99.4m. Further additions related to the purchase of five aircraft in the amount of €119.6m and to the purchase of aircraft spare parts in the amount of €26.2m. Advance payments of €26.8m were made for the future delivery of additional aircraft. Furthermore, additions of €36.1m were attributable to payments on account to carry out maintenance work on cruise ships. The reclassification of an aircraft from right-of-use assets was the result of the exercise of an existing purchase option and led to an increase in property, plant and equipment of €16.9m. Furthermore, property, plant and equipment increased by €125.4m due to foreign exchange translation.

On the other hand, disposals of €100.7m led to a reduction of property, plant and equipment. The decrease is mainly caused by the acquisition of new aircraft, which led to the disposal of advance payments for future delivery of aircraft (€88.6m). These aircraft deliveries led to reallocations within property, plant and equipment but also to additions to right-of-use assets, which are due to sale and leaseback transactions (for details please refer to the section 'Right-of-use-assets'). Accordingly property, plant and equipment declined due to the delivery of aircrafts. Depreciation and amortisation of €172.6m led to a further decrease in property, plant and equipment.

(11) Right-of-use assets

Compared to 30 September 2021 right-of-use assets decreased by €15.1m to €2,994.1m. Depreciation charged of €378.7m led to a decrease in right-of-use assets. The reclassification of an aircraft into property, plant and equipment led to a further reduction of right-of-use assets by €16.9m (in this context, we refer to the section 'Property, plant and equipment').

Contrarily, additions totalled €150.7m, of which €142.0m was attributable to the delivery of six new aircraft which were purchased and then sold and leased back. Furthermore, foreign exchange translation led to an increase in right-of-use assets of €169.9m. Modifications and reassessments of existing lease contracts increased the right-of-use assets by €58.1m. The increase is mainly due to contract extensions related to leased aircraft (€38.6m), leased travel agencies (€12.5m) and hotel leases (€11.3m).

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

(12) Trade and other receivables

In the first quarter of the current financial year the reorganisation of insolvency protection for package tours became effective in Germany. Accordingly, the liquid funds which were provided by TUI to the former insolvency protection fund were returned. Partially offsetting this, receivables for security deposits for the travel insurance and receivables from deferred purchase price payments relating to the disposal of Nordotel S.A were recognised.

The increase in the current trade and other receivables is related to the resumption of travel activity and increased bookings.

(13) Other financial assets

The increase of other financial assets relates to short-term financial investments, which were issued to secure advance payments from customers.

(14) Assets held for sale

As at 30 June 2022, no assets were classified as held for sale. During the period under review, there were no reclassifications to assets held for sale.

As at the end of the prior financial year, assets classified as held for sale exclusively consisted of assets of the Nordotel disposal group in the Hotels & Resorts segment worth €96.5m as well as the associated liabilities of €50.6m. The sale of this disposal group was completed in October 2021. In this context, please refer to the section 'Divestments'.

(15) Pension provisions and similar obligations

The pension provisions for unfunded plans and plans with underfunding decreased by €348.3m to €586.8m compared to the end of the previous financial year.

The overfunding of funded pension plans reported in other non-financial assets increased by €62.3m to €199.4m compared to 30 September 2021.

This development is attributable in particular to remeasurement effects due to significantly increased interest rate levels in the UK and the Eurozone.

(16) Financial liabilities

Non-current financial liabilities decreased by €1,408.1m to €1,628.0m compared to 30 September 2021. This decrease was primarily attributable to a decrease in liabilities to banks of €1,339.2m as well as to a contractually agreed early redemption of 913 partial option bonds on 1 April 2022. Of this amount, €91.3m is accounted for by the nominal value of the partial option bonds and €7.2m by interest and early repayment penalties. The remaining 587 partial bonds shown under non-current financial liabilities are not affected by the early redemption, nor are the approx. 58.7m call options on TUI shares, which are legally and financially separated from the warrant bond.

The main financing instrument is a syndicated revolving credit facility (RCF) between TUI AG and the existing banking syndicate which from 2020, included the KfW. The volume of this revolving credit facility totals €3.635bn at 30 June 2022. At 31 March 2022 the size of the unused loan commitments under the separate KfW credit line within this syndicated revolving credit facility was reduced by €413.7m in April 2022 as well as by €336.0m in May.

