# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended May 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

| Commission file number: 001-9610 | Commission file number: 001-15136 |
|---|---|
| Carnival Corporation | Carnival plc |
| (Exact name of registrant as specified in its charter) | (Exact name of registrant as specified in its charter) |
| Republic of Panama | England and Wales |
| (State or other jurisdiction of incorporation or organization) | (State or other jurisdiction of incorporation or organization) |
| 59-1562976 | 98-0357772 |
| (I.R.S. Employer Identification No.) | (I.R.S. Employer Identification No.) |
| 3655 N.W. 87th Avenue<br>Miami, Florida 33178-2428 | Carnival House, 100 Harbour Parade<br>Southampton SO15 1ST United Kingdom |
| (Address of principal executive offices) (Zip Code) | (Address of principal executive offices) (Zip Code) |
| (305) 599-2600 | 011 44 23 8065 5000 |
| (Registrant's telephone number, including area code) | (Registrant's telephone number, including area code) |
| None | None |
| (Former name, former address and former fiscal year, if changed since last report) | (Former name, former address and former fiscal year, if changed since last report) |

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock ($0.01 par value) | CCL | New York Stock Exchange, Inc. |
| Ordinary Shares each represented by American Depository Shares ($1.66 par value), Special Voting Share, GBP 1.00 par value and Trust Shares of beneficial interest in the P&O Princess Special Voting Trust | CUK | New York Stock Exchange, Inc. |
| 1.875% Senior Notes due 2022 | CUK22 | New York Stock Exchange LLC |
| 1.000% Senior Notes due 2029 | CUK29 | New York Stock Exchange LLC |

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filers ☑ Accelerated filers ☐ Non-accelerated filers ☐ Smaller reporting companies ☐ Emerging growth companies ☐

If emerging growth companies, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

| | |
|---|---|
| At June 18, 2021, Carnival Corporation had outstanding 973,824,517 shares of Common Stock, $0.01 par value. | At June 18, 2021, Carnival plc had outstanding 184,132,549 Ordinary Shares $1.66 par value, one Special Voting Share, GBP 1.00 par value and 973,824,517 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust. |

**CARNIVAL CORPORATION & PLC**

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## PART I - FINANCIAL INFORMATION

**Item 1. Financial Statements.**

### CARNIVAL CORPORATION & PLC
### CONSOLIDATED STATEMENTS OF INCOME (LOSS)
### (UNAUDITED)

(in millions, except per share data)

| | Three Months Ended May 31, | | Six Months Ended May 31, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Revenues** | | | | |
| Passenger ticket | $ 20 | $ 446 | $ 23 | $ 3,680 |
| Onboard and other | 29 | 294 | 52 | 1,849 |
| | 50 | 740 | 75 | 5,529 |
| **Operating Costs and Expenses** | | | | |
| Commissions, transportation and other | 22 | 297 | 37 | 1,064 |
| Onboard and other | 15 | 114 | 22 | 585 |
| Payroll and related | 241 | 705 | 460 | 1,315 |
| Fuel | 113 | 201 | 216 | 598 |
| Food | 17 | 108 | 28 | 385 |
| Ship and other impairments | 49 | 589 | 49 | 919 |
| Other operating | 224 | 471 | 404 | 1,142 |
| | 681 | 2,484 | 1,216 | 6,007 |
| Selling and administrative | 417 | 492 | 879 | 1,170 |
| Depreciation and amortization | 567 | 577 | 1,119 | 1,147 |
| Goodwill impairments | — | 1,364 | — | 2,096 |
| | 1,665 | 4,918 | 3,214 | 10,420 |
| **Operating Income (Loss)** | (1,616) | (4,177) | (3,139) | (4,891) |
| **Nonoperating Income (Expense)** | | | | |
| Interest income | 4 | 6 | 7 | 11 |
| Interest expense, net of capitalized interest | (437) | (182) | (835) | (237) |
| Other income (expense), net | (11) | (32) | (71) | (39) |
| | (444) | (208) | (900) | (265) |
| **Income (Loss) Before Income Taxes** | (2,060) | (4,385) | (4,039) | (5,155) |
| **Income Tax Benefit (Expense), Net** | (12) | 11 | (6) | — |
| **Net Income (Loss)** | $ (2,072) | $ (4,374) | $ (4,045) | $ (5,155) |
| **Earnings Per Share** | | | | |
| Basic | $ (1.83) | $ (6.07) | $ (3.63) | $ (7.34) |
| Diluted | $ (1.83) | $ (6.07) | $ (3.63) | $ (7.34) |

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**(UNAUDITED)**
(in millions)

| | Three Months Ended May 31, | | Six Months Ended May 31, | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **Net Income (Loss)** | $ (2,072) | $ (4,374) | $ (4,045) | $ (5,155) |
| **Items Included in Other Comprehensive Income (Loss)** | | | | |
| Change in foreign currency translation adjustment | 104 | 23 | 303 | 48 |
| Other | 3 | 43 | 7 | 56 |
| **Other Comprehensive Income (Loss)** | 107 | 65 | 310 | 103 |
| **Total Comprehensive Income (Loss)** | $ (1,965) | $ (4,309) | $ (3,735) | $ (5,052) |

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**
**CONSOLIDATED BALANCE SHEETS**
**(UNAUDITED)**
(in millions, except par values)

| | May 31, 2021 | November 30, 2020 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 7,067 | $ 9,513 |
| Short-term investments | 2,204 | — |
| Trade and other receivables, net | 218 | 273 |
| Inventories | 308 | 335 |
| Prepaid expenses and other | 400 | 443 |
| Total current assets | 10,198 | 10,563 |
| **Property and Equipment, Net** | 39,499 | 38,073 |
| **Operating Lease Right-of-Use Assets** | 1,415 | 1,370 |
| **Goodwill** | 818 | 807 |
| **Other Intangibles** | 1,198 | 1,186 |
| **Other Assets** | 1,936 | 1,594 |
| | $ 55,064 | $ 53,593 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current Liabilities** | | |
| Short-term borrowings | $ 3,099 | $ 3,084 |
| Current portion of long-term debt | 1,708 | 1,742 |
| Current portion of operating lease liabilities | 142 | 151 |
| Accounts payable | 499 | 624 |
| Accrued liabilities and other | 1,314 | 1,144 |
| Customer deposits | 1,992 | 1,940 |
| Total current liabilities | 8,754 | 8,686 |
| **Long-Term Debt** | 25,968 | 22,130 |
| **Long-Term Operating Lease Liabilities** | 1,317 | 1,273 |
| **Other Long-Term Liabilities** | 1,149 | 949 |
| **Contingencies and Commitments** | | |
| **Shareholders' Equity** | | |
| Common stock of Carnival Corporation, $0.01 par value; 1,960 shares authorized; 1,104 shares at 2021 and 1,060 shares at 2020 issued | 11 | 11 |
| Ordinary shares of Carnival plc, $1.66 par value; 217 shares at 2021 and 2020 issued | 361 | 361 |
| Additional paid-in capital | 15,005 | 13,948 |
| Retained earnings | 12,030 | 16,075 |
| Accumulated other comprehensive income (loss) ("AOCI") | (1,126) | (1,436) |
| Treasury stock, 130 shares at 2021 and 2020 of Carnival Corporation and 59 shares at 2021 and 60 shares at 2020 of Carnival plc, at cost | (8,404) | (8,404) |
| Total shareholders' equity | 17,876 | 20,555 |
| | $ 55,064 | $ 53,593 |

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(UNAUDITED)**
(in millions)

| | Six Months Ended May 31, | |
|---|---|---|
| | **2021** | **2020** |
| **OPERATING ACTIVITIES** | | |
| Net income (loss) | $ (4,045) | $ (5,155) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities | | |
| Depreciation and amortization | 1,119 | 1,147 |
| Impairments | 66 | 3,015 |
| Share-based compensation | 66 | 38 |
| Amortization of discounts and debt issue costs | 83 | 33 |
| Noncash lease expense | 71 | 99 |
| (Gain) loss on ship sales and other, net | 80 | (76) |
| | (2,559) | (900) |
| Changes in operating assets and liabilities | | |
| Receivables | 31 | (202) |
| Inventories | — | 58 |
| Prepaid expenses and other | (696) | 171 |
| Accounts payable | (119) | 1,052 |
| Accrued liabilities and other | 236 | 3 |
| Customer deposits | 245 | (1,987) |
| Net cash provided by (used in) operating activities | (2,862) | (1,804) |
| **INVESTING ACTIVITIES** | | |
| Purchases of property and equipment | (2,157) | (1,668) |
| Proceeds from sales of ships and other | 324 | 236 |
| Purchase of minority interest | (90) | (81) |
| Purchase of short-term investments | (2,671) | — |
| Proceeds from maturity of short-term investments | 467 | — |
| Derivative settlements and other, net | (27) | 257 |
| Net cash provided by (used in) investing activities | (4,155) | (1,256) |
| **FINANCING ACTIVITIES** | | |
| Proceeds from (repayments of) short-term borrowings, net | 17 | 3,333 |
| Principal repayments of long-term debt | (1,365) | (383) |
| Proceeds from issuance of long-term debt | 4,980 | 6,674 |
| Dividends paid | — | (689) |
| Purchases of treasury stock | — | (12) |
| Issuance of common stock, net | 996 | 558 |
| Debt issue costs and other, net | (104) | (56) |
| Net cash provided by (used in) financing activities | 4,523 | 9,425 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 19 | 1 |
| Net increase (decrease) in cash, cash equivalents and restricted cash | (2,474) | 6,366 |
| Cash, cash equivalents and restricted cash at beginning of period | 9,692 | 530 |
| Cash, cash equivalents and restricted cash at end of period | $ 7,218 | $ 6,896 |

The accompanying notes are an integral part of these consolidated financial statements.

