Q1 2024
Interim Report

1 October 2023 – 31 December 2023

Content

This Interim Financial Report of TUI Group was prepared for the reporting period from 1 October 2023 to 31 December 2023.

TUI AG

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Interim Management Report

Summary

Record Q1 performance in 2024, delivering highest ever revenues of €4.3bn and positive Q1 underlying EBIT of €6.0m for the first time[1]. As a result and based on current booking trends, we reconfirm our FY 2024 guidance to increase our underlying EBIT by at least 25%.

- In Q1 2024 we recorded a record Group revenue of €4.3bn[1], which was up strongly across all our segments increasing by a total of 15% against the prior year (Q1 2023: €3.8bn). This was driven by higher demand at improved prices and rates.
- We achieved a positive Q1 Group underlying EBIT of €6.0m for the first time[1]. This was an improvement of €159.0m (Q1 2023: €-153.0m), highlighting the significant progress we have made across the business and underlining the strategic development of the Group.
  - Hotels & Resorts improved on an already strong operational performance in the prior year supported by higher occupancies and increased rates.
  - In Cruises, the strong trading environment coupled with the quality of product we offer, drove an increase in occupancy at higher rates, with all three of our cruise brands contributing to the upside.
  - With the further expansion of our own differentiated product offering and continued development of the digital platform in TUI Musement, the segment recorded higher year-on-year results for the period.
  - Our Markets & Airlines delivered a significantly improved underlying EBIT with Central Region posting a positive first quarter result for the first time[1]. The segment benefitted from stronger demand at increased prices. In addition, the ability to return to our normal hedging lines provided, as expected, significant upside to the results across the markets.
- During the quarter we welcomed 3.5m customers, 6% more than in the prior year. Average load factor of 86% for Q1 2024 was 1%pt higher than in the prior year.
- We saw a reduction in our net debt year-on-year by €1.3bn to €4.0bn at 31 December 2023 from €5.3bn in the prior year. This improvement was driven by net proceeds (following repayment of the final WSF obligations) from our capital increase in April 2023 and a positive cash flow from operations and lower net investments.
- We saw a further upgrade in our credit rating to B+ with positive outlook by S&P and we have a clear pathway to a rating target of BB/Ba territory.
- In Markets & Airlines the positive booking[2] momentum continues for both the Winter 2023/24 and Summer 2024 season on an expanded programme. Average selling price (ASP) continues to hold up well, highlighting the strong demand for our products and the consumers continued willingness to prioritise spend on travel and holidays. Our hedging levels for the coming Summer and Winter seasons are in line with our normal hedging policy.
- Winter 2023/24 bookings continue to be well ahead at +8% against the prior season with ASP higher across our key markets and up +4% overall. To date 87% of the Winter season has been sold which is in line with the prior Winter season. Bookings for Summer 2024 continue to be promising with the usual 32% of the programme sold at the point in time. Bookings are ahead across all our markets and overall, at +8% supported by stronger ASP at +4% against Summer 2023.
- Holiday Experiences trading[3] remains well on track to deliver in line with expectations, with bookings in all segments ahead of prior year.

FY 2024 guidance[4]

Our focus is on operational excellence and execution. Our strategic roadmap, the strong operational recovery and the measures taken to strengthen our balance sheet, lay the foundations for future profitable growth. Our guidance for FY 2024 is provided within the framework of the current macroeconomic as well as geopolitical uncertainties especially in the Middle East. It is based on the strong performance in Q1 and the current positive booking momentum across both seasons, as well as a return to a normal hedging policy. Against this background, we reconfirm our guidance for FY 2024 published in our Annual Report 2023:

- We expect revenue to increase by at least 10% year-on-year
- We expect underlying EBIT to increase by at least 25% year-on-year

Mid-Term Ambitions

We have a clear strategy to accelerate profitable growth by increasing the customer lifetime value, creating a business which is more agile, more cost-efficient and achieving a higher speed to market with the aim to create additional shareholder value. Our mid-term ambitions are as follows:

- Generate underlying EBIT growth of c. 7-10% CAGR
- Target net leverage[5] strongly below 1.0x
- Return to a credit rating territory in line with our pre-pandemic rating BB/Ba (S&P/Moody's)

[1] Since the merger of TUI AG and TUI Travel PLC in 2014
[2] Bookings up to 4 February 2024 relate to all customers whether risk or non-risk and includes amendments and voucher re-bookings
[3] FY 2024 trading data (excluding Blue Diamond in Hotels & Resorts) as of 4 February 2024 compared to 2023 trading data
[4] Based on constant currency and within the framework of the macroeconomic and geopolitical uncertainties currently known, including developments in the Middle East
[5] Net leverage ratio defined as net debt (Financial liabilities plus lease liabilities less cash & cash equivalents less other current financial assets) divided by underlying EBITDA

Sustainability (ESG) as an opportunity[1]

- As an industry leader, we want to set the standard for sustainability in the market. We believe that sustainable transformation should not be viewed solely as a cost factor, but that sustainability pays off – for society, for the environment, and for economic development.
- We continue to make progress to reduce relative emissions across our business and to achieve our targets. One focus in TUI's sustainability journey is the measurement of its IT footprint. In January 2024, we announced the measures we are taking to mitigate our tech carbon footprint across our technology infrastructure. We have clear targets to reduce emissions throughout the business from our data centres and the cloud to the environmental footprint of mobiles or electronic screens. To ensure the approach is in line with industry best practices and international standards, an external agency has been commissioned to create a robust methodology. The work we are doing in this area was recognised in January when we were awarded the European SustainableIT Impact Award 2024 as the category winner of 'Governance'.

[1] Further details on our Sustainability Agenda are published in our Annual Report 2023 and also on our website under www.tuigroup.com/en-en/sustainability (not subject of an auditor's review)

TUI Group - financial highlights

€ million		Q1 2024	Q1 2023 adjusted	Var. %	Var. % at constant currency
Revenue		**4,302.5**	**3,750.5**	**+ 14.7**	**+ 14.8**
Underlying EBIT[1]					
Hotels & Resorts		90.7	71.6	+ 26.6	+ 31.7
Cruises		34.5	0.2	n. a.	n. a.
TUI Musement		- 10.7	- 13.5	+ 20.9	+ 34.1
Holiday Experiences		114.5	58.3	+ 96.3	+ 105.5
Northern Region		- 50.4	- 122.0	+ 58.6	+ 59.8
Central Region		1.3	- 29.0	n. a.	n. a.
Western Region		- 46.6	- 43.7	- 6.6	- 5.1
Markets & Airlines		- 95.7	- 194.6	+ 50.8	+ 52.2
All other segments		- 12.8	- 16.7	+ 23.1	+ 22.5
Underlying EBIT[1] TUI Group		**6.0**	**- 153.0**	**n. a.**	**n. a.**
TUI Group (at constant currency)		**14.0**	**- 153.0**	**n. a.**	
EBIT[1]		**0.2**	**- 158.7**	**n. a.**	
Underlying EBITDA		**208.5**	**58.3**	**+ 258.0**	
EBITDA[2]		**208.0**	**58.0**	**+ 258.5**	
Group loss		- 83.5	- 231.8	+ 64.0	
Earnings per share[3]	€	- 0.24	- 0.89	+ 73.0	
Net capex and investment		43.9	149.0	- 70.6	
Equity ratio (31 Mar)[4]	%	9.0	0.7	+ 8.3	
Net debt (31 Dec)		3,983.3	5,259.9	- 24.3	
Employee (31 Dec)		52,661	49,979	+ 5.4	

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

[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 17.

[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] Earnings per share were adjusted for the impact of the 10-for-1 reverse stock split in February 2023 as well as the impact of the subscription rights issued in the capital increase on 24 April 2023.

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

The present Q1 Interim Financial Report 2024 is based on TUI Group's reporting structure set out in the Consolidated Financial Statements of TUI AG as at 30 September 2023. See TUI Group Annual Report 2023 from page 28.

Due to the re-segmentation of Future Markets from All other segments to Hotels & Resorts, TUI Musement and Central Region as at 31 March 2023 previous year's figures have been adjusted.

Trading update Markets & Airlines[1] - Positive booking momentum continues for both Winter and Summer seasons with higher ASP highlighting the strong consumer demand for our travel products. Volumes expected to recover to pre-pandemic levels

Winter 2023/24 vs. Winter 2022/23

Variation in %	
Bookings	+ 8
ASP	+ 4

- 4.4m bookings have been taken to date, an increase of +8% against the prior Winter season with 1.4m bookings added since our last trading update published on 6 December 2023 on the FY 2023 full-year announcement. As a result, 87% of the overall season has been sold which is in line with prior season.
- ASP is at +4% versus Winter 2022/23 highlighting the resilience of demand for our travel products.
- Short- and medium haul destinations continue to drive bookings, with popular destinations once again proving to be the Canaries, Egypt and Cape Verde.
- Booking across all markets and in particular in our key markets, continue to be well ahead of prior year. With the majority of the Winter season sold across the key markets, bookings in UK are up +10% against Winter 2022/23 with 84% of booking already taken. In Germany, following a strong start to the season, volumes continue to be well ahead +8% against the prior season with 87% of the season sold.

Summer 2024 vs. Summer 2023

Variation in %	
Bookings	+ 8
ASP	+ 4

- Current indications for Summer 2024[2] continue to be promising, with 32% of the programme sold, which is essentially in line with the prior year.
- 5.0m bookings have been taken to date, up +8% on Summer 2023 with all markets ahead of prior year.
- Summer 2024 ASP is +4% ahead, maintaining the level reported in December 2023.
- We have seen stronger demand year-on-year across all our key medium- and short-haul destinations with Spain, Greece and Turkey again proving to be most popular for the summer season.
- In UK, which has been on sale for the longest period, bookings are up +3%, with 41% of the programme sold. In Germany, 32% of the season has been sold. Here, the season has started strongly, with bookings +15% against Summer 2023.
- We continue to monitor developments both in the Middle East and around the Arabian Peninsula. We will retain the option to flexibly adjust capacity from the eastern to western Mediterranean should there be a further escalation of the conflict in this region which has a significant and prolonged effect on customer demand.

[1] Bookings up to 4 February 2024 relate to all customers whether risk or non-risk and include amendments and voucher re-bookings.
[2] Depending on the source market, Summer season starts in April or May and ends in September, October or November.