In addition, there has been a separate syndicated revolving credit facility of €170.0m. This credit facility was fully cancelled in April 2022.

At 30 June 2022, the amounts drawn under the revolving credit facilities totalled €339.5m (30 September 2021 €1,852.9m).

Current financial liabilities decreased by €131.0m to €153.6m at 30 June 2022 compared to €284.6m at 30 September 2021. The decrease results primarily from a reduction in liabilities to banks.

For more details on the terms, conditions and the reductions of the credit lines as well as the redemption of the bond with warrants, please refer to the section "Going Concern Reporting under the UK Corporate Governance Code".

(17) Lease liabilities

Compared to 30 September 2021, the lease liabilities increased by €1.9m to €3,231.3m. Additions from newly leased contracts led to an increase in lease liabilities of €163.6m, of which €154.4m relate to the addition of six new aircraft. Furthermore, lease liabilities increased by €205.9m due to foreign exchange translation and by €117.6m due to interest charges. Changes and remeasurements of existing leases resulted in an increase in lease liabilities of €58.3m. On the other hand, payments of €546.9m led to a decline in lease liabilities.

(18) Other financial liabilities

The other financial liabilities include touristic advance payments received for tours cancelled because of COVID-19 restrictions of €33.3m (as at 30 September 2021 €204.6m), for which immediate cash refund options exist and which have to be repaid shortly if the customer opts for payment. Please see the following section for more details.

(19) Touristic advance payments received

Apart from the immediate cash refund option in certain jurisdictions, TUI Group offers its customers voucher/refund credits for trips cancelled because of the COVID-19 crisis. If these voucher/refund credits are not used for future bookings within a specified period, the customer is entitled to a refund of the voucher value. The entitlement to a refund of the voucher value represents a financial liability. Due to the high level of uncertainty regarding the further development of the COVID-19 crisis and customer behavior, it is not possible for TUI Group to reliably estimate the extent of utilization of the voucher/refund credits for future bookings. As at 30 June 2022, the touristic advance payments received include no advance payments (as at 30 September 2021 €2.4m) for cancelled trips for which customers have received voucher/refund credits which may have to be refunded after a certain period of time.

(20) Changes in equity

Overall, equity increased by €228.4m when compared to 30 September 2021, from €-418.4m to €-190.0m.

In October 2021, TUI AG carried out a capital increase for cash. 523.5m shares were issued. In May 2022, TUI AG carried out an additional capital increase for cash. 162.3m shares were issued. In total, the Company's subscribed capital increased due to the capital increases in the nominal amount of €1.00 per share by €685.8m.

The capital reserve increased by €837.1m in total. The change results from an increase related to the premium of the capital increases in the amount of €872.2m and a decrease due to offsetting of expenses incurred from capital measures in the amount of €35.1m.

The Silent Participation II was repaid early on 30 June 2022 in the amount of €671.0m. As part of this repayment, coupons and additional remuneration of €54.4m were paid. Of this, €51.0m directly reduces equity, while €3.4m is to be shown as interest expense.

In the first nine months of the financial year 2022, TUI AG paid no dividend (previous year: no dividend).

The Group's loss in the first nine months of the financial year 2022 is still significantly attributable to measures taken to contain the spread of Covid-19. In addition, after the restart of travel activities, the seasonal swing in tourism also has an effect again.

The proportion of gains and losses from hedging instruments for effective hedging of future cash flows includes an amount of €100.9m (pre-tax) carried under other comprehensive income in equity outside profit and loss (previous year €92.9m).

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

(21) Financial instruments

Carrying amounts and fair values according to classes and measurement categories according to IFRS 9 as at 30 Jun 2022

		Category according to IFRS 9				
€ million	**Carrying amount**	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	1,400.1	1,263.2	-	-	136.9	1,401.5
thereof instruments within the scope of IFRS 16	9.4	-	-	-	-	10.5
Derivative financial instruments						
Hedging transactions	83.3	-	-	83.3	-	83.3
Other derivative financial instruments	130.5	-	-	-	130.5	130.5
Other financial assets	125.5	115.6	8.9	-	1.0	124.8
Cash and cash equivalents	1,583.4	1,583.4	-	-	-	1,583.4
Liabilities						
Financial liabilities	1,781.6	1,781.5	-	-	-	1,501.4
Trade payables	2,787.5	2,787.5	-	-	-	2,787.5
Derivative financial instruments						
Hedging transactions	17.8	-	-	17.8	-	17.8
Other derivative financial instruments	27.5	-	-	-	27.5	27.5
Other financial liabilities	137.2	137.2	-	-	-	137.2