## CARNIVAL CORPORATION & PLC
## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
## (UNAUDITED)
(in millions)

| | Three Months Ended | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common stock | Ordinary shares | Additional paid-in capital | Retained earnings | AOCI | Treasury stock | Total shareholders' equity |
| **At February 29, 2020** | $ 7 | $ 358 | $ 8,829 | $ 25,527 | $ (2,028) | $ (8,404) | $ 24,290 |
| Net income (loss) | — | — | — | (4,374) | — | — | (4,374) |
| Other comprehensive income (loss) | — | — | — | — | 65 | — | 65 |
| Issuance of common stock through underwritten public offering (net of offering expenses and underwriters' discount) | 1 | — | 555 | — | — | — | 556 |
| Equity component of Convertible Senior Notes | — | — | 286 | — | — | — | 286 |
| Purchases of treasury stock under the Repurchase Program and other | — | 2 | 12 | 2 | — | — | 16 |
| **At May 31, 2020** | $ 7 | $ 360 | $ 9,683 | $ 21,155 | $ (1,962) | $ (8,404) | $ 20,840 |
| | | | | | | | |
| **At February 28, 2021** | $ 11 | $ 361 | $ 14,977 | $ 14,102 | $ (1,233) | $ (8,404) | $ 19,813 |
| Net income (loss) | — | — | — | (2,072) | — | — | (2,072) |
| Other comprehensive income (loss) | — | — | — | — | 107 | — | 107 |
| Other | — | — | 28 | — | — | — | 28 |
| **At May 31, 2021** | $ 11 | $ 361 | $ 15,005 | $ 12,030 | $ (1,126) | $ (8,404) | $ 17,876 |

| | Six Months Ended | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common stock | Ordinary shares | Additional paid-in capital | Retained earnings | AOCI | Treasury stock | Total shareholders' equity |
| **At November 30, 2019** | $ 7 | $ 358 | $ 8,807 | $ 26,653 | $ (2,066) | $ (8,394) | $ 25,365 |
| Net income (loss) | — | — | — | (5,155) | — | — | (5,155) |
| Other comprehensive income (loss) | — | — | — | — | 103 | — | 103 |
| Cash dividends declared ($0.50 per share) | — | — | — | (342) | — | — | (342) |
| Issuance of common stock through underwritten public offering (net of offering expenses and underwriters' discount) | 1 | — | 555 | — | — | — | 556 |
| Equity component of Convertible Senior Notes | — | — | 286 | — | — | — | 286 |
| Purchases of treasury stock under the Repurchase Program and other | — | 2 | 35 | — | — | (10) | 27 |
| **At May 31, 2020** | $ 7 | $ 360 | $ 9,683 | $ 21,155 | $ (1,962) | $ (8,404) | $ 20,840 |
| | | | | | | | |
| **At November 30, 2020** | $ 11 | $ 361 | $ 13,948 | $ 16,075 | $ (1,436) | $ (8,404) | $ 20,555 |
| Net income (loss) | — | — | — | (4,045) | — | — | (4,045) |
| Other comprehensive income (loss) | — | — | — | — | 310 | — | 310 |
| Issuance of common stock, net | — | — | 996 | — | — | — | 997 |
| Other | — | — | 60 | — | — | — | 60 |
| **At May 31, 2021** | $ 11 | $ 361 | $ 15,005 | $ 12,030 | $ (1,126) | $ (8,404) | $ 17,876 |

The accompanying notes are an integral part of these consolidated financial statements.

**CARNIVAL CORPORATION & PLC**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED)**

**NOTE 1 – General**

The consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries. Together with their consolidated subsidiaries, they are referred to collectively in these consolidated financial statements and elsewhere in this joint Quarterly Report on Form 10-Q as "Carnival Corporation & plc," "our," "us" and "we."

***Liquidity and Management's Plans***

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of May 31, 2021, five of our ships were operating with guests onboard. Eight of our nine brands either have resumed or are announced to resume guest operations by November 30, 2021, as part of our phased return to service. Significant events affecting travel, including COVID-19 and our phased resumption of guest cruise operations, have had and continue to have an impact on booking patterns. The full extent of the impact will be determined by our phased return to service and the length of time COVID-19 influences travel decisions. We believe that the ongoing effects of COVID-19 on our operations and global bookings have had, and will continue to have, a material negative impact on our financial results and liquidity.

The estimation of our future liquidity requirements includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used to estimate our future liquidity requirements consist of:

- Expected continued phased resumption of guest cruise operations
- Expected lower than comparable historical occupancy levels during the resumption of guest cruise operations
- Expected incremental spend for the resumption of guest cruise operations, for bringing our ships out of pause status, returning crew members to our ships and implementing enhanced health and safety protocols

In addition, we make certain assumptions about new ship deliveries, improvements and disposals, and consider the future export credit financings that are associated with the ship deliveries.

We cannot make assurances that our assumptions used to estimate our liquidity requirements may not change because we have never previously experienced a complete cessation of our guest cruise operations, and as a consequence, our ability to be predictive is uncertain. In addition, the magnitude and duration of the global pandemic are uncertain. We have made reasonable estimates and judgments of the impact of COVID-19 within our consolidated financial statements and there may be changes to those estimates in future periods. We continue to expect a net loss on both a U.S. GAAP and adjusted basis for the third quarter of 2021 and the full year ending November 30, 2021. We have taken actions to improve our liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions, accelerating the removal of certain ships from our fleet and expect to continue to pursue refinancing opportunities to reduce interest expense and extend maturities.

Based on these actions and our assumptions regarding the impact of COVID-19, and considering our $9.3 billion of cash and short-term investments at May 31, 2021, we have concluded that we have sufficient liquidity to satisfy our obligations for at least the next twelve months.

***Basis of Presentation***

The Consolidated Statements of Income (Loss), the Consolidated Statements of Comprehensive Income (Loss) and the Consolidated Statements of Shareholders' Equity for the three and six months ended May 31, 2021 and 2020, Consolidated Statements of Cash Flows for the six months ended May 31, 2021 and 2020, and the Consolidated Balance Sheet at May 31, 2021 are unaudited and, in the opinion of our management, contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement. Our interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Carnival Corporation & plc 2020 joint Annual Report on Form 10-K ("Form 10-K") filed with the U.S. Securities and Exchange Commission on January 26, 2021.

***COVID-19 and the Use of Estimates and Risks and Uncertainty***

The preparation of our interim consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported and disclosed. The full extent to which the effects of COVID-19 will directly or indirectly impact our business, operations, results of operations and financial condition, including our valuation of goodwill and trademarks, impairment of ships, collectability of trade and notes receivables as well as provisions for pending litigation, will depend on future developments that are highly uncertain. We have made reasonable estimates and judgments of the impact of COVID-19 within our financial statements and there may be changes to those estimates in future periods.

***Accounting Pronouncements***

The Financial Accounting Standards Board issued guidance, *Debt - Debt with Conversion and Other Option*s and *Derivative and Hedging - Contracts in Entity's Own Equity*, which simplifies the accounting for convertible instruments. This guidance eliminates certain models that require separate accounting for embedded conversion features, in certain cases. Additionally, among other changes, the guidance eliminates certain of the conditions for equity classification for contracts in an entity's own equity. The guidance also requires entities to use the if-converted method for all convertible instruments in the diluted earnings per share calculation and include the effect of share settlement for instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards. This guidance is required to be adopted by us in the first quarter of 2023 and must be applied using either a modified or full retrospective approach. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

**NOTE 2 – Revenue and Expense Recognition**

Guest cruise deposits are initially included in customer deposit liabilities when received. Customer deposits are subsequently recognized as cruise revenues, together with revenues from onboard and other activities, and all associated direct costs and expenses of a voyage are recognized as cruise costs and expenses, upon completion of voyages with durations of ten nights or less and on a pro rata basis for voyages in excess of ten nights. The impact of recognizing these shorter duration cruise revenues and costs and expenses on a completed voyage basis versus on a pro rata basis is not material. Certain of our product offerings are bundled and we allocate the value of the bundled services and goods between passenger ticket revenues and onboard and other revenues based upon the estimated standalone selling prices of those goods and services. Guest cancellation fees, when applicable, are recognized in passenger ticket revenues at the time of cancellation.

Our sales to guests of air and other transportation to and from airports near the home ports of our ships are included in passenger ticket revenues, and the related costs of purchasing these services are included in transportation costs. The proceeds that we collect from the sales of third-party shore excursions are included in onboard and other revenues and the related costs are included in onboard and other costs. The amounts collected on behalf of our onboard concessionaires, net of the amounts remitted to them, are included in onboard and other revenues as concession revenues. All of these amounts are recognized on a completed voyage or pro rata basis as discussed above.

Passenger ticket revenues include fees, taxes and charges collected by us from our guests. A portion of these fees, taxes and charges vary with guest head counts and are directly imposed on a revenue-producing arrangement. This portion of the fees, taxes and charges is expensed in commissions, transportation and other costs when the corresponding revenues are recognized. For the three and six months ended May 31, fees, taxes, and charges included in commissions, transportation and other costs were not significant in 2021 and were $41 million and $215 million in 2020. The remaining portion of fees, taxes and charges are expensed in other operating expenses when the corresponding revenues are recognized.

Revenues and expenses from our hotel and transportation operations, which are included in our Tour and Other segment, are recognized at the time the services are performed. Revenues from the long-term leasing of ships, which are also included in our Tour and Other segment, are recognized ratably over the term of the agreement.

***Customer Deposits***

Our payment terms generally require an initial deposit to confirm a reservation, with the balance due prior to the voyage. Cash received from guests in advance of the cruise is recorded in customer deposits and in other long-term liabilities on our Consolidated Balance Sheets. These amounts include refundable deposits. We are providing flexibility to guests with bookings on sailings cancelled due to the pause in cruise operations by allowing guests to receive enhanced future cruise credits ("FCC") or elect to receive refunds in cash. We have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of these cancelled cruises. The amount of cash refunds to be paid may depend on the level of guest acceptance of FCCs and future cruise cancellations. We record a liability for FCCs to the extent we have received cash from guests with bookings on cancelled sailings. We had customer deposits of $2.5 billion as of May 31, 2021 and $2.2 billion as of November 30, 2020. As of May 31, 2021, the current portion of customer deposits was $2.0 billion. This amount includes deposits related to cancelled cruises prior to the election of a cash refund by guests. Refunds payable to guests who have elected cash refunds are recorded in accounts payable. Due to the uncertainty associated with the duration and extent of COVID-19, we are unable to estimate the amount of the May 31, 2021 customer deposits that will be recognized in earnings compared to amounts that will be refunded to customers or issued as a credit for future travel. During the six months ended May 31, 2021 and 2020, we recognized revenues of an immaterial amount and $3.5 billion, respectively, related to our customer deposits as of November 30, 2020 and 2019. Historically, our customer deposits balance changes due to the seasonal nature of cash collections, the recognition of revenue, refund of customer deposits and foreign currency translation.