Trading update Holiday Experiences[1] – Trading remains well on track to deliver in line with expectations

Trading	Q2 2024	H2 2024
Variation in % versus		
Hotels & Resorts		
Available bed nights	+ 7	+ 1
Occupancy	- 1	+ 1
Average daily rate	+ 13	+ 12
Cruises		
Available passenger cruise days	0	+ 9
Occupancy	+ 5	+ 13
Average daily rate	+ 18	- 2
TUI Musement		
Experiences sold	+ 12	+ low-double digit
Transfers	in line with operations and capacity operated by Markets & Airlines	

- Hotels & Resorts – Number of available bed nights[2] are higher, with Q2 up +7% against the prior year driven by an earlier start to the season. H2 is 1% ahead, in particular for Riu. Booked occupancy[3] to date is slightly below prior year for Q2 and ahead for H2 at +1%, underlining the strong demand for our hotel portfolio already witnessed last year. Average daily rates[4] are up strongly across our key brands, with overall rates up +13% for Q2 and up +12% for H2. We expect key destinations to be the Canaries, Mexico, the Caribbean and Cape Verde in Q2 with Spain, Greece and Turkey anticipated to be popular for the summer half-year.
- Cruises – Our three brands are set to operate a full fleet of sixteen ships, with Mein Schiff 7 complimenting the TUI Cruises fleet for the Summer season. As a result, available passenger cruise days[5] in Q2 2024 are in line with Q2 2023 whilst the additional ship is the key driver of the +9% increased capacity for H2. Booked occupancy[6] is up +5% for Q2 and well ahead for H2 at +13%, generated by a more advanced booking curve than at the same stage last year. We expect occupancy levels to normalise over the financial year to levels more in line with pre-pandemic levels. Booked ticket rates[7] in Q2 are +18% ahead of Q2 2023, where trading was still recovering post-pandemic. Rates for H2 at -2% are slightly lower in particular due to the changed brand mix, with TUI Cruises adding a new ship to the fleet in June 2024. For the summer season, Mein Schiff, with its fleet of seven ships, will offer itineraries to the Mediterranean, Northern Europe, Baltic Sea and North America, with Hapag-Lloyd's programme focusing on Europe, North America, Asia as well as voyages to the Artic, based on a fleet of five vessels. Marella, with its fleet of five ships will operate itineraries across the Mediterranean and the Caribbean.
- TUI Musement – In our Tours and Activity business, we will expand our B2C experiences offering as well as B2B business with partners and anticipate a higher volume of transfers and experiences sales driven by our Markets & Airlines business. Bookings continue their positive development, with sales to date for our experiences business, providing excursions, activities and tickets, +12% ahead for Q2 and anticipated to increase lower-double digit in H2 2024. The provision of transfer services and support to our customers in the destination, is projected to develop in line with operations and capacity operated by Markets & Airlines over the remaining booking period.

[1] FY 2024 trading data (excluding Blue Diamond in Hotels & Resorts) as of 4 February 2024 compared to 2023 trading data
[2] Number of hotel days open multiplied by beds available in the hotel (Group owned and leased hotels)
[3] Occupied beds divided by available beds (Group owned and lease hotels)
[4] Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)
[5] Number of operating days multiplied by berths available on the operated ships
[6] Achieved passenger cruise days divided by available passenger cruise days
[7] TUI Cruises: Ticket revenue divided by achieved passenger cruise days. Marella Cruises: Revenue (stay on ship inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises) divided by achieved passenger cruise days

Strategic priorities

The TUI Group's strategy outlined in the Annual Report 2023[1] will be driven forward in the current financial year.

During the quarter we have made further progress in achieving our strategic transformation. The initiatives include the following:

- We have a strong pipeline of hotels as we aim to grow our hotel portfolio in the mid-term. As part of this growth, we announced in the quarter the first hotel of the fund on Zanzibar under the new brand "The Mora". The brand adds a new upper market brand to the hotel portfolio by offering laid-back luxury combined with exceptional service. "The Mora Zanzibar" will begin operating from this Spring.
- TUI Musement is one of the largest digital providers of experiences (including excursions, activities and tickets) transfers and multi-day tours. In January 2024, the business announced the expansion of its partnership with easyJet, by making the TUI Musement portfolio of experiences available to customers of easyJet airline. In addition, the business has also relaunched the TUI Musement App, which further enhances the customer experience as well as cross- and upselling.

We also aim to further improve our net leverage, focusing on optimising working capital and cash from operations and maintaining disciplined capital expenditure through asset right and joint venture growth. This will support improving the structure of our balance sheet with the target to bring our net leverage[2] down below 1.0x. In this context we will also look to return and debt-finance the remaining KfW Revolving Credit Facility (RCF) in due course.

[1] Details on our strategy see TUI Group Annual Report 2023 from page 24
[2] Net leverage ratio defined as net debt (Financial liabilities plus lease liabilities less cash & cash equivalents less other current financial assets) divided by underlying EBITDA

Report on changes in expected development

We re-confirm all our expectations for financial year 2024 set out in the Annual Report 2023. See TUI Group Annual Report 2023 from page 56 onwards.

Consolidated earnings

Revenue

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Hotels & Resorts	251.7	210.9	+ 19.3
Cruises	166.8	115.2	+ 44.7
TUI Musement	194.9	159.7	+ 22.0
Holiday Experiences	613.4	485.9	+ 26.2
Northern Region	1,441.5	1,343.1	+ 7.3
Central Region	1,633.5	1,385.0	+ 17.9
Western Region	612.6	534.9	+ 14.5
Markets & Airlines	3,687.6	3,263.1	+ 13.0
All other segments	1.6	1.5	+ 3.6
TUI Group	**4,302.5**	**3,750.5**	**+ 14.7**
TUI Group (at constant currency)	**4,303.9**	**3,750.5**	**+ 14.8**

Underlying EBIT

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Hotels & Resorts	90.7	71.6	+ 26.6
Cruises	34.5	0.2	n. a.
TUI Musement	- 10.7	- 13.5	+ 20.9
Holiday Experiences	114.5	58.3	+ 96.3
Northern Region	- 50.4	- 122.0	+ 58.6
Central Region	1.3	- 29.0	n. a.
Western Region	- 46.6	- 43.7	- 6.6
Markets & Airlines	- 95.7	- 194.6	+ 50.8
All other segments	- 12.8	- 16.7	+ 23.1
TUI Group	**6.0**	**- 153.0**	**n. a.**
TUI Group (at constant currency)	**14.0**	**- 153.0**	**n. a.**

EBIT

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Hotels & Resorts	91.8	71.0	+ 29.3
Cruises	34.5	0.2	n. a.
TUI Musement	- 12.1	- 13.9	+ 13.0
Holiday Experiences	114.2	57.2	+ 99.5
Northern Region	- 51.7	- 125.7	+ 58.9
Central Region	0.1	- 28.9	n. a.
Western Region	- 44.5	- 42.6	- 4.3
Markets & Airlines	- 96.1	- 197.3	+ 51.3
All other segments	- 17.9	- 18.6	+ 4.0
TUI Group	**0.2**	**- 158.7**	**n. a.**

Segmental performance

Holiday Experiences

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Revenue	613.4	485.9	+ 26.2
Underlying EBIT	114.5	58.3	+ 96.3
Underlying EBIT at constant currency	119.9	58.3	+ 105.5

Hotels & Resorts

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Total revenue[1]	448.4	384.7	+ 16.6
Revenue	251.7	210.9	+ 19.3
Underlying EBIT	90.7	71.6	+ 26.6
Underlying EBIT at constant currency	94.4	71.6	+ 31.7
Available bed nights[2] ('000)	**8,813**	**8,548**	**+ 3.1**
Riu	3,518	3,224	+ 9.1
Robinson	781	825	- 5.3
Blue Diamond	1,519	1,363	+ 11.5
Occupancy[3] (%, variance in % points)	**78**	**75**	**+ 3**
Riu	89	86	+ 3
Robinson	71	69	+ 2
Blue Diamond	83	84	- 1
Average daily rate[4] (€)	**90**	**86**	**+ 4.9**
Riu	82	77	+ 6.8
Robinson	107	101	+ 6.1
Blue Diamond	150	151	- 0.6

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

[1] Total revenue includes intra-Group revenue

[2] Number of hotel days open multiplied by beds available (Group owned and leased hotels)

[3] Occupied beds divided by available beds (Group owned and leased hotels)

[4] Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)

The Hotels & Resorts portfolio is well-diversified in terms of product offer, destination mix and ownership models, and benefits from multi-channel and multi-source market distribution via Markets & Airlines, direct to customer, and via third parties such as Online Travel Agents (OTAs) and tour operators mainly outside our own source markets.

Q1 2024 total revenue for the segment grew to €448.4m, an increase of 17% year-on-year (Q1 2023: €384.7m) driven by higher bed nights and occupancy at increased rates. As a result, the segment contributed a Q1 underlying EBIT of €90.7m, up €19.0m year-on-year (Q1 2023: €71.6m). Results were supported in particular by a stronger operational performance for Riu. The Canaries, Cape Verde and Turkey proved to be highly sought after destinations reporting higher volumes and rates.

A total of 8.8m available bed nights (capacity) were on offer during the quarter, up by 3% on Q1 2023 due to higher capacities across the Riu portfolio mainly as a result of fewer hotel renovations. The overall occupancy rate for the segment remained high across all businesses rising by a total of 3%pts year-on-year to 78% with our hotels in the Caribbean in strong demand at an occupancy level of 87%. The Canaries also proved popular during this winter period, achieving an occupancy level of 81%.

Q1 2024 average daily rate increased by 5% year-on-year to €90 overall supported by an improvement across our key brands. Riu's average daily rate increased by 7% to €82 (Q1 2023: €77). Similarly, Robinson rates also increased by 6% to €107 (Q1 2023: €101). Blue Diamond's average daily rate were 1% lower at €150 due to exchange rate translation (Q1 2023: €151). At constant currency the Q1 2024 average daily rate was +4% higher at €158.

Cruises

€ million	Q1 2024	Q1 2023	Var. %
Revenue[1]	166.8	115.2	+ 44.7
Underlying EBIT	34.5	0.2	n. a.
Underlying EBIT at constant currency	34.4	0.2	n. a.
Available passenger cruise days[2] ('000)	**2,336**	**2,379**	**- 1.8**
Mein Schiff	1,429	1,623	- 11.9
Hapag-Lloyd Cruises	146	148	- 1.5
Marella Cruises	760	607	+ 25.2
Occupancy[3] (%, variance in % points)	**96**	**87**	**+ 8**
Mein Schiff	99	88	+ 11
Hapag-Lloyd Cruises	73	65	+ 8
Marella Cruises	93	91	+ 2
Average daily rate (€)	**204**	**175**	**+ 17.0**
Mein Schiff[4]	169	139	+ 22.1
Hapag-Lloyd Cruises[4]	678	669	+ 1.4
Marella Cruises[5] (in £)	177	158	+ 12.1

[1] Revenue is not included for Mein Schiff and Hapag-Lloyd Cruises as the joint venture TUI Cruises is consolidated at equity

[2] Number of operating days multiplied by berths available on the operated ships.

[3] Achieved passenger cruise days divided by available passenger cruise days

[4] Ticket revenue divided by achieved passenger cruise days

[5] Revenue (stay on ship inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises) divided by achieved passenger cruise days

The Cruises segment comprises the joint venture TUI Cruises in Germany, which operates cruise ships under the brands Mein Schiff and Hapag-Lloyd Cruises, and Marella Cruises in UK. As in the previous year, the segment operated a full fleet of 16 ships.

Q1 2024 revenue reflecting Marella Cruises only, increased to €166.8m, an improvement of 45% year-on-year (Q1 2023: €115.2m). Q1 2024 underlying EBIT (including the equity result of TUI Cruises), was €34.5m, increasing €34.3m against the prior year quarter (Q1 2023: €0.2m) as Cruises continued its positive development. The improvement for the segment, was driven by an increased occupancy at higher rates, with all three of our cruise brands contributing to the improvement. Available passenger cruise days of 2.3m were -2% overall (Q1 2023: 2.4m) due to scheduled regular dry and wet dock periods. The EAT (Earning after Tax) of €28.6m for TUI Cruises, was up significant by €21.1m year-on-year (Q1 2023: €7.6m).