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

€ 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	769.2	661.1	-	-	108.1	783.2
thereof instruments within the scope of IFRS 16	11.1	-	-	-	-	11.7
Derivative financial instruments						
Hedging transactions	4.5	-	-	4.5	-	4.5
Other derivative financial instruments	57.8	-	-	-	57.8	57.8
Other financial assets	24.4	12.1	10.3	-	2.0	24.4
Cash and cash equivalents	1,583.9	1,586.1	-	-	-	1,586.1
Liabilities						
Financial liabilities	3,320.7	3,320.8	-	-	-	3,359.7
Trade payables	2,052.4	2,071.9	-	-	-	2,071.9
Derivative financial instruments						
Hedging transactions	0.4	-	-	0.4	-	0.4
Other derivative financial instruments	23.4	-	-	-	23.4	23.4
Other financial liabilities	318.9	318.9	-	-	-	318.9

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 includes all financial instruments incorporating those 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 separately. Further details on this can be found in the consolidated financial statements as of 30 September 2021.

The instruments measured at fair value through other comprehensive income (OCI) 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 at fair value through OCI.

In the period under review, the fair values of other current receivables and current liabilities to banks were determined in line with the past financial year, taking account of yield curves and the respective credit risk premium (credit spread) based on credit rating. Thus, as an adjustment to the current market conditions due to the implications of the COVID-19 pandemic to the business activities, the assumption that the carrying amount approximately corresponds to the fair value due to the short remaining term has been rejected.

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

The COVID-19 pandemic significantly impacted business operations and the existing hedging strategy for currency risks and fuel price risks. Due to numerous travel restrictions and limitations in the past two financial years, the occurrence of numerous hedged underlying transactions could no longer be assessed as highly likely, causing a decline in fuel price and currency hedge requirements and therefore requiring the prospective termination of these hedges.

For the hedges so affected, occurrence of the underlying transactions can no longer be expected for a future point in time, so that all accrued amounts from the change in the value of the relevant hedging instruments were reclassified from cash flow hedge reserve (OCI) to the cost of sales in the income statement. Despite the significant increase in bookings, €+0.4m were reclassified from foreign currency hedges in the current financial year. All future changes in the value of these de-designated hedges are taken to the cost of sales in the income statement through profit and loss and recognised as other derivative financial instruments from the date of the termination of the cash flow hedge accounting. At 30 June 2022 only foreign currency hedges have been de-designated as the highly expected forecasted transactions did not occur. The fair value of these reclassified hedging instruments totalled €+0.7m at a nominal volume of €12.1m.

Furthermore, the significant increase in TUI Group's credit risk had a direct impact on the retrospective hedge effectiveness test, 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. All future changes in the value of these de-designated fuel and foreign currency hedges are taken to the cost of sales, whilst interest rate hedges are recognised in the financial result, in the income statement through profit and loss, and recognised as other derivative financial instruments from the date of the termination of the cash flow hedge accounting. At 30 June 2022, the fair value of these reclassified fuel price hedges totalled €+79.6m at a nominal value of €107.3m, while the fair value of the interest rate hedges amounted to €+2.7m at a nominal volume of €354.5m and the fair value of foreign currency hedges totalled €+8.2m at a nominal volume of €85.7m.

Aggregation according to measurement categories under IFRS 9 as at 30 Jun 2022

€ million	Carrying amount of financial instruments Total	Fair Value
Financial assets		
at amortised cost	2,962.2	2,962.9
at fair value – recognised directly in equity without recycling	8.9	8.9
at fair value – through profit and loss	268.4	268.4
Financial liabilities		
at amortised cost	4,706.2	4,426.1
at fair value – through profit and loss	27.5	27.5

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

€ million	Carrying amount of financial instruments Total	Fair Value
Financial assets		
at amortised cost	2,259.3	2,381.4
at fair value – recognised directly in equity without recycling	10.3	10.3
at fair value – through profit and loss	167.9	167.9
Financial liabilities		
at amortised cost	5,711.6	5,750.5
at fair value – through profit and loss	23.4	23.4