***Contract Receivables***

Although we generally require full payment from our customers prior to or concurrently with their cruise, we grant credit terms to a relatively small portion of our revenue source. We also have receivables from credit card merchants for cruise ticket purchases and onboard revenue. These receivables are included within trade and other receivables, net.

***Contract Assets***

Contract assets are amounts paid prior to the start of a voyage, which we record as an asset within prepaid expenses and other and which are subsequently recognized as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We have contract assets of an immaterial amount as of May 31, 2021 and November 30, 2020.

**NOTE 3 – Debt**

***Export Credit Facility Borrowings***

In December 2020, we borrowed $1.5 billion under export credit facilities due in semi-annual installments through 2033.

***2027 Senior Unsecured Notes***

In February 2021, we issued an aggregate principal amount of $3.5 billion senior unsecured notes that mature on March 1, 2027 (the "2027 Senior Unsecured Notes"). The 2027 Senior Unsecured Notes bear interest at a rate of 5.8% per year. The 2027 Senior Unsecured Notes are guaranteed by Carnival plc and the same subsidiaries of Carnival Corporation & plc that guarantee the 2023 Secured Notes, 2026 Secured Notes, 2027 Senior Secured Notes and 2026 Senior Unsecured Notes, and are unsecured. The indenture governing the 2027 Senior Unsecured Notes contains covenants that are substantially similar to the covenants in the indentures governing the 2026 Senior Unsecured Notes and, except for the unsecured nature of the 2027 Senior Unsecured Notes, the indentures governing the 2023 Secured Notes, 2026 Secured Notes and 2027 Secured Notes and the credit agreement governing the 2025 Secured Term Loan. These covenants are subject to a number of important limitations and exceptions.

***Covenant Compliance***

Our export credit facilities contain one or more covenants that require us to:

- Maintain minimum interest coverage (EBITDA to consolidated net interest charges for the most recently ended four fiscal quarters) (the "Interest Coverage Covenant") of not less than 3.0 to 1.0 at the end of each fiscal quarter
- Maintain minimum shareholders' equity of $5.0 billion
- Limit our debt to capital percentage (the "Debt to Capital Covenant") to 65% at the end of each fiscal quarter
- Limit the amounts of our secured assets as well as secured and other indebtedness

We entered into supplemental agreements to waive compliance with the Interest Coverage Covenant and the Debt to Capital Covenant under our export credit facilities through August 31, 2022 or November 30, 2022, as applicable. We will be required to comply beginning with the next testing date of November 30, 2022 or February 28, 2023, as applicable.

During the first quarter of 2021 we entered into supplemental agreements with respect to our $3.1 billion ($1.7 billion, €1.0 billion and £150 million) multi-currency revolving credit facility (the “Revolving Credit Facility”) and many of our bank loans. These agreements now contain one or more covenants that require us to:

- Maintain the Interest Coverage Covenant at the end of each fiscal quarter from February 28, 2023, at a ratio of not less than 2.0 to 1.0 for the February 28, 2023 and May 31, 2023 testing dates, 2.5 to 1.0 for the August 31, 2023 and November 30, 2023 testing dates, and 3.0 to 1.0 for the February 28, 2024 testing date onwards, or through their respective maturity dates.
- Maintain minimum shareholders’ equity of $5.0 billion.
- Maintain the Debt to Capital Covenant at the end of each fiscal quarter before the November 30, 2021 testing date at a percentage not to exceed 65%. From the November 30, 2021 testing date until the May 31, 2023 testing date, the Debt to Capital Covenant is not to exceed 75%, following which it will be tested at levels which decline ratably to 65% from the May 31, 2024 testing date onwards.
- Maintain minimum liquidity of $1.0 billion through November 30, 2022.
- Adhere to certain restrictive covenants through November 30, 2024.
- Restrict the granting of guarantees and security interests for certain of our outstanding debt through November 30, 2024.

At May 31, 2021, we were in compliance with the applicable covenants under our debt agreements.

Generally, if an event of default under any debt agreement occurs, then, pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated. Any financial covenant amendment may lead to increased costs, increased interest rates, additional restrictive covenants and other available lender protections that would be applicable.

As of May 31, 2021, the scheduled maturities of our debt are as follows:

*(in millions)*

| **Year** | **Principal Payments** |
|---|---|
| 2021 3Q | $ 259 |
| 2021 4Q | 328 |
| 2022 | 2,782 |
| 2023 | 6,373 |
| 2024 (a) | 4,571 |
| 2025 | 3,994 |
| Thereafter | 13,168 |
| Total | $ 31,475 |

(a) Includes the $3.1 billion Revolving Credit Facility. The Revolving Credit Facility was fully drawn in 2020 for six month terms. The maturities for these borrowings are currently extended through September 2021. We may re-borrow such amounts through August 2024 subject to satisfaction of the conditions in the facility. The Revolving Credit Facility also includes an emissions linked margin adjustment whereby, after the initial applicable margin is set per the margin pricing grid, the margin may be adjusted based on performance in achieving certain agreed annual carbon emissions goals. We are required to pay a commitment fee on any undrawn portion.

## NOTE 4 – Contingencies and Commitments

### Litigation

We are routinely involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including those noted below. Additionally, as a result of the impact of COVID-19, litigation claims, enforcement actions, regulatory actions and investigations, including, but not limited to, those arising from personal injury and loss of life, have been and may, in the future, be asserted against us. We expect many of these claims and actions, or any settlement of these claims and actions, to be covered by insurance and historically the maximum amount of our liability, net of any insurance recoverables, has been limited to our self-insurance retention levels.

We record provisions in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated.

Legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur. Unfavorable resolutions could involve substantial monetary damages. In addition, in matters for which conduct remedies are sought, unfavorable resolutions could include an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies. An unfavorable outcome might result in a material adverse impact on our business, results of operations, financial position or liquidity.

As previously disclosed, on May 2, 2019, two lawsuits were filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida under Title III of the Cuban Liberty and Democratic Solidarity Act, also known as the Helms-Burton Act, alleging that Carnival "trafficked" in confiscated Cuban property when certain ships docked at certain ports in Cuba, and that this alleged "trafficking" entitles the plaintiffs to treble damages (the "Cuba matters"). On July 9, 2020, the court granted our motion for judgment on the pleadings in the Cuba matter filed by Javier Garcia Bengochea, and dismissed the plaintiff's action with prejudice. On August 6, 2020, Bengochea filed a notice of appeal. On January 21, 2021, the court continued the trial date in the second Cuba matter to January 31, 2022. We continue to believe we have a meritorious defense to these actions and we believe that any liability which may arise as a result of these actions will not have a material impact on our consolidated financial statements.

### Contingent Obligations – Indemnifications

Some of the debt contracts we enter into include indemnification provisions obligating us to make payments to the counterparty if certain events occur. These contingencies generally relate to changes in taxes or changes in laws which increase the lender's costs. There are no stated or notional amounts included in the indemnification clauses, and we are not able to estimate the maximum potential amount of future payments, if any, under these indemnification clauses.

### Other Contingencies

We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request under certain circumstances that we provide a reserve fund in cash. Although the agreements vary, these requirements may generally be satisfied either through a withheld percentage of customer payments or providing cash funds directly to the credit card processor. As of May 31, 2021 and November 30, 2020, we had $939 million and $423 million, respectively, in reserve funds relating to our customer deposits to satisfy these requirements which are included within other assets. We expect a portion of new customer deposits to be withheld under these agreements. Additionally, as of May 31, 2021 and November 30, 2020 we had $166 million of cash collateral in escrow, of which $136 million is included within prepaid expenses and other.

We have and may continue to be impacted by breaches in data security and lapses in data privacy, which occur from time to time. These can vary in scope and intent from inadvertent events to malicious motivated attacks.

We detected ransomware attacks in August 2020 and December 2020 which resulted in unauthorized access to our information technology systems. We engaged a major cybersecurity firm to investigate these matters and notified law enforcement and regulators of these incidents. For the August 2020 event, the investigation phase is complete, as are the communication and reporting phases. We determined that the unauthorized third-party gained access to certain personal information relating to some guests, employees and crew for some of our operations. For the December 2020 event, the investigation and remediation phases are in process and regulators have been notified.

We have been contacted by various regulatory agencies regarding these and other cyber incidents. The New York Department of Financial Services ("NY DFS") has notified us of their intent to commence proceedings seeking penalties if settlement cannot be reached in advance of litigation. To date, we have not been able to reach an agreement with NY DFS. In addition, State Attorneys General from a number of states are currently investigating a data security event announced in March 2020 and have indicated an intent to seek a negotiated settlement.

We continue to work with regulators regarding cyber incidents we have experienced. We have incurred legal and other costs in connection with cyber incidents that have impacted us. While at this time we do not believe that these incidents will have a material adverse effect on our business, operations or financial results, no assurances can be given about the future and we may be subject to future litigation, attacks or incidents that could have such a material adverse effect.

**COVID-19 Actions**

***Private Actions***

We have been named in a number of individual actions related to COVID-19. Private parties have brought approximately 72 lawsuits as of June 21, 2021 in several U.S. federal and state courts as well as in France, Italy and Brazil. These actions include tort claims based on a variety of theories, including negligence and failure to warn. The plaintiffs in these actions allege a variety of injuries: some plaintiffs confined their claim to emotional distress, while others allege injuries arising from testing positive for COVID-19. A smaller number of actions include wrongful death claims.

Additionally, as of June 21, 2021, ten purported class actions have been brought by former guests from *Ruby Princess*, *Diamond Princess*, *Grand Princess*, *Coral Princess*, *Costa Luminosa* or *Zaandam* in several U.S. federal courts and in the Federal Court of Australia. These actions include tort claims based on a variety of theories, including negligence, gross negligence and failure to warn, physical injuries and severe emotional distress associated with being exposed to and/or contracting COVID-19 onboard.

All COVID-19 actions seek monetary damages and most seek additional punitive damages in unspecified amounts.

As previously disclosed, a consolidated class action complaint with new lead plaintiffs, the New England Carpenters Pension and Guaranteed Annuity Fund and the Massachusetts Laborers' Pension and Annuity Fund, was filed in the U.S. District Court for the Southern District of Florida on December 15, 2020 on behalf of all purchasers of Carnival Corporation common stock and/or Carnival plc American Depositary Shares, and sellers of put options and purchasers of call options on those securities, between September 16, 2019 and March 31, 2020, alleging violations of Sections 10(b) and 20(a) of the U.S. Securities and Exchange Act of 1934. On May 28, 2021, the court dismissed the complaint without prejudice. Plaintiff's current deadline to file a second amended complaint is July 2, 2021.