Mein Schiff – Mein Schiff deployed a full fleet of six ships during the quarter against a fleet of seven vessels in the prior year following the transfer of Mein Schiff Herz to Marella Cruises in the prior year. The brand offered itineraries to the Canaries, the Orient, the Caribbean, Central America, Asia and Northern Europe. Occupancy of the operated fleet continued to rise, reaching 99% during the quarter (Q1 2023: 88%) and returning to pre-pandemic levels, underlining the strong demand for our German language, premium all-inclusive product post pandemic. At €169, the average daily rate was 22% higher than in the prior year (Q1 2023: €139) supported by higher demand.

Hapag-Lloyd Cruises – The brand is a leading provider of luxury and expeditions cruises in German speaking markets. During the quarter itineraries were focused on Europe, the Americas, the Caribbean, South Pacific as well as voyages to Antartica. As in the prior year, the fleet comprised two luxury liners and three expedition cruise ships. Q1 average daily rate was €678, increasing by 1% on prior year (Q1 2023: €669). Q1 occupancy of the fleet was 73% (Q1 2023: 65%), underlining the significantly increased demand for the product on offer.

Marella Cruises – Our UK brand caters for a variety of cruise customer including families. In Q1 2024 the fleet consisted of five ships, one more than in Q1 2023, following the commissioning of the Marella Voyager, formerly Mein Schiff Herz which entered the fleet last year in time for the Summer 2023 season. During the quarter, Marella Cruises operated itineraries to the Canaries and the Caribbean, with routes to Asia also reintroduced for the Winter season. The business achieved an average daily rate of £177 up 12% year-on-year (Q1 2023: £158). Occupancy was at 93%, versus a prior year Q1 of 91% benefiting from an improved trading environment.

TUI Musement

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Total revenue[1]	268.6	224.2	+ 19.8
Revenue	194.9	159.7	+ 22.0
Underlying EBIT	- 10.7	- 13.5	+ 20.9
Underlying EBIT at constant currency	- 8.9	- 13.5	+ 34.1

[1] Total revenue includes intra-Group revenue

TUI Musement is one of the largest digital providers of experiences (including excursions, activities and tickets) transfers and multi-day tours.

Q1 2024 revenue of €194.9m, was 22% higher year-on-year (Q1 2023: €159.7m). The underlying EBIT of €-10.7m reduced by €2.8m against prior year (Q1 2023: €-13.5m) supported by the expansion of the B2C experiences offering, increased B2B partnerships and higher transfer volumes and experience sales to our Markets & Airlines business.

During the quarter, TUI Musement provided 5.4m guest transfers in the destinations, an increase of 9% against the prior year (Q1 2023: 5.0m). In addition, 2.0m experiences were sold in the quarter, 16% higher year-on-year (Q1 2023: 1.7m). Popular experiences in sun & beach destinations are proving to be products of TUI Collection products, our portfolio of of own experiences, which are developed by the TUI team in conjunction with local operators. In city destinations tickets to renowned attractions such as the Sagrada Familia in Barcelona were particularly sought after.

Markets & Airlines

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Revenue	3,687.6	3,263.1	+ 13.0
Underlying EBIT	- 95.7	- 194.6	+ 50.8
Underlying EBIT at constant currency	- 93.0	- 194.6	+ 52.2
Direct distribution mix[1] (in %, variance in % points)	73	75	- 2
Online mix[2] (in %, variance in % points)	50	52	- 2
Customers ('000)	3,514	3,303	+ 6.4

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

Our Markets & Airlines business covers the whole customer journey. We differentiate ourselves from the competition (such as tour operators, OTAs, hotels and airlines) based on our products, services, customer care and trust, and by following a customer-centric approach.

Q1 2024 revenue of €3,687.6m, increased 13% year-on-year (Q1 2023: €3,263.1m). Whilst Q1 2024 Underlying EBIT is traditionally negative, results for the quarter improved significantly by €98.9m to €-95.7m year-on-year (Q1 2023: €-194.6m) and above pre-pandemic levels. Notably, Central Region achieved a positive first quarter result for the first time[1]. The overall improvement was driven in part by an improved operational performance with higher volumes at increased prices, as we continue to transform the segment. In addition, the return to normal hedging conditions for the business following the lifting of restrictions on our ability to hedge in line with our policy, provided, as expected, significant upside to the results across the markets and in particular in UK.

Short- and medium haul destinations such as the Canaries, Egypt and Cape Verde proved again to be the most popular destinations for our customers. Key long-haul destinations in the quarter included Mexico, Thailand and the Dominican Republic.

A total of 3,514k customers departed in the quarter, an increase of 211k customers versus prior year with the majority of overall customers departing during October. Average load factor of 86% for Q1 2024, was 1%pt higher than in the prior year quarter (Q1 2023: 85%).

As part of our strategy to accelerate the Group's transformation into a digital platform business, we continue to drive forward our app sales which made up 6.6% of overall sales in Q1 2024, an increase of 37% against Q1 2023. In this context, we have also seen increased demand for our dynamically packaged products, providing our customers with greater choice and flexibility. Here 0.6m of our customer volumes were dynamically packaged in the quarter, up 24% year-on-year (Q1 2023: 0.5m).

[1] Since the merger of TUI AG and TUI Travel PLC in 2014

Northern Region

€ million	**Q1 2024**	Q1 2023	Var. %
Revenue	1,441.5	1,343.1	+ 7.3
Underlying EBIT	- 50.4	- 122.0	+ 58.6
Underlying EBIT at constant currency	- 49.0	- 122.0	+ 59.8
Direct distribution mix[1] (in %, variance in % points)	93	93	-
Online mix[2] (in %, variance in % points)	68	68	-
Customers ('000)	1,240	1,208	+ 2.7

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

[2] Share of online sales

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

Q1 2024 revenue for the region of €1,441.5m, was 7% higher year-on-year (Q1 2023: €1,343.1m). Q1 2024 underlying EBIT of €-50.4m improved significantly by €71.5m year-on-year (Q1 2023: €-122.0m) supported by increased demand at increased prices as well as an upside in particular in UK, from the return to normal hedging lines.

Q1 2024 customer volumes increased by 2.7% to 1,240k versus 1,208k guests in Q1 2023 driven by higher demand and returning to pre-pandemic levels. Online distribution continued to be high at 68%, and in line with prior year (Q1 2023: 68%). Direct distribution was at 93% maintaining the high rate of the prior year (Q1 2023: 93%).

Central Region

€ million	**Q1 2024**	Q1 2023 adjusted	Var. %
Revenue	1,633.5	1,385.0	+ 17.9
Underlying EBIT	1.3	- 29.0	n. a.
Underlying EBIT at constant currency	1.9	- 29.0	n. a.
Direct distribution mix[1] (in %, variance in % points)	52	54	- 2
Online mix[2] (in %, variance in % points)	27	28	- 1
Customers ('000)	1,383	1,232	+ 12.2

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

[2] Share of online sales

Central Region comprises the source markets Germany, Austria, Switzerland and Poland.

Q1 2023 revenue of €1,633.5m, improved 18 % year-on-year (Q1 2023: €1,385.0m). Underlying EBIT rose by €30.3m to €1.3m year-on-year (Q1 2023: €-29.0m) with the Region achieving a positive first quarter result for the first time.[1] The significant improvement was driven in particular by stronger demand in Germany with increased volumes and prices.

Central Region saw 1,383k customers depart in the quarter, an improvement of 12.2% versus prior year (Q1 2023: 1,232k), the highest increase across our regions. Online distribution stood at 27%, down slightly by 1%pt against prior year. Direct distribution was 2%pts lower to 52% against Q1 2023 of 54%.

[1] Since the merger of TUI AG and TUI Travel PLC in 2014

Western Region

€ million	Q1 2024	Q1 2023	Var. %
Revenue	612.6	534.9	+ 14.5
Underlying EBIT	- 46.6	- 43.7	- 6.6
Underlying EBIT at constant currency	- 45.9	- 43.7	- 5.1
Direct distribution mix[1] (in %, variance in % points)	77	79	- 2
Online mix[2] (in %, variance in % points)	59	62	- 3
Customers ('000)	891	863	+ 3.3

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

[2] Share of online sales

Western Region comprises the source markets Belgium, Netherlands and France.

Q1 2024 revenue of €612.6m, was up 15% year-on-year (Q1 2023: €534.9m). Q1 underlying EBIT of €-46.6m, decreased by €2.9m year-on-year (Q1 2023: €-43.7m). Improved volumes and prices in the region year-on-year were offset mainly by maintenance reserve provision effects.

Customer volumes rose by 3.3% to 891k guests year-on-year (Q1 2023: 863k). Online distribution for region was at 59%, 3%pt below prior year. Direct distribution was down 2%pts to 77% versus prior year (Q1 2023: 79%).

All other segments

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Revenue	1.6	1.5	+ 3.6
Underlying EBIT	- 12.8	- 16.7	+ 23.1
Underlying EBIT at constant currency)	- 12.9	- 16.7	+ 22.5

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

Q1 2024 underlying EBIT of €-12.8m, improved by €3.8m year-on-year (Q1 2023: €-16.7m) primarily due to a positive effect resulting from loan impairment reversals, partly offset by higher costs.

Financial position and net assets

Cash Flow / Net capex and investments / Net debt

TUI Group's operating cash outflow in Q1 2024 of €1,612.5m decreased by 3.5% year-on-year This reflects the lower Group loss, which was partly offset by a higher cash outflow from the settlement of tourism-related prepayments.

Net debt as at 31 December 2023 of €4.0bn decreased by €1.3bn compared to previous year level (31 December 2022: €5.3bn). This improvement was driven by net proceeds (following repayment of the final WSF obligations) from our capital increase in April 2023 and the positive cash flow from operations.

Net debt

€ million	31 Dec 2023	31 Dec 2022	Var. %
Financial debt	2,988.8	3,951.8	- 24.4
Lease liabilities	2,789.1	2,935.8	- 5.0
Cash and cash equivalents	1,714.8	1,542.7	+ 11.2
Short-term interest-bearing investments	79.8	85.0	- 6.1
Net debt	**3,983.3**	**5,259.9**	- 24.3

Net capex and investments

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Cash gross capex			
Hotels & Resorts	27.3	71.4	- 61.8
Cruises	21.7	28.0	- 22.5
TUI Musement	5.2	5.3	- 1.9
Holiday Experiences	54.3	104.7	- 48.1
Northern Region	5.0	5.7	- 12.3
Central Region	4.3	2.0	+ 115.0
Western Region	7.5	4.2	+ 78.6
Markets & Airlines*	17.5	33.3	- 47.4
All other segments	33.4	31.5	+ 6.0
TUI Group	**105.2**	**169.5**	**- 37.9**
Net pre delivery payments on aircraft	61.1	59.0	+ 3.6
Financial investments	1.4	0.3	+ 366.7
Divestments	- 123.8	- 79.8	- 55.1
Net capex and investments	**43.9**	**149.0**	**- 70.5**

* Including €0.7m for Q1 2024 (Q1 2023: €21.4m) 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 Q1 2024 of €105.2m was €64.3m lower year-on-year. This decline was due to lower investments in both the Holiday Experiences and Markets & Airlines segments. The year-on-year increase in divestments in Q1 2024 was mainly driven by higher disposal proceeds. Net capex and investments of €43.9m decreased by €105.1m year-on-year.