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 Jun 2022

		Fair value hierarchy		
€ million	**Total**	Level 1	Level 2	Level 3
Assets				
Other receivables	**136.9**	-	-	136.9
Other financial assets	**9.9**	-	-	9.9
Derivative financial instruments				
Hedging transactions	**83.3**	-	83.3	-
Other derivative financial instruments	**130.5**	-	130.5	-
Liabilities				
Derivative financial instruments				
Hedging transactions	**17.8**	-	17.8	-
Other derivative financial instruments	**27.5**	-	27.5	-

Hierarchy of financial instruments measured at fair value as of 30 Sep 2021

		Fair value hierarchy		
€ million	**Total**	Level 1	Level 2	Level 3
Assets				
Other receivables	**108.1**	-	-	108.1
Other financial assets	**12.3**	-	-	12.3
Derivative financial instruments				
Hedging transactions	**4.5**	-	4.5	-
Other derivative financial instruments	**57.8**	-	57.8	-
Liabilities				
Derivative financial instruments				
Hedging transactions	**0.4**	-	0.4	-
Other derivative financial instruments	**23.4**	-	23.4	-

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. Level 1 financial instruments primarily comprise shares in listed companies classified as at fair value through OCI and bonds issued classified as financial liabilities at amortised cost.

Level 2 financial instruments
The fair values of financial instruments not traded in an active market, e.g., over-the-counter (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 OTC bonds, debt components of warrants and convertible bonds, liabilities to banks, promissory notes and other non-current financial liabilities as well as for current other receivables, current financial liabilities and non-current trade and other receivables, the fair value is determined as the present value of future cash flows, taking account of observable yield curves and the respective credit spread, which depends on the credit rating.
- The fair value of over-the-counter 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 hedges are calculated based on 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 IFRS9	Other financial assets IFRS 9
Balance as at 1 Oct 2020	**-**	**10.6**
Additions	108.1	-
sale	108.1	-
Disposals	-	- 0.1
sale	-	- 0.1
Total gains or losses for the period	-	- 0.1
recognised in other comprehensive income	-	- 0.1
Foreign currency effects	-	1.9
Balance as at 30 Sep 2021	**108.1**	**12.3**
Balance as at 1 Oct 2021	**108.1**	**12.3**
Additions	30.6	-
sale	30.6	-
Disposals	-	0.9
Total gains or losses for the period	- 1.8	- 1.4
recognised through profit and loss	- 1.8	-
recognised in other comprehensive income	-	- 1.4
Foreign currency effects	-	- 1.9
Balance as at 30 Jun 2022	**136.9**	**9.9**

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 -4.2% and 26.2% (30 September 2021: -4.2% and 22.5%). The constant growth rate is 1% (30 September 2021: 1%). The weighted average cost of capital (WACC) is in a range between 9.75%-10.0% (30 September 2021: 8.8-9.9%). 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.

The decrease of the fair values of the Other financial assets in Level 3 mainly results from an valuation effect in the amount of -€1.4m and foreign exchange rate effects in the amount of -€1.9m.

The Other receivables according to IFRS 9 in Level 3 at a carrying amount of €106.3m as at 30 June 2022 (as at 30 September 2021 €108.1m) relate to a 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 fair value is determined using a probability calculation for the future gross operating profit, taking account of contractual entitlements to an additional purchase price demand and an appropriate risk-adjusted discount rate (0.75% to 1.75%, 30 September 2021: -0.33% to -0.22%). Gross operating profit is defined as total revenue minus operating expenses. The cash flows from the contractual claims set out in the underlying Memorandum of Understanding depend solely on a number of contractually determined Riu hotels delivering the gross operating profit for calendar years 2022 and 2023.

The variable purchase price payment varies as a function of delivering the contractually fixed gross operating profit. The maximum amount is limited. At least 90% of the target gross operating profit contractually agreed for 2022 or 2023, respectively, has to be achieved in order to generate a variable purchase price payment. If the 90% target is not met, no further purchase price payment will be made. The maximum purchase price payment totals €127.4m. Due to different expectations regarding target achievement, potential purchase price payments vary between €0 and €127.4m.