We continue to take proper actions to defend against the above claims.

***Governmental Inquiries and Investigations***

Federal and non-U.S. governmental agencies and officials are investigating or otherwise seeking information, testimony and/or documents, regarding COVID-19 incidents and related matters. We are investigating these matters internally and are cooperating with all requests. The investigations could result in the imposition of civil and criminal penalties in the future.

**Ship Commitments**

As of May 31, 2021, we expect the timing of our new ship growth capital commitments to be as follows:

| *(in millions)* **Year** | | |
|---|---|---|
| Remainder of 2021 | $ | 1,263 |
| 2022 | | 4,709 |
| 2023 | | 2,517 |
| 2024 | | 1,725 |
| 2025 | | 1,017 |
| Thereafter | | — |
| | $ | 11,231 |

**NOTE 5 – Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risks**

**Fair Value Measurements**

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

- Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.
- Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.
- Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, certain estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

***Financial Instruments that are not Measured at Fair Value on a Recurring Basis***

| | May 31, 2021 | | | | November 30, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | | Fair Value | | | | Fair Value | | |
| *(in millions)* | Carrying Value | Level 1 | Level 2 | Level 3 | Carrying Value | Level 1 | Level 2 | Level 3 |
| Assets | | | | | | | | |
| Long-term other assets (a) | $ 43 | $ — | $ 26 | $ 19 | $ 45 | $ — | $ 17 | $ 18 |
| Total | $ 43 | $ — | $ 26 | $ 19 | $ 45 | $ — | $ 17 | $ 18 |
| Liabilities | | | | | | | | |
| Fixed rate debt (b) | $ 19,087 | $ — | $ 20,880 | $ — | $ 15,547 | $ — | $ 16,258 | $ — |
| Floating rate debt (b) | 12,389 | — | 11,872 | — | 12,034 | — | 11,412 | — |
| Total | $ 31,475 | $ — | $ 32,751 | $ — | $ 27,581 | $ — | $ 27,670 | $ — |

(a) Long-term other assets are comprised of notes receivable. The fair values of our Level 2 notes receivable were based on estimated future cash flows discounted at appropriate market interest rates. The fair values of our Level 3 notes receivable were estimated using risk-adjusted discount rates.

(b) The debt amounts above do not include the impact of interest rate swaps or debt issuance costs. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices in markets that are not sufficiently active to be Level 1 and, accordingly, are considered Level 2. The fair values of our other debt were estimated based on current market interest rates being applied to this debt.

***Financial Instruments that are Measured at Fair Value on a Recurring Basis***

| | May 31, 2021 | | | November 30, 2020 | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **Level 1** | **Level 2** | **Level 3** | **Level 1** | **Level 2** | **Level 3** |
| Assets | | | | | | |
| Cash and cash equivalents | $ 7,067 | $ — | $ — | $ 9,513 | $ — | $ — |
| Restricted cash | 150 | — | — | 179 | — | — |
| Short-term investments (a) | 2,204 | — | — | — | — | — |
| Total | $ 9,422 | $ — | $ — | $ 9,692 | $ — | $ — |
| Liabilities | | | | | | |
| Derivative financial instruments | $ — | $ 8 | $ — | $ — | $ 10 | $ — |
| Total | $ — | $ 8 | $ — | $ — | $ 10 | $ — |

(a) Short term investments consist of marketable securities with original maturities of between three and twelve months.

***Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis***

**Valuation of Goodwill and Trademarks**

As a result of the phased resumption of guest cruise operations and its effect on our expected future operating cash flows, we performed interim discounted cash flow analyses for certain reporting units with goodwill as of May 31, 2021, and determined there was no impairment. For the three and six months ended May 31, 2020, we recognized goodwill impairment charges of $1.4 billion and $2.1 billion, respectively. We also performed trademark impairment reviews and determined there was no impairment to our trademarks.

The determination of the fair value of our reporting units' goodwill and trademarks includes numerous assumptions that are subject to various risks and uncertainties. The effect of COVID-19 and the phased resumption have created some uncertainty in forecasting the operating results and future cash flows used in our impairment analyses. We believe that we have made reasonable estimates and judgments. A change in the conditions, circumstances or strategy (including decisions about the allocation of new ships amongst brands and the transfer of ships between brands), which influence determinations of fair value, may result in a need to recognize an additional impairment charge. The principal assumptions, all of which are considered Level 3 inputs, used in our cash flow analyses consisted of:

- The timing of our return to service, changes in market conditions and port or other restrictions
- Forecasted revenues net of our most significant variable costs, which are travel agent commissions, costs of air and other transportation, and certain other costs that are directly associated with onboard and other revenues including credit and debit card fees
- The allocation of new ships and the timing of the transfer or sale of ships amongst brands, as well as the estimated proceeds from ship sales
- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate

Refer to Note 1 - "General, COVID-19 and the Use of Estimates and Risks and Uncertainty" for additional discussion.

| (in millions) | Goodwill NAA Segment (a) | Goodwill EA Segment (b) | Goodwill Total |
|---|---|---|---|
| November 30, 2020 | $ 579 | $ 228 | $ 807 |
| Foreign currency translation adjustment | — | 11 | 11 |
| May 31, 2021 | $ 579 | $ 239 | $ 818 |

(a) North America and Australia ("NAA")
(b) Europe and Asia ("EA")

| (in millions) | Trademarks NAA Segment | Trademarks EA Segment | Trademarks Total |
|---|---|---|---|
| November 30, 2020 | $ 927 | $ 253 | $ 1,180 |
| Foreign currency translation adjustment | — | 12 | 12 |
| May 31, 2021 | $ 927 | $ 265 | $ 1,192 |

**Impairment of Ships**

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. As a result of the effect of COVID-19 on our business, we determined that one ship, which we expect to dispose of, had a net carrying value that exceeded its estimated undiscounted future cash flows as of May 31, 2021. We determined the fair value of this ship based on its estimated selling value. We believe that we have made reasonable estimates and judgments. A change in the principal assumptions, which influences the determination of fair value, may result in a need to perform additional impairment reviews. The principal assumptions, all of which are considered Level 3 inputs, used in our 2020 cash flow analyses consisted of:

- Timing of the respective ship's return to service, changes in market conditions and port or other restrictions
- Forecasted ship revenues net of our most significant variable costs, which are travel agent commissions, costs of air and other transportation and certain other costs that are directly associated with onboard and other revenues, including credit and debit card fees
- Timing of the sale of ships and estimated proceeds

We recognized a ship impairment charge of $49 million in our EA segment for both the three and six months ended May 31, 2021. For the three months ended May 31, 2020, we recognized $348 million and $150 million of ship impairment charges in our NAA and EA segments respectively, and $520 million and $308 million of ship impairment charges in our NAA and EA segments, respectively for the six months ended May 31, 2020. These impairments are included in other operating expenses of our Consolidated Statements of Income (Loss).

Refer to Note 1 - "General, COVID-19 and the Use of Estimates and Risks and Uncertainty" for additional discussion.

**Derivative Instruments and Hedging Activities**

| (in millions) | Balance Sheet Location | May 31, 2021 | November 30, 2020 |
|---|---|---|---|
| **Derivative liabilities** | | | |
| Derivatives designated as hedging instruments | | | |
| | | | |
| Interest rate swaps (a) | Accrued liabilities and other | $ 4 | $ 5 |
| | Other long-term liabilities | 4 | 5 |
| Total derivative liabilities | | $ 8 | $ 10 |

(a) We have interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. These interest rate swap agreements effectively changed $212 million at May 31, 2021 and $248 million at November 30, 2020 of EURIBOR-based floating rate euro debt to fixed rate euro debt. At May 31, 2021, these interest rate swaps settle through 2025.

Our derivative contracts include rights of offset with our counterparties. We have elected to net certain of our derivative assets and liabilities within counterparties.

| | May 31, 2021 | | | | |
|---|---|---|---|---|---|
| *(in millions)* | Gross Amounts | Gross Amounts Offset in the Balance Sheet | Total Net Amounts Presented in the Balance Sheet | Gross Amounts not Offset in the Balance Sheet | Net Amounts |
| Assets | $ — | $ — | $ — | $ — | $ — |
| Liabilities | $ 8 | $ — | $ 8 | $ — | $ 8 |

| | November 30, 2020 | | | | |
|---|---|---|---|---|---|
| *(in millions)* | Gross Amounts | Gross Amounts Offset in the Balance Sheet | Total Net Amounts Presented in the Balance Sheet | Gross Amounts not Offset in the Balance Sheet | Net Amounts |
| Assets | $ — | $ — | $ — | $ — | $ — |
| Liabilities | $ 10 | $ — | $ 10 | $ — | $ 10 |

The effect of our derivatives qualifying and designated as hedging instruments recognized in other comprehensive income (loss) and in net income (loss) was as follows:

| | Three Months Ended May 31, | | Six Months Ended May 31, | |
|---|---|---|---|---|
| *(in millions)* | 2021 | 2020 | 2021 | 2020 |
| Gains (losses) recognized in AOCI: | | | | |
| Cross currency swaps - net investment hedges - included component | $ — | $ 133 | $ — | $ 131 |
| Cross currency swaps - net investment hedges - excluded component | $ — | $ (43) | $ — | $ (1) |
| Foreign currency zero cost collars - cash flow hedges | $ — | $ 1 | $ — | $ (1) |
| Foreign currency forwards - cash flow hedges | $ — | $ 38 | $ — | $ 53 |
| Interest rate swaps - cash flow hedges | $ 1 | $ 4 | $ 2 | $ 4 |
| Gains (losses) reclassified from AOCI - cash flow hedges: | | | | |
| Interest rate swaps - Interest expense, net of capitalized interest | $ (1) | $ (1) | $ (3) | $ (3) |
| Foreign currency zero cost collars - Depreciation and amortization | $ — | $ — | $ 1 | $ — |
| Gains (losses) recognized on derivative instruments (amount excluded from effectiveness testing – net investment hedges) | | | | |
| Cross currency swaps - Interest expense, net of capitalized interest | $ — | $ 2 | $ — | $ 12 |

The amount of estimated cash flow hedges' unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months is not material.