Foreign exchange/Fuel

We have a strategy of hedging the majority of our jet fuel and currency requirements for future seasons in place. Our hedging policy gives us certainty of costs when planning capacity and pricing. The following table shows the percentage of our forecast requirement that is currently hedged for Euros, US Dollars and jet fuel for our Markets & Airlines.

Foreign Exchange/Fuel

%	Winter 2023/24	Summer 2024	Winter 2024/25
Euro	97	82	44
US Dollar	95	88	57
Jet Fuel	99	86	59

As at 4 February 2024

Assets and liabilities

€ million	31 Dec 2023	30 Sep 2023	Var. %
Non-current assets	11,688.0	11,605.9	+ 0.7
Current assets	3,830.7	4,546.5	- 15.7
Total assets	**15,518.7**	**16,152.4**	**- 3.9**
Equity	1,393.9	1,947.2	- 28.4
Provisions	1,919.9	1,852.4	+ 3.6
Financial liabilities	2,988.8	1,297.0	+ 130.4
Other liabilities	9,216.1	11,055.8	- 16.6
Total equity, liabilities and provisions	**15,518.7**	**16,152.4**	**- 3.9**

Non-current financial liabilities increased from €1,533.8m at 30 September 2023 to €2,732.3m. This increase was primarily attributable to an increase in liabilities to banks resulting from the utilisation of long-term credit lines.

For more details refer to the section Financial liabilities in the Notes of this Interim Report.

Comments on the consolidated income statement

In the first three months of financial year 2024, TUI Group's revenue was higher than in Q1 2023, due to a year-on-year increase in business volume and higher average prices, in particular in Markets & Airlines. TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months.

In Q1 2024, consolidated revenue increased by €0.6bn year-on-year to €4.3bn.

Unaudited condensed consolidated Income Statement of TUI AG for the period from 1 Oct 2023 to 31 Dec 2023

€ million	Q1 2024	Q1 2023	Var. %
Revenue	4,302.5	3,750.5	+14.7
Cost of sales	4,106.5	3,661.4	+12.2
Gross profit	**196.1**	**89.2**	+119.8
Administrative expenses	245.4	242.6	+1.2
Other income	7.3	6.0	+21.7
Other expenses	8.3	5.8	+43.1
Impairment (+) / Reversal of impairment (-) of financial assets	- 7.3	0.8	n. a.
Financial income	18.7	18.4	+1.6
Financial expense	121.8	132.5	- 8.1
Share of result of investments accounted for using the equity method	43.1	- 4.4	n. a.
Earnings before income taxes	**- 103.1**	**- 272.6**	+62.2
Income taxes (expense (+), income (-))	- 19.6	- 40.8	+52.0
Group loss	**- 83.5**	**- 231.8**	+64.0
Group loss attributable to shareholders of TUI AG	- 122.6	- 256.1	+52.1
Group profit attributable to non-controlling interest	39.1	24.3	+60.9

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 the result from the measurement of the Group's interest hedges. EBIT by definition includes goodwill impairments.

In calculating Underlying EBIT from EBIT, we adjust for separately disclosed items (including any goodwill impairment) and expenses from purchase price allocations. Separately disclosed items include adjustments for income and expense items that reflect amounts and frequencies of occurrence rendering an evaluation of the operating profitability of the segments and 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 and any goodwill impairments. Effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments are adjusted. Expenses from purchase price allocations relate to the amortisation of intangible assets from acquisitions made in previous years.

Reconciliation to underlying EBIT

€ million	**Q1 2024**	Q1 2023	Var. %
Earnings before income taxes	**- 103.1**	**- 272.6**	**+62.2**
plus: Net interest expenses (excluding expense / income from measurement of interest hedges)	102.8	110.5	- 7.0
plus: Expense/less income from measurement of interest hedges	0.5	3.4	- 85.3
EBIT	**0.2**	**- 158.7**	**n. a.**
Adjustments:			
less / plus: Separately disclosed items	0.6	- 0.7	
plus: Expense from purchase price allocation	5.2	6.4	
Underlying EBIT	**6.0**	**- 153.0**	**n. a.**

The TUI Group's operating result adjusted for special items (underlying EBIT) improved by €159.0m to €6.0m in Q1 2024.

➪ For further details on the separately disclosed items see page 41 in the Notes of this Interim Financial Report.

Key figures of income statement

€ million	**Q1 2024**	Q1 2023	Var. %
EBITDAR	**212.2**	**57.8**	+ 267.1
Operating rental expenses	- 4.2	0.2	n. a.
EBITDA	**208.0**	**58.0**	+ 258.5
Depreciation/amortisation less reversals of depreciation*	- 207.8	- 216.7	+ 4.1
EBIT	**0.2**	**- 158.7**	n. a.
Income/Expense from the measurement of interest hedges	0.5	3.4	- 85.3
Net interest expense (excluding expense/income from measurement of interest hedges)	102.8	110.5	- 7.0
EBT	**- 103.1**	**- 272.6**	+ 62.2

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

Other segment indicators

Underlying EBITDA

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Hotels & Resorts	136.2	121.7	+ 11.9
Cruises	56.7	17.9	+ 216.4
TUI Musement	- 3.7	- 7.4	+ 50.3
Holiday Experiences	189.3	132.2	+ 43.1
Northern Region	22.8	- 43.2	n. a.
Central Region	26.5	- 3.4	n. a.
Western Region	- 12.4	- 7.2	- 73.1
Markets & Airlines	36.9	- 53.8	n. a.
All other segments	- 17.6	- 20.2	+ 13.0
TUI Group	**208.5**	**58.3**	**+ 258.0**

EBITDA

€ million	Q1 2024	Q1 2023 adjusted	Var. %
Hotels & Resorts	137.3	121.1	+ 13.4
Cruises	56.7	17.9	+ 216.4
TUI Musement	- 3.7	- 6.1	+ 39.1
Holiday Experiences	190.4	132.9	+ 43.2
Northern Region	24.4	- 44.1	n. a.
Central Region	25.5	- 3.2	n. a.
Western Region	- 9.7	- 5.4	- 77.8
Markets & Airlines	40.3	- 52.7	n. a.
All other segments	- 22.7	- 22.2	- 2.1
TUI Group	**208.0**	**58.0**	**+ 258.5**

Employees

	31 Dec 2023	31 Dec 2022 adjusted	Var. %
Hotels & Resorts	19,702	19,179	+ 2.7
Cruises*	73	75	- 2.7
TUI Musement	7,714	7,024	+ 9.8
Holiday Experiences	27,489	26,278	+ 4.6
Northern Region	10,171	9,444	+ 7.7
Central Region	7,284	7,112	+ 2.4
Western Region	5,276	5,004	+ 5.4
Markets & Airlines	22,731	21,560	+ 5.4
All other segments	2,441	2,141	+ 14.0
Total	**52,661**	**49,979**	**+ 5.4**

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

Corporate Governance

Composition of the Boards

In Q1 2024 and until 12 February 2024 the composition of the Boards of TUI AG changed as follows:

Executive Board

With effect from the end of 5 January 2024, David Burling resigned from his position as a member of the Executive Board. He was succeeded as of 1 January 2024 by David Schelp as CEO Markets & Airlines.

Supervisory Board

There were no changes to the Supervisory Board in the reporting period.

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. In order to seize market opportunities and leverage the potential for success, risk must be accepted to a reasonable degree. Risk management is therefore an integral component of the Group's Corporate Governance. Full details of our risk governance framework, principal risks and opportunities can be found in the Annual Report. There were no changes in Q1 2024 and until 12 February 2024 compared to the risks and opportunities described in detail in our Annual Report 2023.

➪ For details of risks and opportunities, see our Annual Report 2023, from page 35 and page 58

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.

Detailed information on related parties is provided under section 51 in the Notes to the consolidated financial statements 2023.

In order to strengthen the equity, the shareholders of Pep Toni Hotels S.A. have decided to make additional funds available to the company. The payment into the capital reserve of €73.5m was made by TUI in January 2024.

Unaudited condensed consolidated Interim Financial Statements

Unaudited condensed consolidated Income Statement of TUI AG for the period from 1 Oct 2023 to 31 Dec 2023

€ million	Notes	**Q1 2024**	Q1 2023
Revenue	(1)	4,302.5	3,750.5
Cost of sales	(2)	4,106.5	3,661.4
Gross profit		**196.1**	**89.2**
Administrative expenses	(2)	245.4	242.6
Other income	(3)	7.3	6.0
Other expenses	(4)	8.3	5.8
Impairment (+) / Reversal of impairment (-) of financial assets	(18)	- 7.3	0.8
Financial income	(5)	18.7	18.4
Financial expense	(5)	121.8	132.5
Share of result of investments accounted for using the equity method	(6)	43.1	- 4.4
Earnings before income taxes		**- 103.1**	**- 272.6**
Income taxes (expense (+), income (-))	(7)	- 19.6	- 40.8
Group loss		**- 83.5**	**- 231.8**
Group loss attributable to shareholders of TUI AG		- 122.6	- 256.1
Group profit attributable to non-controlling interest	(8)	39.1	24.3

Earnings per share

€	**Q1 2024**	Q1 2023
Basic and diluted loss / earnings per share	- 0.24	- 0.89*

* Earnings per share were adjusted for the impact of the 10-for-1 reverse stock split in February 2023 as well as the impact of the subscription rights issued in the capital increase on 24 April 2023.

Unaudited condensed consolidated Statement of Comprehensive Income of TUI AG for the period from 1 Oct 2023 to 31 Dec 2023

€ million	Q1 2024	Q1 2023
Group loss	**- 83.5**	**- 231.8**
Remeasurements of defined benefit obligations and related fund assets	- 94.9	- 123.7
Fair value profit / loss on investments in equity instruments designated as at FVTOCI	-	1.1
Income tax related to items that will not be reclassified (expense (-), income (+))	28.1	30.9
Items that will not be reclassified to profit or loss	**- 66.8**	**- 91.7**
Foreign exchange differences	- 51.7	- 101.3
Foreign exchange differences outside profit or loss	- 51.8	- 101.3
Reclassification	0.1	-
Cash flow hedges	- 343.9	- 136.3
Changes in the fair value	- 348.5	- 116.3
Reclassification	4.6	- 20.0
Other comprehensive income of investments accounted for using the equity method that may be reclassified	- 13.3	- 1.0
Changes in the measurement outside profit or loss	- 13.3	- 1.0
Income tax related to items that may be reclassified (expense (-), income (+))	80.9	34.7
Items that may be reclassified to profit or loss	**- 328.0**	**- 203.8**
Other comprehensive income	**- 394.8**	**- 295.6**
Total comprehensive income	**- 478.3**	**- 527.3**
attributable to shareholders of TUI AG	- 507.5	- 530.8
attributable to non-controlling interest	29.2	3.5

Unaudited condensed consolidated Statement of Financial Position of TUI AG as at 31 Dec 2023