TUI expects the hotels concerned to deliver around 95% to 100% of cumulative gross operating profit in calendar year 2022 and around 100% to 105% in calendar year 2023. The current planning for the relevant hotels (input parameters) is regularly reviewed by the responsible accounting staff. In the period under review, within the scope of subsequent remeasurement a loss of €1.8m was recognised in the income statement in connection with the variable purchase price receivable from the sale of Riu Hotels S.A. due to the risk-adjusted discount rate.

Sensitivity analysis shows that an increase in the hotels' gross operating profit of 10% would result in a change in the present value of the additional purchase price receivable of €19.7m (as at 30 September 2021 €20m), while a reduction in gross operating profit of 10% would result in a change in the present value of €-94.4m (as at 30 September 2021 €-95.9m). An interest rate shift of +/-100 basis points would alter the present value of the purchase price receivable by €1.1m (as at 30 September 2021 €2.0m).

Other receivables in Level 3 in accordance with IFRS 9 include deferred purchase price receivables from the sale of Nordotel S.A. with a carrying amount of €30.6m at 30 June 2022, measured as a financial instrument at fair value through profit or loss. The deferred purchase price payments of €10.2m and €20.4m are due after one year and two years, respectively, following the closing of the transaction on 5 October 2021, taking account of final purchase price adjustments.

The cash flows of the final purchase price adjustments from the contractual claims arising from the underlying purchase contract exclusively depend on the delivery of balance sheet items defined in the purchase contract for net debt and working capital in the audited annual financial statements of Nordotel S.A. as per 30 September 2021 under Spanish law. The fair value is determined on the basis of an estimate of net debt and working capital, taking account of the contractual claims for additional payments in adjusted purchase price and an appropriate risk-adjusted discount rate (-0.14% to +1.13%).

Any deviation from the parameter results in a purchase price adjustment of the same amount. Sensitivity analysis shows that an interest rate shift of +/-100 basis points would alter the present value of the purchase price receivable by around €0.3m.

Effects on results

The effects of remeasuring 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.

(22) Contingent liabilities

As at 30 June 2022, contingent liabilities amounted to €103.5m (as at 30 September 2021 €128.7m, previous year adjusted). They are mainly attributable to the granting of guarantees for the benefit of hotel and cruises 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.

(23) Other financial commitments

Nominal values of other financial commitments

€ million	30 Jun 2022	30 Sep 2021
Order commitments in respect of capital expenditure	2,322.0	2,386.1
Other financial commitments	148.8	91.7
Total	**2,470.8**	**2,477.8**

As at 30 June 2022 order commitments in respect of capital expenditure decreased by €64.1m as against 30 September 2021. The decrease in order commitments is attributed to delivery of aircraft. The reduction is to a greater extent partially off set by the effects of foreign exchange for order commitments denominated in non-functional currencies. The commitments for maintenance and repairs which are reported within other financial commitments increased particularly in the segment Hotels & Resorts after the business returned to normality.

(24) Note to the unaudited condensed consolidated 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.

In the period under review, cash and cash equivalents decreased by €2.7m to €1,583.4m.

In 9M 2022, the cash inflow from operating activities totalled €1,970.6m (9M 2021 cash outflow of €1,089.4m), including an inflow of €6.1m (9M 2021 €3.8m) from interest payments, €0.3m dividends from non consolidated companies (9M 2021 €0.0m) and €0.2m dividends from companies using the at equity method (9M 2021 €13.4m). Income tax payments resulted in a cash outflow of €122.1m (9M 2021 €4.3m).

The total cash outflow from investing activities totalled €286.5m (9M 2021 cash inflow of €125.4m). This includes a cash outflow for capital expenditure on property, plant and equipment and intangibles of €376.5m. The Group recorded a cash inflow of €112.6m from the divestment of property, plant and equipment and intangible assets. A sales price adjustment for the sale of the stakes in Riu Hotels S.A., effected in the prior year, resulted in a cash outflow of €23.9m. A further €2.2m relates to cash balances leaving TUI Group in connection with the sale of Nordotel S.A. in the financial year under review. While the selling price had already been partly paid in the prior year, some payments are still due.