**Financial Risks**

***Fuel Price Risks***

We manage our exposure to fuel price risk by managing our consumption of fuel. Substantially all of our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We manage fuel consumption through ship maintenance practices, modifying our itineraries and implementing innovative technologies.

***Foreign Currency Exchange Rate Risks***

**Overall Strategy**

We manage our exposure to fluctuations in foreign currency exchange rates through our normal operating and financing activities, including netting certain exposures to take advantage of any natural offsets and, when considered appropriate, through the use of derivative and non-derivative financial instruments. Our primary focus is to monitor our exposure to, and manage, the economic foreign currency exchange risks faced by our operations and realized if we exchange one currency for another. We currently only hedge certain of our ship commitments and net investments in foreign operations. The financial impacts of the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

***Operational Currency Risks***

Our operations primarily utilize the U.S. dollar, Australian dollar, euro or sterling as their functional currencies. Our operations also have revenue and expenses denominated in non-functional currencies. Movements in foreign currency exchange rates affect our financial statements.

***Investment Currency Risks***

We consider our investments in foreign operations to be denominated in stable currencies and of a long-term nature. We partially mitigate the currency exposure of our investments in foreign operations by designating a portion of our foreign currency debt and derivatives as hedges of these investments. As of May 31, 2021, we have designated $497 million of our sterling-denominated debt as non-derivative hedges of our net investments in foreign operations. For the three and six months ended May 31, 2021, we recognized $8 million and $50 million of losses on these non-derivative net investment hedges in the cumulative translation adjustment section of other comprehensive income (loss). We also have $9 billion of euro-denominated debt, which provides an economic offset for our operations with euro functional currency.

***Newbuild Currency Risks***

Our shipbuilding contracts are typically denominated in euros. Our decision to hedge a non-functional currency ship commitment for our cruise brands is made on a case-by-case basis, considering the amount and duration of the exposure, market volatility, economic trends, our overall expected net cash flows by currency and other offsetting risks. We use foreign currency derivative contracts to manage foreign currency exchange rate risk for some of our ship construction payments.

At May 31, 2021, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments to non-euro functional currency brands, which represent a total unhedged commitment of $6.8 billion for newbuilds scheduled to be delivered through 2025.

The cost of shipbuilding orders that we may place in the future that is denominated in a different currency than our cruise brands' will be affected by foreign currency exchange rate fluctuations. These foreign currency exchange rate fluctuations may affect our decision to order new cruise ships.

***Interest Rate Risks***

We manage our exposure to fluctuations in interest rates through our debt portfolio management and investment strategies. We evaluate our debt portfolio to determine whether to make periodic adjustments to the mix of fixed and floating rate debt through the use of interest rate swaps and the issuance of new debt.

***Concentrations of Credit Risk***

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. We seek to manage these credit risk exposures, including counterparty nonperformance primarily associated with our cash equivalents, investments, notes receivables, future financing facilities, contingent obligations, derivative instruments, insurance contracts, long-term ship charters and new ship progress payment guarantees, by:

- Conducting business with well-established financial institutions, insurance companies and export credit agencies
- Diversifying our counterparties
- Having guidelines regarding credit ratings and investment maturities that we follow to help safeguard liquidity and minimize risk
- Generally requiring collateral and/or guarantees to support notes receivable on significant asset sales, long-term ship charters and new ship progress payments to shipyards

At May 31, 2021, our exposures under derivative instruments were not material. We also monitor the creditworthiness of travel agencies and tour operators in Asia, Australia and Europe, which includes charter-hire agreements in Asia and credit and debit card providers to which we extend credit in the normal course of our business. Concentrations of credit risk associated with trade receivables and other receivables, charter-hire agreements and contingent obligations are not considered to be material, principally due to the large number of unrelated accounts, the nature of these contingent obligations and their short maturities. Normally, we have not required collateral or other security to support normal credit sales. Historically, we have not experienced significant credit losses, including counterparty nonperformance, however, because of the impact COVID-19 is having on economies, we have experienced, and may continue to experience, an increase in credit losses.

Our credit exposure also includes contingent obligations related to cash payments received directly by travel agents and tour operators for cash collected by them on cruise sales in Australia and most of Europe where we are obligated to honor our guests' cruise payments made by them to their travel agents and tour operators regardless of whether we have received these payments.

**NOTE 6 – Segment Information**

Our operating segments are reported on the same basis as the internally reported information that is provided to our chief operating decision maker ("CODM"), who is the President and Chief Executive Officer of Carnival Corporation and Carnival plc. The CODM assesses performance and makes decisions to allocate resources for Carnival Corporation & plc based upon review of the results across all of our segments. Our four reportable segments are comprised of (1) NAA cruise operations, (2) EA cruise operations, (3) Cruise Support and (4) Tour and Other.

The operating segments within each of our NAA and EA reportable segments have been aggregated based on the similarity of their economic and other characteristics, including geographic guest sourcing. Our Cruise Support segment includes our portfolio of leading port destinations and other services, all of which are operated for the benefit of our cruise brands. Our Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours and other operations.

| (in millions) | Three Months Ended May 31, Revenues | Operating costs and expenses | Selling and administrative | Depreciation and amortization | Operating income (loss) |
|---|---|---|---|---|---|
| **2021** | | | | | |
| NAA | $ 9 | $ 365 | $ 233 | $ 341 | $ (930) |
| EA | 33 | 298 | 131 | 186 | (582) |
| Cruise Support | — | 7 | 43 | 33 | (82) |
| Tour and Other | 7 | 12 | 11 | 6 | (21) |
| | $ 50 | $ 681 | $ 417 | $ 567 | $ (1,616) |
| **2020** | | | | | |
| NAA | $ 457 | $ 1,631 | $ 297 | $ 369 | $ (2,860) (a) |
| EA | 238 | 773 | 126 | 168 | (1,174) (b) |
| Cruise Support | 22 | 53 | 61 | 33 | (125) |
| Tour and Other | 24 | 28 | 8 | 7 | (19) |
| | $ 740 | $ 2,484 | $ 492 | $ 577 | $ (4,177) |

(a) Includes $1.0 billion of goodwill impairment charges.
(b) Includes $345 million of goodwill impairment charges.

| (in millions) | Six Months Ended May 31, Revenues | Operating costs and expenses | Selling and administrative | Depreciation and amortization | Operating income (loss) |
|---|---|---|---|---|---|
| **2021** | | | | | |
| NAA | $ 19 | $ 680 | $ 453 | $ 676 | $ (1,790) |
| EA | 41 | 496 | 239 | 370 | (1,064) |
| Cruise Support | — | 15 | 171 | 61 | (247) |
| Tour and Other | 14 | 25 | 17 | 12 | (39) |
| | $ 75 | $ 1,216 | $ 879 | $ 1,119 | $ (3,139) |
| **2020** | | | | | |
| NAA | $ 3,597 | $ 3,904 | $ 697 | $ 733 | $ (3,056) (c) |
| EA | 1,790 | 2,090 | 333 | 334 | (1,743) (d) |
| Cruise Support | 66 | (34) | 126 | 64 | (91) |
| Tour and Other | 76 | 47 | 14 | 16 | — |
| | $ 5,529 | $ 6,007 | $ 1,170 | $ 1,147 | $ (4,891) |

(c) Includes $1.3 billion of goodwill impairment charges.
(d) Includes $777 million of goodwill impairment charges.

Revenue by geographic areas, which are based on where our guests are sourced, were as follows:

| (in millions) | Three Months Ended May 31, 2020 | Six Months Ended May 31, 2020 |
|---|---|---|
| North America | $ 404 | $ 3,051 |
| Europe | 250 | 1,616 |
| Australia and Asia | 65 | 680 |
| Other | 21 | 182 |
| | $ 740 | $ 5,529 |

As a result of the phased resumption of our guest cruise operations, we have experienced essentially no revenue for the three and six months ended May 31, 2021, as a result current year data is not meaningful and is not included in the table.

**NOTE 7 – Earnings Per Share**

| *(in millions, except per share data)* | Three Months Ended May 31, 2021 | Three Months Ended May 31, 2020 | Six Months Ended May 31, 2021 | Six Months Ended May 31, 2020 |
|---|---|---|---|---|
| Net income (loss) for basic and diluted earnings per share | $ (2,072) | $ (4,374) | $ (4,045) | $ (5,155) |
| Weighted-average shares outstanding | 1,132 | 721 | 1,113 | 702 |
| Dilutive effect of equity plans | — | — | — | — |
| Diluted weighted-average shares outstanding | 1,132 | 721 | 1,113 | 702 |
| Basic earnings per share | $ (1.83) | $ (6.07) | $ (3.63) | $ (7.34) |
| Diluted earnings per share | $ (1.83) | $ (6.07) | $ (3.63) | $ (7.34) |

Antidilutive shares excluded from diluted earnings per share computations were as follows:

| *(in millions)* | Three Months Ended May 31, 2021 | Three Months Ended May 31, 2020 | Six Months Ended May 31, 2021 | Six Months Ended May 31, 2020 |
|---|---|---|---|---|
| Equity awards | 3 | — | 3 | 1 |
| Convertible Notes | 54 | 120 | 54 | 60 |
| Total antidilutive securities | 57 | 120 | 57 | 61 |

**Equity Offering**

In February 2021, we completed a public offering of 40.5 million shares of Carnival Corporation's common stock at a price per share of $25.10, resulting in net proceeds of $996 million.

**NOTE 8 – Supplemental Cash Flow Information**

| *(in millions)* | May 31, 2021 | November 30, 2020 |
|---|---|---|
| Cash and cash equivalents (Consolidated Balance Sheets) | $ 7,067 | $ 9,513 |
| Restricted cash included in prepaid expenses and other and other assets | 150 | 179 |
| Total cash, cash equivalents and restricted cash (Consolidated Statements of Cash Flows) | $ 7,218 | $ 9,692 |

**NOTE 9 – Other Assets**

We have a minority interest in the White Pass & Yukon Route ("White Pass") that includes port, railroad and retail operations in Skagway, Alaska. As a result of the effects of COVID-19 on the 2021 Alaska season, we evaluated whether our investment in White Pass was other than temporarily impaired and performed an impairment assessment during the quarter ended February 28, 2021. As a result of our assessment, we recognized an impairment charge of $17 million for our investment in White Pass in other income (expense), net. As of May 31, 2021, our investment in White Pass was $77 million, consisting of $53 million in equity and a loan of $23 million. As of November 30, 2020, our investment in White Pass was $94 million, consisting of $75 million in equity and a loan of $19 million.