€ million	Notes	31 Dec 2023	30 Sep 2023
Assets			
Goodwill	(9)	2,949.6	2,949.2
Other intangible assets		545.0	538.0
Property, plant and equipment	(10)	3,535.0	3,480.3
Right-of-use assets	(11)	2,652.4	2,763.4
Investments in joint ventures and associates		1,270.1	1,198.2
Trade and other receivables	(12), (18)	94.9	74.7
Derivative financial instruments	(18)	2.3	10.3
Other financial assets	(18)	10.7	10.8
Touristic payments on account		144.3	152.5
Other non-financial assets		92.3	100.7
Income tax assets		17.2	17.2
Deferred tax assets		374.1	310.6
Non-current assets		**11,688.0**	**11,605.9**
Inventories		63.8	62.1
Trade and other receivables	(12), (18)	988.8	1,090.4
Derivative financial instruments	(18)	35.4	258.2
Other financial assets	(18)	79.8	48.6
Touristic payments on account		752.5	787.4
Other non-financial assets		148.8	129.9
Income tax assets		46.5	41.0
Cash and cash equivalents	(18)	1,714.8	2,060.3
Assets held for sale	(13)	0.3	68.6
Current assets		**3,830.7**	**4,546.5**
Total assets		**15,518.7**	**16,152.4**

Unaudited condensed consolidated Statement of Financial Position of TUI AG as at 31 Dec 2023

€ million	Notes	**31 Dec 2023**	30 Sep 2023
Equity and liabilities			
Subscribed capital		507.4	507.4
Capital reserves		9,090.1	9,090.1
Revenue reserves		- 8,982.1	- 8,474.6
Equity before non-controlling interest		**615.3**	**1,122.9**
Non-controlling interest		778.6	824.3
Equity	(17)	**1,393.9**	**1,947.2**
Pension provisions and similar obligations	(14)	697.8	637.1
Other provisions		876.0	848.5
Non-current provisions		**1,573.8**	**1,485.7**
Financial liabilities	(15), (18)	2,732.3	1,198.5
Lease liabilities	(16)	2,144.0	2,216.9
Derivative financial instruments	(18)	26.8	1.7
Other financial liabilities	(18)	2.4	2.6
Other non-financial liabilities		233.2	252.9
Income tax liabilities		13.3	11.0
Deferred tax liabilities		64.3	159.0
Non-current liabilities		**5,216.4**	**3,842.6**
Non-current provisions and liabilities		**6,790.2**	**5,328.3**
Pension provisions and similar obligations	(14)	30.5	33.3
Other provisions		315.6	333.4
Current provisions		**346.1**	**366.7**
Financial liabilities	(15), (18)	256.5	98.5
Lease liabilities	(16)	645.1	701.2
Trade payables	(18)	2,017.0	3,373.7
Derivative financial instruments	(18)	159.4	35.3
Other financial liabilities	(18)	191.5	121.8
Touristic advance payments received		3,165.1	3,530.2
Other non-financial liabilities		465.2	534.1
Income tax liabilities		88.6	113.8
Current liabilities		**6,988.4**	**8,508.6**
Liabilities related to assets held for sale		-	1.6
Current provisions and liabilities		**7,334.5**	**8,876.9**
Total equity, liabilities and provisions		**15,518.7**	**16,152.4**

Unaudited condensed consolidated Statement of Changes in Equity of TUI AG for the period from 1 Oct 2023 to 31 Dec 2023

€ million	Subscribed capital	Capital reserves	Revenue reserves	Silent participation	Equity before non-controlling interest	Non-controlling interest	**Total**
Balance as at 1 Oct 2022	**1,785.2**	**6,085.9**	**- 8,432.7**	**420.0**	**- 141.6**	**787.3**	**645.7**
Coupon on silent participation	-	-	- 16.8	-	- 16.8	-	- 16.8
Group loss for the year	**-**	**-**	**- 256.1**	**-**	**- 256.1**	**24.3**	**- 231.8**
Foreign exchange differences	-	-	- 80.4	-	- 80.4	- 20.9	- 101.3
Financial assets at FVTOCI	-	-	1.1	-	1.1	-	1.1
Cash flow hedges	-	-	- 136.3	-	- 136.3	-	- 136.3
Remeasurements of defined benefit obligations and related fund assets	-	-	- 123.7	-	- 123.7	-	- 123.7
Other comprehensive income of investments accounted for using the equity method	-	-	- 1.0	-	- 1.0	-	- 1.0
Taxes attributable to other comprehensive income	-	-	65.6	-	65.6	-	65.6
Other comprehensive income	**-**	**-**	**- 274.7**	**-**	**- 274.7**	**- 20.9**	**- 295.6**
Total comprehensive income	-	-	- 530.8	-	- 530.8	3.4	- 527.4
Balance as at 31 Dec 2022	**1,785.2**	**6,085.9**	**- 8,980.3**	**420.0**	**- 689.2**	**790.7**	**101.6**
Balance as at 1 Oct 2023	**507.4**	**9,090.1**	**- 8,474.6**	**-**	**1,122.9**	**824.3**	**1,947.2**
Dividends	-	-	-	-	-	- 75.0	- 75.0
Group loss for the year	**-**	**-**	**- 122.6**	**-**	**- 122.6**	**39.1**	**- 83.5**
Foreign exchange differences	-	-	- 41.9	-	- 41.9	- 9.8	- 51.7
Cash flow hedges	-	-	- 343.9	-	- 343.9	-	- 343.9
Remeasurements of defined benefit obligations and related fund assets	-	-	- 94.9	-	- 94.9	-	- 94.9
Other comprehensive income of investments accounted for using the equity method	-	-	- 13.3	-	- 13.3	-	- 13.3
Taxes attributable to other comprehensive income	-	-	109.0	-	109.0	-	109.0
Other comprehensive income	**-**	**-**	**- 385.0**	**-**	**- 385.0**	**- 9.8**	**- 394.8**
Total comprehensive income	-	-	- 507.6	-	- 507.6	29.3	- 478.3
Balance as at 31 Dec 2023	**507.4**	**9,090.1**	**- 8,982.2**	**-**	**615.3**	**778.6**	**1,393.9**

Unaudited condensed consolidated Cash Flow Statement of TUI AG for the period from 1 Oct 2023 to 31 Dec 2023

€ million	Notes	Q1 2024	Q1 2023
Group loss		- 83.5	- 231.8
Depreciation, amortisation and impairment (+) / write-backs (-)		207.8	216.7
Other non-cash expenses (+) / income (-)		- 34.2	12.7
Interest expenses		121.1	129.5
Dividends from joint ventures and associates		15.3	2.2
Profit (-) / loss (+) from disposals of non-current assets		0.5	- 4.0
Increase (-) / decrease (+) in inventories		- 1.8	- 1.1
Increase (-) / decrease (+) in receivables and other assets		357.5	310.2
Increase (+) / decrease (-) in provisions		- 37.7	- 120.6
Increase (+) / decrease (-) in liabilities (excl. financial liabilities)		- 2,157.4	- 1,984.6
Cash inflow / cash outflow from operating activities	(21)	**- 1,612.5**	**- 1,670.9**
Payments received from disposals of property, plant and equipment and intangible assets		47.2	9.9
Payments received/made from disposals of consolidated companies (less disposals of cash and cash equivalents due to divestments)		44.1	- 0.7
Payments received/made from disposals of other non-current assets		58.3	72.8
Payments made for investments in property, plant and equipment and intangible assets		- 192.9	- 228.6
Payments received from for investments in consolidated companies (less cash and cash equivalents received due to acquisitions)		2.9	-
Payments made for investments in other non-current assets		- 35.9	- 0.9
Cash inflow / cash outflow from investing activities	(21)	**- 76.2**	**- 147.6**
Dividend payments			
Coupon on silent participation (dividends)		-	- 16.8
subsidiaries to non-controlling interest		- 76.0	-
Payments received from the raising of financial liabilities		1,720.6	1,984.3
Transaction costs related to loans and borrowings		- 0.4	-
Payments made for redemption of loans and financial liabilities		- 23.2	- 47.7
Payments made for principal of lease liabilities		- 169.0	- 162.8
Interest paid		- 102.2	- 122.3
Cash inflow / cash outflow from financing activities	(21)	**1,349.8**	**1,634.7**
Net change in cash and cash equivalents		**- 338.9**	**- 183.7**
Development of cash and cash equivalents	(21)		
Cash and cash equivalents at beginning of period		**2,060.5**	**1,736.9**
Change in cash and cash equivalents due to exchange rate fluctuations		- 6.8	- 10.6
Net change in cash and cash equivalents		- 338.9	- 183.7
Cash and cash equivalents at end of period		**1,714.8**	**1,542.7**

NOTES

General

The TUI Group and its major subsidiaries and shareholdings operate in tourism. TUI AG, based in Karl-Wiechert-Allee 23, 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 2023 to 31 December 2023. The Interim Financial Statements are prepared in euros. Unless stated otherwise, all amounts are stated in million euros (€m). TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months.

The Interim Financial Statements were approved for publication by the Executive Board of TUI AG on 12 February 2024.

Accounting principles

Declaration of compliance

The consolidated interim financial report for the period ended 31 December 2023 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 2023. 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 31 December 2023 was €4.0bn (as at 30 September 2023 €2.1bn).

Net debt

€ million	31 Dec 2023	30 Sep 2023	Var. %
Financial debt	2,988.8	1,297.0	+ 130.4
Lease liabilities	2,789.1	2,918.1	- 4.4
Cash and cash equivalents	1,714.8	2,060.3	- 16.8
Short-term interest-bearing investments	79.8	48.6	+ 64.2
Net debt	**3,983.3**	**2,106.2**	+ 89.1

As at 31 December 2023, TUI Group's revolving credit facilities totalled €2.7bn, they comprised the following

- €1.64bn credit line from 19 private banks (incl. €190m guarantee line)
- €1.05bn KfW credit line.

The syndicated credit line with the 19 banks (€1.64bn), including the credit line with KfW (€1.05bn), together referred to as the "RCF", will mature in July 2026. The RCF of TUI AG is subject to compliance with certain financial targets (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.

Furthermore, bilateral credit lines of €50m each were agreed with four banks in December 2023; these credit lines have been drawn to €100m at 31 December 2023.

Cash drawdowns from the €1.64bn credit line from private banks amounted to €1.44bn as at 31 December 2023, while the volume of guarantees issued under the guarantee line was €126.7m. The KfW credit line, which amounts to €1.05bn, had not been utilised as at 31 December 2023. It is still not expected to be utilised and merely serves as a buffer. The aim is to return this credit line quickly.

In the view of the Executive Board, the TUI Group currently has and will continue to have sufficient funds, resulting both from borrowings and from operating cash flows, to meet its payment obligations and to continue as a going concern in the foreseeable future. The Executive Board bases this assessment on the forecasts for future operating cash flows, which will show cash surpluses from the second half of the year in particular, in line with TUI's seasonal business. The credit facilities described above are also available. Therefore, as at 31 December 2023, the Board does not identify any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The Board does not foresee risks that may jeopardise the Group's ability to continue as a going concern and does not believe that compliance with the financial covenants will be at risk as at 31 March 2024 and 30 September 2024.