The cash outflow from financing activities totalled €-1,662.4m (9M 2021 cash inflow of €1,228.3m). TUI AG recorded a cash inflow of €1,522.9m from capital increases in October 2021 and May 2022 after deduction of transaction costs. At the end of June, TUI AG fully repaid the Silent Participation II of €671.0m plus a coupon of €51.0m, presented as a dividend, to WSF (Economic Stabilisation Fund).

In the financial year under review, TUI AG decreased its syndicated credit facility by €1,523.4m. TUI Group companies took out loans worth €47.2m. A cash outflow of €688.5m resulted from the redemption of further financial liabilities, including €437.5m for lease liabilities. Interest payments resulted in an outflow of €298.7m.

Moreover, cash and cash equivalents decreased by €-24.4m (9M 2021 €27.0m) due to changes in exchange rates.

At 30 June 2022, cash and cash equivalents of €612.1m were subject to restrictions (as at 30 September 2021 €509.0m).

On 30 September 2016, TUI AG entered into a long term agreement 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 €67.6m is deposited as a security within a bank account (as at 30 September 2021 €46.4m). TUI Group can only use that cash and cash equivalents if it provides alternative collateral.

Furthermore, an amount of €116.1m (as at 30 September 2021 €116.3m) 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 €428.4 (as at 30 September 2021 €346.3m) subject to restrictions relate to cash and cash equivalents to be deposited due to statutory or regulatory requirements mainly in order to secure customer deposit and credit card payables.

(25) Reporting segments

Revenue by segment for the period from 1 Oct 2021 to 30 Jun 2022

€ million	External	Group	9M 2022 Total
Hotels & Resorts	638.8	271.0	909.8
Cruises	178.8	-	178.8
TUI Musement	287.4	155.5	442.9
Consolidation	-	- 2.6	- 2.6
Holiday Experiences	1,105.0	423.9	1,528.9
Northern Region	3,262.9	237.4	3,500.3
Central Region	3,053.8	59.9	3,113.7
Western Region	1,465.5	107.0	1,572.5
Consolidation	-	- 394.1	- 394.1
Markets & Airlines	7,782.2	10.2	7,792.4
All other segments	43.6	3.9	47.5
Consolidation	-	- 438.0	- 438.0
Total	**8,930.8**	**-**	**8,930.8**

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

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

The segment data shown are based on regular internal reporting to the Executive Board. Since the 2020 fiscal year, the internationally more commonly used earnings measure "underlying EBIT" is used for value-based management. Accordingly, this represents the segment performance indicator within the meaning of IFRS 8.

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

Underlying EBIT has been adjusted to exclude certain items which, due to their size and frequency of occurrence, make it difficult or distort the assessment of the operating performance of the business areas and the Group. These items include gains and losses on the disposal of financial assets, significant gains and losses on the disposal of assets, and significant restructuring and integration expenses. In addition, all effects from purchase price allocations, incidental acquisition costs and contingent purchase price payments are adjusted. Impairment losses on goodwill have also been eliminated in the reconciliation to underlying EBIT.

In 9M 2022, underlying EBIT includes results of investments accounted for using the equity method of €-9.2m (9M 2021 €-226.5m). For a split up by segments, please refer to Note 6 'Share of result of investments accounted for using the equity method'.

Underlying EBIT by segment

€ million	9M 2022	9M 2021
Hotels & Resorts	189.7	- 268.6
Cruises	- 102.3	- 234.6
TUI Musement	- 15.7	- 96.7
Holiday Experiences	71.7	- 599.9
Northern Region	- 445.7	- 708.1
Central Region	- 51.8	- 377.4
Western Region	- 159.5	- 247.3
Markets & Airlines	- 657.1	- 1,332.8
All other segments	- 45.1	- 45.9
Total	**- 630.5**	**- 1,978.6**

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

€ million	9M 2022	9M 2021
Hotels & Resorts	-	29.7
Holiday Experiences	-	29.7
Northern Region	3.2	20.3
Central Region	1.3	3.3
Markets & Airlines	4.5	23.6
All other segments	0.2	24.1
Total	**4.7**	**77.4**

Reconciliation to underlying EBIT of TUI Group

€ million	9M 2022	9M 2021
Earnings before income taxes	**- 1,032.6**	**- 2,390.7**
plus: Net interest expenses (excluding expense / income from measurement of interest hedges)	384.4	336.7
plus / less: (Expenses) income from measurement of interest hedges	- 8.8	7.4
EBIT	**- 657.0**	**- 2,046.6**
Adjustments:		
plus: Separately disclosed items	5.0	43.5
plus: Expense from purchase price allocation	21.5	24.4
Underlying EBIT	**- 630.5**	**- 1,978.6**