We have a minority interest in CSSC Carnival Cruise Shipping Limited ("CSSC-Carnival"), a China-based cruise company which will operate its own fleet designed to serve the Chinese market. Our investment in CSSC-Carnival was $229 million as of May 31, 2021 and $140 million as of November 30, 2020. In December 2019, we sold to CSSC-Carnival a controlling interest in an entity with full ownership of two EA segment ships and recognized a related gain of $107 million, included in other operating expenses in our Consolidated Statements of Income (Loss). In April 2021, we sold to CSSC-Carnival our remaining $283 million investment in the minority interest of the same entity.

## NOTE 10 – Property and Equipment

### Ship Sales

Since the pause in guest cruise operations, we have accelerated the removal of ships which were previously expected to be sold over the ensuing years. During 2021, we completed the sale of one NAA segment ship, which represents a passenger-capacity reduction of 670 for our NAA segment.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

**Cautionary Note Concerning Factors That May Affect Future Results**

Some of the statements, estimates or projections contained in this document are "forward-looking statements" that involve risks, uncertainties and assumptions with respect to us, including some statements concerning future results, operations, outlooks, plans, goals, reputation, cash flows, liquidity and other events which have not yet occurred. These statements are intended to qualify for the safe harbors from liability provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are statements that could be deemed forward-looking. These statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and the beliefs and assumptions of our management. We have tried, whenever possible, to identify these statements by using words like "will," "may," "could," "should," "would," "believe," "depends," "expect," "goal," "anticipate," "forecast," "project," "future," "intend," "plan," "estimate," "target," "indicate," "outlook," and similar expressions of future intent or the negative of such terms.

Forward-looking statements include those statements that relate to our outlook and financial position including, but not limited to, statements regarding:

- Pricing
- Booking levels
- Occupancy
- Interest, tax and fuel expenses
- Currency exchange rates
- Estimates of ship depreciable lives and residual values
- Goodwill, ship and trademark fair values
- Liquidity and credit ratings
- Adjusted earnings per share
- Return to guest cruise operations
- Impact of the COVID-19 coronavirus global pandemic on our financial condition and results of operations

Because forward-looking statements involve risks and uncertainties, there are many factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by our forward-looking statements. This note contains important cautionary statements of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 outbreak. It is not possible to predict or identify all such risks. There may be additional risks that we consider immaterial or which are unknown. These factors include, but are not limited to, the following:

- COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund resulting reductions in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, reputation, litigation, cash flows, liquidity, and stock price.
- As a result of the COVID-19 outbreak, we may be out of compliance with one or more maintenance covenants in certain of our debt facilities, with the next testing date of November 30, 2022.
- World events impacting the ability or desire of people to travel have and may continue to lead to a decline in demand for cruises.
- Incidents concerning our ships, guests or the cruise vacation industry as well as adverse weather conditions and other natural disasters have in the past and may, in the future, impact the satisfaction of our guests and crew and lead to reputational damage.
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax have in the past and may, in the future, lead to litigation, enforcement actions, fines, penalties and reputational damage.
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks, including the recent ransomware incidents, and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and may lead to reputational damage.
- Ability to recruit, develop and retain qualified shipboard personnel who live away from home for extended periods of time may adversely impact our business operations, guest services and satisfaction.
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.
- Fluctuations in foreign currency exchange rates may adversely impact our financial results.

- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options.
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.

The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood.

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

**Recent Developments**

**Resumption of Guest Operations**

The company is uniquely positioned for its phased resumption in cruise travel given its multiple brands which are being restarted independently and tailored to the environment of their respective source market. Eight of the company’s nine brands either have resumed or have announced they plan to resume guest cruise operations by the company's fiscal year end, November 30, 2021. 27 ships, or approximately 35% of capacity, have resumed or are announced to resume by the end of the third quarter of 2021 and an additional 15 ships, or nearly 20% of capacity, are announced to resume by the end of the fourth quarter of 2021. Together these 42 ships represent over 50% of capacity. More announcements are expected in the coming weeks which are expected to include additional ship restarts for fiscal year 2021. Consistent with the company's planned phased resumption of guest cruise operations, it expects to have its full fleet back in operation in the spring of 2022.

The company has been working with a number of world-leading public health, epidemiological and policy experts to support its ongoing efforts to implement enhanced health and safety protocols to help protect against and mitigate the impact of COVID-19 during cruise vacations. Initial cruises are taking place with guidance from the company's roster of medical and scientific experts and enhanced health protocols developed in conjunction with government and health authorities. Consequently, the company's brands have a comprehensive set of health and hygiene protocols that facilitate a safe and healthy return to cruise vacations. These enhanced protocols are modeled after shoreside health and mitigation guidelines as provided by each brand's respective country, and approved by all relevant regulatory authorities. Protocols will be updated based on evolving scientific and medical knowledge related to mitigation strategies.

**Update on Liquidity and Refinancing**

Refer to "Liquidity, Financial Condition and Capital Resources."

Refer to "Risk factors" - "*COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund resulting reductions in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, reputation, litigation, cash flows, liquidity, and stock price.*"

**New Accounting Pronouncements**

Refer to Note 1 - “General, Accounting Pronouncements” of the consolidated financial statements for additional discussion regarding accounting pronouncements.

**Critical Accounting Estimates**

For a discussion of our critical accounting estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” that is included in the Form 10-K.

**Seasonality**

Our passenger ticket revenues are seasonal. Historically, demand for cruises has been greatest during our third quarter, which includes the Northern Hemisphere summer months, although 2021 will continue to be adversely impacted by COVID-19. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is earned during this period. This historical trend has been disrupted by the pause and phased resumption of guest cruise operations. In addition, substantially all of Holland America Princess Alaska Tours' revenue and net income (loss) is generated from May through September in conjunction with Alaska's cruise season. During 2021, the Alaska cruise season will continue to be adversely impacted by the effects of COVID-19.

**Statistical Information**

| | Three Months Ended May 31, | | Six Months Ended May 31, | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| Fuel consumption in metric tons (in thousands) | 246 | 482 | 508 | 1,314 |
| Fuel cost per metric ton consumed | $ 467 | $ 418 | $ 428 | $ 455 |
| | | | | |
| Currencies (USD to 1) | | | | |
| AUD | $ 0.77 | $ 0.63 | $ 0.77 | $ 0.66 |
| CAD | $ 0.81 | $ 0.72 | $ 0.80 | $ 0.74 |
| EUR | $ 1.20 | $ 1.09 | $ 1.21 | $ 1.10 |
| GBP | $ 1.39 | $ 1.24 | $ 1.38 | $ 1.27 |
| RMB | $ 0.15 | $ 0.14 | $ 0.15 | $ 0.14 |

We paused our guest cruise operations in mid-March 2020 and have been in a pause for a majority of 2020 and the first half of 2021. The phased resumption of guest cruise operations is continuing to have a material impact on all aspects of our business.

**Results of Operations**

**Consolidated**

| (in millions) | Three Months Ended May 31, 2021 | Three Months Ended May 31, 2020 | Change | % increase (decrease) | Six Months Ended May 31, 2021 | Six Months Ended May 31, 2020 | Change | % increase (decrease) |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| Passenger ticket | $ 20 | $ 446 | $ (426) | (95)% | $ 23 | $ 3,680 | $ (3,657) | (99)% |
| Onboard and other | 29 | 294 | (265) | (90)% | 52 | 1,849 | (1,797) | (97)% |
| | 50 | 740 | (691) | (93)% | 75 | 5,529 | (5,454) | (99)% |
| **Operating Costs and Expenses** | | | | | | | | |
| Commissions, transportation and other | 22 | 297 | (275) | (93)% | 37 | 1,064 | (1,027) | (97)% |
| Onboard and other | 15 | 114 | (99) | (87)% | 22 | 585 | (563) | (96)% |
| Payroll and related | 241 | 705 | (463) | (66)% | 460 | 1,315 | (855) | (65)% |
| Fuel | 113 | 201 | (88) | (44)% | 216 | 598 | (382) | (64)% |
| Food | 17 | 108 | (91) | (84)% | 28 | 385 | (357) | (93)% |
| Ship and other impairments | 49 | 589 | (539) | (92)% | 49 | 919 | (870) | (95)% |
| Other operating | 224 | 471 | (247) | (52)% | 404 | 1,142 | (737) | (65)% |
| | 681 | 2,484 | (1,803) | (73)% | 1,216 | 6,007 | (4,791) | (80)% |
| Selling and administrative | 417 | 492 | (75) | (15)% | 879 | 1,170 | (291) | (25)% |
| Depreciation and amortization | 567 | 577 | (10) | (2)% | 1,119 | 1,147 | (28) | (2)% |
| Goodwill impairment | — | 1,364 | (1,364) | (100)% | — | 2,096 | (2,096) | (100)% |
| | 1,665 | 4,918 | (3,252) | (66)% | 3,214 | 10,420 | (7,206) | (69)% |
| **Operating Income (Loss)** | $ (1,616) | $ (4,177) | $ 2,562 | (61)% | $ (3,139) | $ (4,891) | $ 1,751 | (36)% |

**NAA**

| (in millions) | Three Months Ended May 31, 2021 | Three Months Ended May 31, 2020 | Change | % increase (decrease) | Six Months Ended May 31, 2021 | Six Months Ended May 31, 2020 | Change | % increase (decrease) |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| Passenger ticket | $ 2 | $ 271 | $ (269) | (99)% | $ 1 | $ 2,324 | $ (2,322) | (100)% |
| Onboard and other | 7 | 185 | (178) | (96)% | 18 | 1,274 | (1,256) | (99)% |
| | 9 | 457 | (448) | (98)% | 19 | 3,597 | (3,578) | (99)% |
| Operating Costs and Expenses | 365 | 1,631 | (1,266) | (78)% | 680 | 3,904 | (3,224) | (83)% |
| Selling and administrative | 233 | 297 | (64) | (22)% | 453 | 697 | (244) | (35)% |
| Depreciation and amortization | 341 | 369 | (28) | (8)% | 676 | 733 | (57) | (8)% |
| Goodwill impairment | — | 1,019 | (1,019) | (100)% | — | 1,319 | (1,319) | (100)% |
| | 939 | 3,316 | (2,377) | (72)% | 1,809 | 6,653 | (4,845) | (73)% |
| **Operating Income (Loss)** | $ (930) | $ (2,860) | $ 1,929 | (67)% | $ (1,790) | $ (3,056) | $ 1,266 | (41)% |