In accordance with Regulation 30 of the UK Corporate Governance Code, the 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 business and current trading for the summer programme have confirmed the business performance guidance provided by TUI at the end of financial year 2023. Accordingly 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 31 December 2023 are materially consistent with those followed in preparing the annual consolidated financial statements for the financial year ended 30 September 2023, 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 2024, 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 2024

Standard	Applicable from	Amendments	Impact on financial statements
IFRS 17 Insurance Contracts	1 Jan 2023	IFRS 17 establishes the principles for the accounting for insurance contracts and replaces IFRS 4. The scope of IFRS 17 includes insurance contracts, reinsurance contracts and investment contracts with discretionary profit participation.	No material impacts.
Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 - Comparative Information	1 Jan 2023	The amendment addresses implementation challenges in the presentation of comparative information that were identified after IFRS 17 was published.	No impacts.
Amendments to IAS 1 Disclosure of Accounting Policies	1 Jan 2023	The amendments to IAS 1 and IFRS Practice Statement 2 are to help preparers in deciding which accounting and measurement methods to disclose in their financial statements. The amendments require entities to disclose their material accounting and measurement policy information instead of their significant accounting and measurement policies.	No material impacts.
Amendments to IAS 8 Definition of Accounting Estimates	1 Jan 2023	The amendments to IAS 8 are to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates is replaced with a new definition of accounting estimates. It is clarified that a change in an accounting estimate that results from new information or new developments is not the correction of an error.	No material impacts.
Amendments to IAS 12 International Tax Reform - Pillar Two Model Rules	Immediately or, respectively, 1 Jan 2023	The amendments to IAS 12 introduce a temporary recognition exception for the accounting of deferred taxes as part of the implementation of the global minimum taxation (so-called 'Pillar Two' regulations of the OECD). Following the endorsement of the amendments by the European Union TUI had already applied for that exception in the financial year 2023. In financial year 2024 TUI adopts for the first time the new disclosure requirements, which are intended to help users to better understand the impacts that the reform will have at the company, in particular before the country-specific laws to implement the minimum taxation become effective.	No material impacts.
Amendments to IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023	The amendments clarify that deferred tax assets and liabilities have to be formed when a transaction gives rise to equal amounts of deductible and taxable temporary differences at the same time. The initial recognition exemption, according to which deferred tax assets or liabilities are not recognised on initial recognition of an asset or a liability, does not apply to transactions of this type.	No material impacts.

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 31 December 2023 comprised a total of 262 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 2023	**266**	**20**	**27**
Additions	1	-	1
Incorporation	1	-	-
Acquisition	-	-	1
Disposals	6	1	1
Liquidation	2	-	-
Sale	1	1	1
Merger	3	-	-
Change in ownership stake**	1	-	- 1
Number at 31 Dec 2023	**262**	**19**	**26**

* excl. TUI AG
** Addition 1 / disposal -1

Acquisitions – Divestments

Acquisitions in the period under review

A 50 % stake in TRAVELStar GmbH, a travel agency company based in Hanover, was acquired by way of a purchase agreement dated 29 August 2023 and effective as of 19 October 2023. The consideration determined in the framework of a purchase price allocation totals €2.3m and relates in full to purchase price payments offset from the sale of the stake in Raiffeisen-Tours RT-Reisen GmbH. With the acquisition of the shares in TRAVELStar GmbH, the 50 % stake previously held by TUI Group was increased to 100 %. The interest already held at the date of acquisition, carried as a joint venture accounted for using the equity method, was remeasured to fair value through profit or loss in the framework of the transitional consolidation (€2.3m). The transaction resulted in a gain of €0.4m, carried in Other income. In the period under review, the impact on revenues and earnings was insignificant.

Condensed statement of financial position of TRAVELStar GmbH as at the date of acquisition

€ million	
Assets	**7.0**
Other intangible assets	0.7
Inventories	0.1
Trade and other receivables	1.2
Other current assets	2.1
Cash and cash equivalents	2.9
Equity and liabilities	**7.0**
Current provisions	0.2
Deferred tax liabilities	0.2
Other liabilities	2.1
Equity	4.5

No companies were acquired after the balance sheet date.

Divestments

Three companies were divested in the first three months of financial year 2024.

The shares in the joint venture WOT Hotels Adriatic Asset Company d.o.o., a company accounted for using the equity method, were sold by way of an agreement dated 30 August 2023 and effective as of 20 October 2023. The purchase price totals €12.0m and corresponds to the carrying amount of the equity method investment at the divestment date. The purchase price was paid on 10 November 2023. The loss on disposal from this transaction amounts to €0.1m and is carried in Other expenses.

The shares in the associated company Raiffeisen-Tours RT-Reisen GmbH, accounted for using the equity method, were sold by way of a purchase agreement dated 29 August 2023 and effective as of 19 October 2023. The consideration determined in the framework of a purchase price allocation amounts to €3.1m and corresponds to the carrying amount of the equity method investment at the divestment date. The payment was made on 30 October 2023. The divestment of the company resulted in the disposal of goodwill of the Central Region cash-generating unit totalling €1.2m. A loss on disposal of €1.2m was realised from this transaction and is carried in Other expenses.

On 31 March 2023, an agreement was signed with TUI Global Hospitality Fund S.C.S. to sell Club Hotel CV, S.A. (Robinson Club Cabo Verde), consolidated in the Hotels & Resorts segment. The divestment was completed on 31 October 2023. The consideration amounts to €45.6m. Of this total, €44.8m is attributable to the settlement of intra-Group loans. The payment was made on 31 October 2023. The divestment of the company resulted in the disposal of goodwill totalling €2.5m of the Robinson cash-generating unit. A gain on disposal of €1.0m was generated from this transaction and is carried in Other income.

Condensed balance sheet of 'Robinson Club Cabo Verde' as at 31 Oct 2023

€ million	
Assets	
Property, plant and equipment and intangible assets	41.0
Trade receivables	0.8
Other current assets	0.4
Cash and cash equivalents	1.5
	43.7

€ million	
Provisions and liabilities	
Intra-group financial liabilities	44.8
Trade payables	1.1
Touristic advance payments received	0.2
Other current liabilities	0.3
	46.4

No companies were divested after the balance sheet date.

Notes to the unaudited condensed consolidated Income Statement

In the first three months of financial year 2024, TUI Group's revenue was significantly higher than in Q1 2023, due to a year-on-year increase in business volume and higher average prices, in particular in Markets & Airlines. TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months.

(1) Revenue

In the first three months of the financial year 2024, consolidated revenue increased by €0.6bn year-on-year to €4.3bn.

External revenue allocated by destinations for the period from 1 Oct 2023 to 31 Dec 2023*

€ million	Spain (incl. Canary Islands)	Other European destinations	Caribbean, Mexico, USA & Canada	North Africa & Turkey	Rest of Africa, Ind. Ocean, Asia	Other countries	**Q1 2024 Revenues from contracts with customers**	Other	**Q1 2024 Total**
Hotels & Resorts	104.6	12.8	67.7	14.1	52.5	-	251.7	-	251.7
Cruises	54.0	21.3	76.6	-	14.9	-	166.8	-	166.8
TUI Musement	25.4	58.1	37.5	11.6	43.6	18.7	194.9	-	194.9
Holiday experiences	184.0	92.2	181.8	25.7	111.0	18.7	613.4	-	613.4
Northern Region	463.9	262.9	303.8	189.4	213.8	5.7	1,439.5	1.9	1,441.5
Central Region	517.2	313.3	106.7	432.0	262.6	1.7	1,633.5	-	1,633.5
Western Region	193.9	87.4	136.4	101.1	87.8	3.8	610.4	2.2	612.6
Markets & Airlines	1,175.0	663.6	546.9	722.5	564.2	11.2	3,683.4	4.1	3,687.6
All other segments	0.4	1.1	0.1	-	-	-	1.6	-	1.6
Total	**1,359.4**	**756.9**	**728.8**	**748.2**	**675.2**	**29.9**	**4,298.4**	**4.1**	**4,302.5**

External revenue allocated by destinations for the period from 1 Oct 2022 to 31 Dec 2022*

€ million	Spain (incl. Canary Islands)	Other European destinations	Caribbean, Mexico, USA & Canada	North Africa & Turkey	Rest of Africa, Ind. Ocean, Asia	Other countries	**Q1 2023 Revenues from contracts with customers**	Other	**Q1 2023 Total**
Hotels & Resorts	89.3	10.8	53.4	13.1	44.3	-	210.9	-	210.9
Cruises	46.7	18.3	50.2	-	-	-	115.2	-	115.2
TUI Musement	31.0	40.2	35.4	10.1	26.7	16.3	159.7	-	159.7
Holiday experiences	167.0	69.4	139.0	23.2	71.0	16.3	485.9	-	485.9
Northern Region	427.0	243.6	334.5	160.3	168.6	7.7	1,341.7	1.4	1,343.1
Central Region	388.1	278.3	106.1	332.4	278.0	1.8	1,384.7	0.3	1,385.0
Western Region	167.9	76.7	129.9	89.3	66.0	3.7	533.5	1.4	534.9
Markets & Airlines	983.0	598.6	570.5	582.0	512.6	13.2	3,259.9	3.1	3,263.1
All other segments	0.4	1.1	-	-	-	-	1.5	-	1.5
Total	**1,150.4**	**669.1**	**709.5**	**605.2**	**583.7**	**29.5**	**3,747.4**	**3.1**	**3,750.5**

*Due to the re-segmentation of Future Markets from All other segments to Hotels & Resorts, TUI Musement and Central Region as at 31 March 2023, previous periods have been adjusted.

(2) Cost of sales and administrative expenses

Cost of sales relates to the expenses we incur in the provision of tourism services. In addition to expenses for personnel, depreciation and amortisation, and rental and leasing expenses directly related to revenue-generating activities, it includes all costs we incur in connection with the procurement and delivery of airline services, hotel accommodation, cruises and distribution costs., as well as certain hedging costs.

Due to the increased business volume, the cost of sales increased by 12.2% to €4.1bn in Q1 2024.

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

Administrative expenses

€ million	Q1 2024	Q1 2023
Staff costs	156.3	141.9
Rental and leasing expenses	3.6	3.8
Depreciation, amortisation and impairment	16.1	17.2
Others	69.4	79.8
Total	**245.4**	**242.6**

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

Staff costs

€ million	Q1 2024	Q1 2023
Wages and salaries	491.1	448.7
Social security contributions, pension costs and benefits	106.9	94.3
Total	**598.0**	**543.0**

Depreciation/amortisation/impairment

€ million	Q1 2024	Q1 2023
Depreciation and amortisation of other intangible assets, property, plant and equipment and right-of-use assets	207.6	212.6
Impairment of other intangible assets, property, plant and equipment and right-of-use assets	0.2	4.2
Total	**207.8**	**216.8**

The impairments of €0.2m were presented within cost of sales (Q1 2023 €4.2m).

(3) Other income

In the first three months of financial year 2024, Other income mainly shows gains from the disposal of aircraft assets. In the previous year, this item had primarily comprised a gain of €4.7m from the disposal of the Jet Set House (Crawley) building.

(4) Other expenses

As in the previous year, Other expenses in the period under review mainly relate to losses from the disposal of aircraft assets.

(5) Financial income and financial expenses

The improvement in the net financial result from €-114.1 m in the first three months of the previous year to €-103.1m in the current financial year is mainly the result of declining interest expense.

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

Share of result of investments accounted for using the equity method

€ million	Q1 2024	Q1 2023
Hotels & Resorts	6.0	15.8
Cruises	28.6	7.6
TUI Musement	3.5	2.9
Holiday Experiences	38.1	26.3
Northern Region	3.8	- 31.0
Central Region	1.0	- 0.2
Western Region	-	0.3
Markets & Airlines	4.8	- 30.9
All other segments	0.2	0.2
Total	**43.1**	**- 4.4**

The previous year's results for the Northern Region still include the negative result of the strategic tour operator venture in Canada that was sold in May 2023.