Net expenses for the separately disclosed items of €5.0m in the first nine months of financial year 2022 include restructuring expenses in the Northern Region (-€1m), Central Region (€25m) and TUI Musement (€1m) segments. In addition, adjustments were made for income of €22m from the divestment of the stake in Nordotel S.A, fully consolidated in the Hotels & Resorts segment, to Grupotel S.A., a joint venture of the TUI Group, offset by expenses of €2m from the revaluation of a purchase price receivable.

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

Expenses for purchase price allocations of €21.5m (previous year €24.4m) relate in particular to the scheduled amortization of intangible assets from acquisitions made in previous years.

(26) Related parties

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

As at 31 December 2021, Unifirm Ltd, Cyprus, held 34.0% of the shares in TUI AG (as at 30 September 2021 32.0%). Unifirm Ltd was indirectly controlled by Alexey Mordashov. TUI received voting rights notifications informing the company that a 4.1% stake in TUI AG had been transferred to Severgroup LLC, Russia, a company controlled by Alexey Mordashov, on 28 February 2022 via a number of share transfers, and that Alexey Mordashov had ceded control over Unifirm Ltd. The majority shareholder of Unifirm Ltd, which held 29.9% of the shares in TUI AG at the time of the notification of voting rights, was Ondero Ltd, British Virgin Islands. In a further regulatory notification TUI has been informed on 18 March 2022 that Marina Mordashova is the controlling shareholder of Ondero Ltd.

Moreover, the Federal Ministry for Economic Affairs and Climate Action has informed TUI that it has initiated an assessment procedure under the Foreign Trade and Payments Act to ascertain whether the reported transactions are effective. Until the conclusion of these proceedings the transactions are pending invalid and the voting rights of Unifirm Ltd may not be exercised.

Alexey Mordashov was specified on a EU sanctions list on 28 February 2022, Marina Mordashova on 3 June 2022. Thus they do not have access to the shares in TUI AG controlled by them, the associated voting rights and economic benefits. This applies regardless of the outcome of the assessment procedures by the Federal Ministry for Economic Affairs. Mr Mordashov stepped down from TUI AG's Supervisory Board with immediate effect on 2 March 2022.

Accordingly Mr Mordashov and Mrs Mordashova and the companies controlled by them are not related parties to TUI AG.

On 4 March 2022 Mr Vladimir Lukin stepped down from TUI AG's Supervisory Board with immediate effect. On 1 April 2022 Mrs Sonja Austermühle and on 31 May 2022 Mrs Helena Murano and Mr Christian Baier joined the Supervisory Board of TUI AG.

More detailed information on related parties is provided under section 51 in the Notes to the consolidated financial statements 2021.

Responsibility Statement

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

The Executive Board

Hanover, 8 August 2022

Friedrich Joussen

David Burling

Sebastian Ebel

Peter Krueger

Sybille Reiss

Frank Rosenberger

Review Report

To TUI AG, Berlin/Germany and Hanover/Germany

We have reviewed the condensed interim consolidated financial statements – comprising the condensed income statement, the condensed statement of comprehensive income, the condensed statement of financial position, the condensed statement of changes in equity, the condensed statement of cash flows as well as selected explanatory notes to the consolidated financial statements – and the interim Group management report for the period from 1 October 2021 until 30 June 2022 of TUI AG, Berlin and Hanover, which are part of the financial report under § 115 WpHG section 7 (Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management in accordance with the requirements of the WpHG applicable to interim Group management reports is the responsibility of the entity's executive board. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim Group management report in compliance with the German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review to obtain a limited level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports. A review is limited primarily to inquiries of personnel of the entity and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of TUI AG, Berlin and Hanover, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hanover/Germany, 8 August 2022

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Christoph B. Schenk German Public Auditor	Annika Deutsch German Public Auditor

Cautionary statement regarding forward-looking statements

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

Financial calendar

	Date
Pre-Close Trading Statement	20 September 2022
Annual Report 2022	14 December 2022

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www.tuigroup.com/en-en/investors