**EA**

| (in millions) | Three Months Ended May 31, 2021 | Three Months Ended May 31, 2020 | Change | % increase (decrease) | Six Months Ended May 31, 2021 | Six Months Ended May 31, 2020 | Change | % increase (decrease) |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| Passenger ticket | $ 19 | $ 184 | $ (166) | (90)% | $ 22 | $ 1,397 | $ (1,375) | (98)% |
| Onboard and other | 15 | 54 | (39) | (73)% | 19 | 393 | (373) | (95)% |
| | 33 | 238 | (205) | (86)% | 41 | 1,790 | (1,749) | (98)% |
| | | | | | | | | |
| Operating Costs and Expenses | 298 | 773 | (475) | (61)% | 496 | 2,090 | (1,594) | (76)% |
| Selling and administrative | 131 | 126 | 5 | 4 % | 239 | 333 | (94) | (28)% |
| Depreciation and amortization | 186 | 168 | 18 | 11 % | 370 | 334 | 36 | 11 % |
| Goodwill impairment | — | 345 | (345) | (100)% | — | 777 | (777) | (100)% |
| | 615 | 1,412 | (797) | (56)% | 1,105 | 3,533 | (2,428) | (69)% |
| **Operating Income (Loss)** | $ (582) | $ (1,174) | $ 592 | (50)% | $ (1,064) | $ (1,743) | $ 679 | (39)% |

We paused our guest cruise operations in mid-March 2020. As of May 31, 2021, five of our ships were operating with guests onboard. Eight of our nine brands either have resumed or are announced to resume guest operations by November 30, 2021, as part of our phased return to service. The phased resumption of guest cruise operations is continuing to have a material impact on all aspects of our business, including our liquidity, financial position and results of operations. The full extent of the impact will be determined by our phased return to service and the length of time COVID-19 influences travel decisions.

As a result of the phased resumption of our guest cruise operations, we have experienced essentially no revenue for the three and six months ended May 31, 2021. This has resulted in operating losses for the current periods. We continue to expect a net loss on both a U.S. GAAP and adjusted basis for the third quarter of 2021 and the full year ending November 30, 2021.

While maintaining compliance, environmental protection and safety, we significantly reduced ship operating expenses, including cruise payroll and related expenses, food, fuel, insurance and port charges by transitioning ships into paused status, either at anchor or in port and staffed at a safe manning level. As we continue to resume guest cruise operations, we expect to incur incremental spend relating to bringing our ships out of pause status, returning crew members to our ships and implementing enhanced health and safety protocols.

There were no goodwill impairment charges for the six months ended May 31, 2021. For the three and six months ended May 31, 2020, we recognized goodwill impairment charges of $1.4 billion and $2.1 billion.

We recognized a ship impairment charge of $49 million for the three and six months ended May 31, 2021 and ship impairment charges of $498 million and $828 million for the three and six months ended May 31, 2020.

**Nonoperating Income (Expense)**

Interest expense, net of capitalized interest, increased by $256 million to $437 million in 2021 from $182 million in 2020. The increase was caused by additional debt borrowings with higher interest rates since the pause in guest cruise operations.

**Key Performance Non-GAAP Financial Indicators**

The table below reconciles Adjusted net income (loss) and Adjusted EBITDA to Net income (loss) and Adjusted earnings per share to Earnings per share for the periods presented:

| | Three Months Ended May 31, | | Six Months Ended May 31, | |
|---|---|---|---|---|
| *(in millions, except per share data)* | **2021** | **2020** | **2021** | **2020** |
| **Net income (loss)** | | | | |
| **U.S. GAAP net income (loss)** | $ (2,072) | $ (4,374) | $ (4,045) | $ (5,155) |
| (Gains) losses on ship sales and impairments | 36 | 1,953 | 39 | 2,882 |
| Restructuring expenses | 3 | 39 | 3 | 39 |
| Other | (2) | — | 13 | 3 |
| **Adjusted net income (loss)** | $ (2,036) | $ (2,382) | $ (3,990) | $ (2,231) |
| Interest expense, net of capitalized interest | 437 | 182 | 835 | 237 |
| Interest income | (4) | (6) | (7) | (11) |
| Income tax expense, net | 12 | (11) | 6 | — |
| Depreciation and amortization | 567 | 577 | 1,119 | 1,147 |
| **Adjusted EBITDA** | $ (1,023) | $ (1,640) | $ (2,037) | $ (859) |
| **Weighted-average shares outstanding** | 1,132 | 721 | 1,113 | 702 |
| **Earnings per share** | | | | |
| **U.S. GAAP diluted earnings per share** | $ (1.83) | $ (6.07) | $ (3.63) | $ (7.34) |
| (Gains) losses on ship sales and impairments | 0.03 | 2.71 | 0.03 | 4.10 |
| Restructuring expenses | — | 0.05 | — | 0.06 |
| Other | — | — | 0.01 | — |
| **Adjusted earnings per share** | $ (1.80) | $ (3.30) | $ (3.58) | $ (3.18) |

***Explanations of Non-GAAP Financial Measures***

We use adjusted net income (loss) and adjusted earnings per share as non-GAAP financial measures of our cruise segments' and the company's financial performance. These non-GAAP financial measures are provided along with U.S. GAAP net income (loss) and U.S. GAAP diluted earnings per share.

We believe that gains and losses on ship sales, impairment charges, restructuring costs and other gains and losses are not part of our core operating business and are not an indication of our future earnings performance. Therefore, we believe it is more meaningful for these items to be excluded from our net income (loss) and earnings per share and, accordingly, we present adjusted net income (loss) and adjusted earnings per share excluding these items.

Adjusted EBITDA is a non-GAAP measure, and we believe that the presentation of Adjusted EBITDA provides additional information to investors about our operating profitability adjusted for certain non-cash items and other gains and expenses that we believe are not part of our core operating business and are not an indication of our future earnings performance. Further, we believe that the presentation of Adjusted EBITDA provides additional information to investors about our ability to operate our business in compliance with the restrictions set forth in our debt agreements. We define Adjusted EBITDA as adjusted net income (loss) adjusted for (i) interest, (ii) taxes and (iii) depreciation and amortization. There are material limitations to using Adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items that directly affect our net income (loss). These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted EBITDA in conjunction with net income (loss) as calculated in accordance with U.S. GAAP.

The presentation of our non-GAAP financial information is not intended to be considered in isolation from, as substitute for, or superior to the financial information prepared in accordance with U.S. GAAP. It is possible that our non-GAAP financial measures may not be exactly comparable to the like-kind information presented by other companies, which is a potential risk associated with using these measures to compare us to other companies.

**Liquidity, Financial Condition and Capital Resources**

As of May 31, 2021, we had $9.3 billion of cash and short-term investments. We have taken significant actions to preserve cash and obtain additional financing to increase our liquidity. We continue to focus on pursuing additional refinancing opportunities to reduce interest expense and extend maturities. Since December 2020, we have completed the following:

- In December 2020, we borrowed $1.5 billion under export credit facilities due in semi-annual installments through 2033.
- In February 2021, we issued an aggregate principal amount of $3.5 billion under the 2027 Senior Unsecured Notes that mature on March 1, 2027. The 2027 Senior Unsecured Notes bear interest at a rate of 5.8% per year.
- In February 2021, we completed a public offering of 40.5 million shares of Carnival Corporation's common stock at a price per share of $25.10, resulting in net proceeds of $996 million.
- During the first quarter of 2021, we obtained waivers of compliance with the Interest Coverage Covenant and Debt to Capital Covenant in our export credit facilities through August 31, 2022 (with the next testing date of November 30, 2022) or November 30, 2022 (with the next testing date of February 28, 2023) for our funded export credit facilities with aggregate indebtedness of $8.8 billion as of May 31, 2021 and unfunded export credit facilities with an aggregate principal amount of $6.5 billion as of May 31, 2021.
- During the first quarter of 2021 we entered into supplemental agreements with respect to our Revolving Credit Facility and many of our bank loans. Under our Revolving Credit Facility and many of our bank loans, we are now required to maintain the Interest Coverage Covenant from February 28, 2023, at a ratio of not less than 2.0 to 1.0 for the February 28, 2023 and May 31, 2023 testing dates, 2.5 to 1.0 for the August 31, 2023 and November 30, 2023 testing dates, and 3.0 to 1.0 from the February 28, 2024 testing date onwards, or through their respective maturity dates, and the Debt to Capital Covenant at the end of each fiscal quarter before the November 30, 2021 testing date at a percentage not to exceed 65%. From the November 30, 2021 testing date until the May 31, 2023 testing date the Debt to Capital Covenant is not to exceed 75%, following which it will be tested at levels which decline ratably to 65% from the May 31, 2024 testing date onwards.
- The relevant export credit agencies have provided approval in principle to defer approximately $1.0 billion of principal payments that would otherwise have been due over a one year period with repayments to be made over the following five years. In connection with these deferrals, we are negotiating modifications of certain financial covenant thresholds for certain future periods. We expect to enter into supplemental agreements during the third quarter of 2021 to complete these transactions. In connection with such supplemental agreements, additional subsidiary guarantees will be granted.

Certain of our debt instruments contain provisions that may limit our ability to incur or guarantee additional indebtedness.

Our monthly average cash burn rate for the first half of 2021 was $500 million, which was better than forecasted primarily due to the timing of proceeds from ship sales and working capital changes. This monthly average cash burn rate includes revenues earned on voyages, ongoing ship operating and administrative expenses, restart spend, working capital changes (excluding changes in customer deposits), interest expense and capital expenditures (net of export credit facilities), and excludes scheduled debt maturities as well as other cash collateral to be provided (which may increase in the future). As we continue to resume guest cruise operations, we expect to incur incremental spend relating to bringing our ships out of pause status, returning crew members to our ships and implementing enhanced health and safety protocols. We have identified and implemented actions to optimize our ongoing monthly cash burn rate and we will continue to do so.