(7) Income taxes

The tax income arising in the first three months of financial year 2024 is mainly driven by the seasonality of the tourism business.

(8) Group profit attributable to non-controlling interest

The majority of TUI Group's results attributable to non-controlling interests relates to a gain generated by RIUSA II Group amounting to €38.1m (Q1 2023 €24.0m profit).

Notes to the unaudited condensed consolidated Statement of Financial Position

(9) Goodwill

At €2,949.6m, goodwill is almost unchanged compared to 30 September 2023.

(10) Property, plant and equipment

Compared to 30 September 2023 property, plant and equipment increased by €54.7m to €3,535.0m. Additions of €154.8m included advance payments of €86.9m for the future delivery of additional aircraft. Additions to assets under construction of €21.6m related to carry out maintenance work on cruise ships. Further additions of €26.1m related to acquisitions in the Hotels & Resorts segment and €9.6m to the purchase of aircraft spare parts. Reclassifications from right-of-use assets led to an increase in property, plant and equipment of €44.7m and were mainly due to the reclassification of an aircraft resulting from the exercise of an existing purchase option.

On the other hand, depreciation and amortisation of €65.8m led to a decrease in property, plant and equipment. Furthermore, plant and equipment decreased by €45.6m due to foreign exchange translation. Disposals of €33.5m led to a further reduction of property, plant and equipment and are mainly caused by the disposal of advance payments for future delivery of aircraft (€25.8m). Due to sale and leaseback transactions, the disposal of these advance payments led to the addition of right-of-use assets.

(11) Right-of-use assets

Compared to 30 September 2023 right-of-use assets decreased by €111.0m to €2,652.4m. Depreciation charged of €112.9m led to a decrease in right-of-use assets. Furthermore, the foreign exchange translation led to a decrease in right-of-use assets of €60.1m. Reclassifications into property, plant and equipment led to a further reduction of right-of-use assets by €44.7m. In this context, we refer to the section ‘Property, plant and equipment’.

On the other hand, additions increased the right-of-use assets by €72.6m, of which €53.1m were attributable to the delivery of two aircraft and one aircraft engine due to sale and leaseback transactions. Furthermore, modifications and reassessments of existing lease contracts increased the right-of-use assets by €32.5m. The increase is mainly due to contract extensions related to leased aircraft (€14.3m) and hotel leases (€11.7).

The corresponding liabilities are explained in the section ‘Lease Liabilities’.

(12) Trade and other receivables

The decrease in current trade and other receivables mainly results from reduced security deposits issued to secure advance payment from customers.

(13) Assets held for sale

As at 31 December 2023, assets in the amount of €0.3m were classified as held for sale. In the course of the period under review, there were no reclassifications to assets held for sale.

Assets held for sale

€ million	**31 Dec 2023**	30 Sep 2023
Disposal group Robinson Club Cabo Verde	-	44.4
Investments accounted for using the equity method	-	15.1
Other assets	0.3	9.1
Total	**0.3**	**68.6**

In addition, in the previous year there were liabilities (€1.6m) in relation to assets held for sale of the disposal group Robinson Club Cabo Verde in the Hotels & Resorts segment. The sale of this disposal group and the sales of the investments accounted for using the equity method took place in October 2023. In this context, please refer to the section 'Divestments'.

(14) Pension provisions and similar obligations

The pension provisions for unfunded plans and underfunded plans increased by €57.9m from €670.4m to €728.3m compared to the end of the previous financial year.

The overfunding of funded pension plans reported in other non-financial assets decreased by €15.2m from €98.5m as at 30 September 2023 to €83.3m as at 31 December 2023.

This development is attributable in particular to remeasurement effects due to a significantly lower discount rate in the UK and Germany, compared to 30 September 2023. In both regions, the defined benefit obligations increased accordingly. In the case of the funded pension plans in the UK, however, this increase was largely offset by increased asset values due to the chosen investment strategy.

(15) Financial liabilities

Non-current financial liabilities increased from €1,533.8m at 30 September 2023 to €2,732.3m. This increase was primarily attributable to an increase in liabilities to banks resulting from the utilisation of long-term credit lines.

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, including a guarantee credit line of €190m, totals €2.69bn at 31 December 2023. The amounts drawn under the revolving credit facilities totalled €1,442.3m (30 September 2023 €0.0m).

Furthermore, bilateral credit lines of €50m each were agreed with four banks in December 2023; these credit lines have been drawn to €100m at 31 December 2023 and are reported under current liabilities.

Current financial liabilities increased by €158.0m to €256.5m at 31 December 2023 compared to €98.5m at 30 September 2023.

For more details on the terms, conditions and the amendments to the credit lines please refer to the section 'Going Concern Reporting under the UK Corporate Governance Code'.

(16) Lease liabilities

Compared to 30 September 2023, the lease liabilities decreased by €129.0m to €2,789.1m. Payments of €210.3m led to a decline in lease liabilities. Furthermore, lease liabilities decreased by €73.8m due to foreign exchange translation. On the other hand, additions from newly leased contracts led to an increase in lease liabilities of €78.3m, of which €49.2m relate to the addition of two new aircraft and €9.6m to the addition of an aircraft engine. In addition, the lease liabilities increased by €43.9m due to interest charges. Furthermore, changes and remeasurements of existing leases resulted in an increase in lease liabilities of €32.8m, of which €14.4m mainly relate to lease extensions on aircraft and €11.7m to hotel leases.

(17) Changes in equity

Overall, equity decreased by €553.3m when compared to 30 September 2023, from €1,947.2m to €1,393.9m.

The Group loss in the first three months of the financial year 2024 is mainly caused by the seasonality of the tourism business.

The proportion of gains and losses from hedging instruments for effective hedging of future cash flows includes an amount of €-343.9m (pre-tax) carried under other comprehensive income in equity outside profit and loss (previous year €-136.3m).

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

(18) Financial instruments

Carrying amounts and fair values according to classes and measurement categories according to IFRS 9 as at 31 Dec 2023

€ million	**Carrying amount**	Category according to IFRS 9 At amortised cost	Fair value with no effect on profit and loss without recycling	Fair value with no effect on profit and loss with re-cycling	Fair value through profit and loss	Fair value of financial in-struments
Assets						
Trade receivables and other receivables						
thereof instruments within the scope of IFRS 9	1,080.6	1,080.6	-	-	-	1,075.0
thereof instruments within the scope of IFRS 16	3.1	-	-	-	-	3.5
Derivative financial instruments						
Hedging transactions	32.5	-	-	32.5	-	32.5
Other derivative financial instruments	5.2	-	-	-	5.2	5.2
Other financial assets	90.5	79.8	9.8	-	0.9	88.9
Cash and cash equivalents	1,714.8	1,474.8	-	-	240.0	1,714.8
Liabilities						
Financial liabilities	2,988.8	2,988.8	-	-	-	2,902.5
Trade payables	2,017.0	2,017.0	-	-	-	2,017.0
Derivative financial instruments						
Hedging transactions	168.4	-	-	168.4	-	168.4
Other derivative financial instruments	17.8	-	-	-	17.8	17.8
Other financial liabilities	193.9	193.9	-	-	-	193.9

Carrying amounts and fair values according to classes and measurement categories according to IFRS 9 as at 30 Sep 2023

€ million	**Carrying amount**	Category according to IFRS 9 At amortised cost	Fair value with no effect on profit and loss without recycling	Fair value with no effect on profit and loss with re-cycling	Fair value through profit and loss	Fair value of financial in-struments
Assets						
Trade receivables and other receivables						
thereof instruments within the scope of IFRS 9	1,161.0	122.6	-	-	38.9	1,153.0
thereof instruments within the scope of IFRS 16	4.1	-	-	-	-	4.4
Derivative financial instruments						
Hedging transactions	236.4	-	-	236.4	-	236.4
Other derivative financial instruments	32.1	-	-	-	32.1	32.1
Other financial assets	59.4	48.6	9.9	-	0.9	57.3
Cash and cash equivalents	2,060.3	1,588.3	-	-	472.2	2,060.5
Liabilities						
Financial liabilities	1,297.0	1,297.0	-	-	-	1,120.1
Trade payables	3,373.7	3,374.7	-	-	-	3,374.7
Derivative financial instruments						
Hedging transactions	25.9	-	-	25.9	-	25.9
Other derivative financial instruments	11.1	-	-	-	11.1	11.1
Other financial liabilities	124.4	124.4	-	-	-	124.4

The amounts shown in the column ‘carrying amount’ (as shown in the balance sheet) in the tables above can differ from those in the other columns of a particular row since the latter include all financial instruments. That is the latter columns include financial instruments which are part of disposal groups according to IFRS 5. In the balance sheet, financial instruments, which are part of a disposal group, are shown as separate items. If such financial instruments are included, further details on these financial instruments are explained in the section ‘Assets held for sale’.

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 current other receivables, current other financial assets 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).

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

Aggregation according to measurement categories under IFRS 9 as at 31 Dec 2023

€ million	Carrying amount of financial instruments Total	Fair Value
Financial assets		
at amortised cost	2,635.2	2,628.0
at fair value – recognised directly in equity without recycling	9.8	9.8
at fair value – through profit and loss	246.1	246.1
Financial liabilities		
at amortised cost	5,199.7	5,113.4
at fair value – through profit and loss	17.8	17.8

Aggregation according to measurement categories under IFRS 9 as at 30 Sep 2023

€ million	Carrying amount of financial instruments Total	Fair Value
Financial assets		
at amortised cost	2,759.5	2,748.9
at fair value – recognised directly in equity without recycling	9.9	9.9
at fair value – through profit and loss	544.1	544.1
Financial liabilities		
at amortised cost	4,796.1	4,619.2
at fair value – through profit and loss	11.1	11.1

Fair value measurement

The table below presents the fair values of recurring, non-recurring and other financial instruments measured at fair value in line with the underlying measurement level. The individual measurement levels have been defined as follows in line with the inputs:

- Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs for the measurement other than quoted market prices included within Level 1 that are observable in the market for the asset or liability, either directly (as quoted prices) or indirectly (derivable from quoted prices).
- Level 3: inputs for the measurement of the asset or liability not based on observable market data.

Hierarchy of financial instruments measured at fair value as at 31 Dec 2023

€ million	Total	Fair value hierarchy Level 1	Level 2	Level 3
Assets				
Other financial assets	**10.7**	-	-	10.7
Derivative financial instruments				
Hedging transactions	**32.5**	-	32.5	-
Other derivative financial instruments	**5.2**	-	5.2	-
Cash and cash equivalents	**240.0**	240.0	-	-
Liabilities				
Derivative financial instruments				
Hedging transactions	**168.4**	-	168.4	-
Other derivative financial instruments	**17.8**	-	17.8	-

Hierarchy of financial instruments measured at fair value as at 30 Sep 2023

€ million	Total	Fair value hierarchy Level 1	Level 2	Level 3
Assets				
Other receivables	**38.9**	-	-	38.9
Other financial assets	**10.8**	-	-	10.8
Derivative financial instruments				
Hedging transactions	**236.4**	-	236.4	-
Other derivative financial instruments	**32.1**	-	32.1	-
Cash and cash equivalents	**472.2**	472.2	-	-
Liabilities				
Derivative financial instruments				
Hedging transactions	**25.9**	-	25.9	-
Other derivative financial instruments	**11.1**	-	11.1	-

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

Reclassifications from Level 3 to Level 2 or Level 1 are made if observable market price quotations become available for the asset or liability concerned. In the reporting period there were no 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 2022	**106.5**	**10.5**
Additions	-	0.1
acquisition	-	0.1
Disposals	- 70.6	- 24.0
sale	-	- 24.0
payment	- 70.6	-
Total gains or losses for the period	3.0	23.8
recognised through profit and loss	3.0	-
recognised in other comprehensive income	-	23.8
Foreign currency effects	-	0.4
Balance as at 30 Sep 2023	**38.9**	**10.8**
Balance as at 1 Oct 2023	**38.9**	**10.8**
Disposals	- 39.1	-
payment	- 39.1	-
Total gains or losses for the period	0.2	-
recognised through profit and loss	0.2	-
Balance as at 31 Dec 2023	**0.0**	**10.8**

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. The input parameters were not adjusted in the first quarter of the financial year 2024.

In principle, the unobservable input parameters relate to the following parameters: the (estimated) EBITDA margin is in a range between -5.9 % and 34,2 %. The constant growth rate is 1 %. The weighted average cost of capital (WACC) is 11.0 %. Due to materiality, no detailed figures have been provided. With the exception of the WACC, there is a positive correlation between the input factors and the fair value.

Financial instruments classified as Other financial assets include shares in corporations. The total fair value of these financial investments at 30 September 2023 is €9.9m (previous year €9.9m). None of these strategic financial investments were sold in the completed financial year. There were no significant dividend payments resulted from these financial investments (previous year €0.1m).

In previous year the Other receivables according to IFRS 9 in Level 3 at a carrying amount of €38.9m relate to a discounted variable purchase price receivable from the sale of Riu Hotels S.A., carried as a financial instrument in the measurement category at fair value through profit and loss. The nominal value of the receivable is €39.7m. After granting a discount of €0.6m, the purchase price receivable was settled early on 15 December 2023. Income of €0.2m was recognised in the income statement in the first quarter of the financial year.

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.

(19) Contingent liabilities

As at 31 December 2023, contingent liabilities amounted to €71.5m (as at 30 September 2023 €73.7m). 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.

(20) Other financial commitments

Nominal values of other financial commitments

€ million	31 Dec 2023	30 Sep 2023
Order commitments in respect of capital expenditure	1,934.2	2,172.5
Other financial commitments	205.0	192.2
Total	**2,139.2**	**2,364.7**

As at 31 December 2023 order commitments in respect of capital expenditure decreased by €238.3m as against 30 September 2023.

The decrease in order commitments is largely attributed to a decline in aircraft obligations. Scheduled payments, delivery of aircraft and the effects of foreign exchange for order commitments denominated in non-functional currencies have reduced aircraft commitments.

(21) 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 €345.7m to €1,714.8m.

In Q1 2024, the cash outflow from operating activities totalled €1,612.5m (Q1 2023 cash outflow of €1,670.9m). This amount includes cash inflows of €17.7m (Q1 2023 €6.4m) from interest payments and €15.3m (Q1 2023 2.2m) from dividend payments received from companies measured at equity. Income tax payments resulted in a cash outflow of €53.7m (Q1 2023 €28.9m).

The total cash outflow from investing activities totalled €76.2m (Q1 2023 cash outflow of €147.6m). This amount includes a cash outflow for capital expenditure on property, plant and equipment and intangibles of €192.9m. The Group recorded a cash inflow of €47.2m from the divestment of property, plant and equipment and intangible assets. TUI recorded cash inflows of €39.1m from the earn-out payment in connection with the sale of the stakes in Riu Hotels S.A., effected in financial year 2021, €12.0m from the sale of the stake in WOT Hotels Adriatic Assets Company, and €2.9m from the sale of the stake in Raiffeisen-Tours RT Reisen GmbH. €31.6m were used for short-term investments. For the sale of Club Hotel CV to the TUI Global Hospitality Fund, the TUI Group received €44.1m less cash outflows.

The cash inflow from financing activities totalled €1,349.8m (Q1 2023 cash inflow of €1,634.7m).

In the period under review, TUI AG increased its syndicated credit facility by €1,440.2m and took out bilateral bank facilities of €100.0m. Other TUI Group companies took out loans worth €180.4m. A cash outflow of €192.2m resulted from the redemption of financial liabilities, including an amount of €169.0m for lease liabilities. Interest payments resulted in a cash outflow of €102.2m, while a cash outflow of €76.0m was attributable to the payment of dividends to minority shareholders.

In addition, cash and cash equivalents decreased by €6.8m (Q1 2023 decrease by €10.6m) due to changes in exchange rates.

As at 31 December 2023 cash and cash equivalents worth €738.9m were subject to restrictions (as at 30 September 2023 €772.2m).

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 €66.9m was deposited as security within a bank account (as at 30 September 2023 €66.9m). TUI Group can only use this amount of cash and cash equivalents if it provides alternative collateral.

Furthermore, an amount of €116.3m (as at 30 September 2023 €116.3m) related to cash collateral received, which 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 period from 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 €555.8m (as at 30 September 2023 €589.0m) relate to cash and cash equivalents to be deposited due to statutory or regulatory requirements, mainly in order to secure customer deposits and credit card payables.

(22) Reporting segments

Revenue by segment for the period from 1 Oct 2023 to 31 Dec 2023*

€ million	External	Group	Q1 2024 Total
Hotels & Resorts	251.7	196.7	448.4
Cruises	166.8	-	166.8
TUI Musement	194.9	73.7	268.6
Consolidation	-	- 0.3	- 0.3
Holiday Experiences	613.4	270.1	883.5
Northern Region	1,441.5	78.6	1,520.1
Central Region	1,633.5	19.8	1,653.3
Western Region	612.6	30.7	643.3
Consolidation	-	- 122.9	- 122.9
Markets & Airlines	3,687.6	6.2	3,693.8
All other segments	1.6	1.3	2.9
Consolidation	-	- 277.7	- 277.7
Total	**4,302.5**	**-**	**4,302.5**

Revenue by segment for the period from 1 Oct 2022 to 31 Dec 2022*

€ million	External	Group	Q1 2023 Total
Hotels & Resorts	210.9	173.8	384.7
Cruises	115.2	-	115.2
TUI Musement	159.7	64.5	224.2
Consolidation	-	- 0.1	- 0.1
Holiday Experiences	485.9	238.1	724.0
Northern Region	1,343.1	86.6	1,429.7
Central Region	1,385.0	21.3	1,406.3
Western Region	534.9	37.6	572.5
Consolidation	-	- 138.8	- 138.8
Markets & Airlines	3,263.1	6.6	3,269.7
All other segments	1.5	1.4	2.9
Consolidation	-	- 246.1	- 246.1
Total	**3,750.5**	**-**	**3,750.5**

*Due to the re-segmentation of Future Markets from All other segments to Hotels & Resorts, TUI Musement and Central Region as at 31 March 2023, previous periods have been adjusted.

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 result from the measurement of the Group's interest rate hedging instruments. Impairment losses on goodwill are by definition included in EBIT.

In calculating Underlying EBIT from EBIT, we adjust for separately disclosed items (including any goodwill impairment) and expenses from purchase price allocations. Separately disclosed items include adjustments for income and expense items that reflect amounts and frequencies of occurrence rendering an evaluation of the operating profitability of the segments and 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 and any goodwill impairments. Effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments are adjusted. Expenses from purchase price allocations relate to the amortisation of intangible assets from acquisitions made in previous years.

In Q1 2024, underlying EBIT includes results of investments accounted for using the equity method of €43.1m (Q1 2023 €-4.4m). 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	Q1 2024	Q1 2023
Hotels & Resorts	90.7	71.6
Cruises	34.5	0.2
TUI Musement	- 10.7	- 13.5
Holiday Experiences	114.5	58.3
Northern Region	- 50.4	- 122.0
Central Region	1.3	- 29.0
Western Region	- 46.6	- 43.7
Markets & Airlines	- 95.7	- 194.6
All other segments	- 12.8	- 16.7
Total	**6.0**	**- 153.0**

Due to the re-segmentation of Future Markets from All other segments to Hotels & Resorts, TUI Musement and Central Region as at 31 March 2023, previous periods have been adjusted.

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

€ million	Q1 2024	Q1 2023
Hotels & Resorts	-	3.3
Holiday Experiences	-	3.3
Northern Region	0.2	0.9
Markets & Airlines	0.2	0.9
Total	**0.2**	**4.2**

Reconciliation to underlying EBIT of TUI Group

€ million	Q1 2024	Q1 2023
Earnings before income taxes	**- 103.1**	**- 272.6**
plus: Net interest expenses (excluding expense / income from measurement of interest hedges)	102.8	110.5
plus: (Income) expense from measurement of interest hedges	0.5	3.4
EBIT	**0.2**	**- 158.7**
Adjustments:		
plus / less: Separately disclosed items	0.6	- 0.7
plus: Expense from purchase price allocation	5.2	6.4
Underlying EBIT	**6.0**	**- 153.0**

Net expenses for separately disclosed items of €0.6m included restructuring expenses of €5m in All Other Segments and €0.2m in Central Region, partially offset by €1m disposal gains in Holiday Experiences, €3m release of restructuring provisions no longer needed in Western Region as well as income of €2m Sunwing earn-out from the sale of the touroperator business by the equity method accounted company Sunwing Travel Group Inc., Ontario, in Northern Region in the previous fiscal year and €1m disposal losses in Markets & Airlines.

Net income for separately disclosed items of €0.7m in Q1 2023 included €2m income from the release of restructuring provisions no longer needed in Western Region and €1m release of restructuring provisions no longer needed in TUI Musement for the termination of the Tantur / TUI Russia business in the previous financial year, partly offset by €2m restructuring expenses in All Other Segments.

Expenses for purchase price allocations of €5.2m (previous year €6.4m) relate in particular to the scheduled amortisation of intangible assets from acquisitions made in previous years.

(23) 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.

Detailed information on related parties is provided under section 51 in the Notes to the consolidated financial statements 2023.

In order to strengthen the equity, the shareholders of Pep Toni Hotels S.A. have decided to make additional funds available to the company. The payment into the capital reserve of €73.5 million was made by TUI in January 2024.

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.

Hanover, 12 February 2024

The Executive Board

Sebastian Ebel

Mathias Kiep

Peter Krueger

Sybille Reiss

David Schelp

Review Report

To TUI AG, Berlin/Germany and Hanover/Germany

We have reviewed the condensed interim consolidated financial statements – comprising the condensed in-come 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 2023 until 31 December 2023 of TUI AG, Berlin and Hanover, which are part of the quarterly financial report under § 115 section 7 WpHG (Wertpapierhandelsgesetz: German Securi-ties Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim Group management reports is the responsibility of the entity's executive board. Our re-sponsibility 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 pro-cedures 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 an 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, 12 February 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Annika Deutsch German Public Auditor	Elmar Meier German Public Auditor

Cautionary statement regarding forward-looking statements

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

Financial calendar

	Date
Annual General Meeting of TUI AG	13 February 2024
Interim Report Q1 2024	13 February 2024
Half-Year Financial Report H1 2024	15 May 2024
Quarterly Statement Q3 2024	14 August 2024
Annual Report 2024	11 December 2024

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