We had working capital of $1.4 billion as of May 31, 2021 compared to working capital of $1.9 billion as of November 30, 2020. The decrease in working capital was driven by a decrease in cash and short-term investments. Historically, during our normal operations, we operate with a substantial working capital deficit. This deficit is mainly attributable to the fact that, under our business model, substantially all of our passenger ticket receipts are collected in advance of the applicable sailing date. These advance passenger receipts generally remain a current liability until the sailing date. The cash generated from these advance receipts is used interchangeably with cash on hand from other sources, such as our borrowings and other cash from operations. The cash received as advanced receipts can be used to fund operating expenses, pay down our debt, make long-term investments or any other use of cash. Included within our working capital are $2.0 billion and $1.9 billion of customer deposits as of May 31, 2021 and November 30, 2020, respectively. We have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of cancelled cruises. The amount of cash refunds to be paid may depend on the level of guest acceptance of FCCs and future cruise cancellations. We record a liability for FCCs only to the extent we have received cash from guests with bookings on cancelled sailings. In addition, we have a relatively low-level of accounts receivable and limited investment in inventories. We expect that we will have working capital deficits in the future once we return to normal guest cruise operations.

Refer to Note 1 - “General, Liquidity and Management's Plans” of the consolidated financial statements for additional discussion regarding our liquidity.

**Sources and Uses of Cash**

***Operating Activities***

Our business used $2.9 billion of net cash flows in operating activities during the six months ended May 31, 2021, a decrease of $1.1 billion, compared to $1.8 billion of net cash used for the same period in 2020.

***Investing Activities***

During the six months ended May 31, 2021, net cash used in investing activities was $4.2 billion. This was driven by the following:

- Capital expenditures of $2.0 billion for our ongoing new shipbuilding program
- Capital expenditures of $168 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sale of ships and other of $324 million
- Purchases of short-term investments of $2.7 billion
- Proceeds from maturity of short-term investments of $467 million

During the six months ended May 31, 2020, net cash used in investing activities was $1.3 billion. This was driven by the following:

- Capital expenditures of $915 million for our ongoing new shipbuilding program
- Capital expenditures of $753 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sale of ships of $236 million
- Proceeds of $220 million from the settlement of outstanding derivatives

***Financing Activities***

During the six months ended May 31, 2021, net cash provided by financing activities of $4.5 billion was caused by the following:

- Repayments of $1.4 billion of long-term debt
- Issuances of $5.0 billion of long-term debt, including net proceeds of $3.4 billion from the issuance of the 2027 Senior Unsecured Notes
- Net proceeds of $996 million from our public equity offering of Carnival Corporation common stock

During the six months ended May 31, 2020, net cash provided by financing activities of $9.4 billion was caused by the following:

- Net proceeds from short-term borrowings of $3.3 billion in connection with our availability of, and needs for, cash at various times throughout the period, including proceeds of $3.0 billion from the Revolving Facility
- Repayments of $383 million of long-term debt
- Issuances of $6.7 billion of long-term debt, including net proceeds of $3.9 billion from the issuance of the 2023 Secured Notes and net proceeds of $2.0 billion from the issuance of the Convertible Notes
- Payments of cash dividends of $689 million
- Purchases of $12 million of Carnival plc ordinary shares in open market transactions under our Repurchase Program
- Net proceeds of $556 million from our public offering of Carnival Corporation common stock

**Funding Sources**

As of May 31, 2021, we had $9.3 billion of cash and short-term investments. In addition, we had $6.5 billion of export credit facilities to fund ship deliveries planned through 2024.

| *(in billions)* | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Future export credit facilities at May 31, 2021 (a) | $ 0.5 | $ 3.5 | $ 1.9 | $ 0.6 |

(a) Under the terms of these export credit facilities, we are required to comply with the Interest Coverage Covenant and the Debt to Capital Covenant, among others. We entered into supplemental agreements to waive compliance with the Interest Coverage Covenant and the Debt to Capital Covenant for our unfunded export credit facilities through August 31, 2022 or November 30, 2022, as applicable. We will be required to comply beginning with the next testing date of November 30, 2022 or February 28, 2023, as applicable.

Many of our debt agreements contain various other financial covenants, including those described in Note 3 - “Debt” and in Note 5 - “Debt” in the annual consolidated financial statements, which are included within our Form 10-K. At May 31, 2021, we were in compliance with the applicable covenants under our debt agreements.

**Off-Balance Sheet Arrangements**

We are not a party to any off-balance sheet arrangements, including guarantee contracts, retained or contingent interests, certain derivative instruments and variable interest entities that either have, or are reasonably likely to have, a current or future material effect on our consolidated financial statements.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

For a discussion of our hedging strategies and market risks, see the discussion below and Note 10 - “Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risks” in our consolidated financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations within our Form 10-K.

**Interest Rate Risks**

The composition of our debt, including the effect of interest rate swaps, was as follows:

| | May 31, 2021 |
|---|---|
| Fixed rate | 49 % |
| EUR fixed rate | 13 % |
| Floating rate | 20 % |
| EUR floating rate | 17 % |
| GBP floating rate | 2 % |

**Item 4. Controls and Procedures.**

**A. Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Our President and Chief Executive Officer and our Chief Financial Officer and Chief Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of May 31, 2021, that they are effective at a reasonable level of assurance, as described above.

**B. Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the quarter ended May 31, 2021 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

## PART II - OTHER INFORMATION

**Item 1. Legal Proceedings.**

The legal proceedings described in Note 4 – “Contingencies and Commitments” of our consolidated financial statements, including those described under “COVID-19 Actions,” are incorporated in this “Legal Proceedings” section by reference. Additionally, SEC rules require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that we believe will exceed $1 million for such proceedings. We are not aware of any environmental proceedings that exceed this threshold for the quarter ending May 31, 2021.

**Item 1A. Risk Factors.**

The risk factors in this Form 10-Q below should be carefully considered, including the risk factors discussed in “Risk Factors” and other risks discussed in our Form 10-K. These risks could materially and adversely affect our results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity, and stock price. Our business also could be affected by risks that we are not presently aware of or that we currently consider immaterial to our operations.

**COVID-19 and Liquidity/Debt Related Risk Factors**

- *COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations, which impacts our ability to obtain acceptable financing to fund resulting reductions in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, reputation, litigation, cash flows, liquidity, and stock price.*

The COVID-19 global pandemic is having material negative impacts on all aspects of our business. We implemented a pause of our guest cruise operations in mid-March 2020 across all brands. As of May 31, 2021, five of our ships were operating with guests onboard as part of our phased return to service. We have been, and will continue to be negatively impacted by travel bans and advisories, and evolving, conflicting and complex restrictions, recommendations and regulations set by various governmental authorities. These restrictions, recommendations and regulations have and may continue to impact our ability to operate our business in an optimal manner.

As we continue to resume guest cruise operations, we expect to incur incremental spend relating to bringing our ships out of pause status, returning crew members to our ships and implementing enhanced health and safety protocols. The industry is subject to and may be further subject to enhanced health and hygiene requirements in attempts to counteract future outbreaks, and these requirements may be costly, take a significant amount of time to implement across our global cruise operations, and may result in disruptions in guest cruise operations, incremental costs and loss of revenue.

We intend to make vaccines available to all of our crew but there can be no assurances that we will be able to source sufficient vaccines for our global crew. In addition, although vaccines have proven to be effective in mitigating this risks of continued spread of COVID-19, there is no guarantee that the vaccines will continue to be effective against future variants.

Due to the outbreak of COVID-19 on some of our ships, and the resulting illness and loss of life in certain instances, we have been the subject of negative publicity, which could have a long term impact on the appeal of our brands, which would diminish demand for vacations on our vessels. We cannot predict how long the negative impact of media attention on our brands will last, or the level of investment that will be required to address the concerns of potential travelers through marketing and pricing actions.

We have received, and may continue to receive, lawsuits, other governmental investigations and other actions stemming from COVID-19. We cannot predict the quantum or outcome of any such proceedings, some of which could result in the imposition of civil and criminal penalties in the future, and the impact that they will have on our financial results, but any such impact may be material. We also remain subject to extensive, complex, and closely monitored obligations under the court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, as a result of the previously disclosed settlement agreement relating to the violation of probation conditions for a plea agreement entered into by Princess Cruises and the U.S. Department of Justice in 2016. We remain fully committed to satisfying those obligations.

We have insurance coverage for certain liabilities, costs and expenses related to COVID-19 through our participation in Protection and Indemnity (“P&I”) clubs, including coverage for direct and incremental costs including, but not limited to, certain quarantine expenses and for certain liabilities to passengers and crew. P&I clubs are mutual indemnity associations owned by members. There is a $10 million deductible per occurrence (meaning per outbreak on a particular ship). We cannot provide assurance that we will receive insurance proceeds that will compensate us fully for our liabilities, costs and expenses that exceed the $10 million deductible under these policies. We have no insurance coverage for loss of revenues or earnings from our ships or other operations.

In connection with our capacity optimization strategy, we have accelerated the removal of ships from our fleet which were previously expected to be sold over the ensuing years. We have sold, expect to sell or have agreements for the disposal of various vessels. Some of these agreements for the disposal of vessels have been for recycling. When we choose to dispose of a ship, there can be no assurance that there will be a viable buyer to purchase it at a price that exceeds our net book value, which could result in ship impairment charges and losses on ship disposals.

The effects of COVID-19 on the operations of shipyards where our ships are under construction have resulted in delays in ship deliveries.

We cannot predict the timing of our complete return to service at historical occupancy and pricing levels and when various ports will reopen to our ships. If our phased resumption of guest cruise operations is delayed or there are future pauses or disruptions in the resumption of guest cruise operations, it could further negatively impact our liquidity. As our business is seasonal, the impact of such a delay or future pause in the resumption of guest cruise operations will be heightened if such delay or future pause occurs during the Northern Hemisphere summer months. Moreover, even as travel advisories and restrictions are lifted, demand for cruises may be impacted for a significant length of time and we cannot predict if and when each brand will return to pre-outbreak demand or fare pricing. In particular, our bookings may be negatively impacted by the adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth resulting from the impact of COVID-19. In addition, we cannot predict the impact COVID-19 will have on our partners, such as travel agencies, suppliers and other vendors, counterparties and joint ventures. We may be adversely impacted as a result of the adverse impact our partners, counterparties and joint ventures suffer.

We have never previously experienced a complete cessation of our guest cruise operations, and as a consequence, our ability to be predictive regarding the impact of such a cessation on our brands and future prospects is uncertain. In particular, we cannot predict the impact on our financial performance and cash flows (including as required for cash refunds of deposits) as a result of the phased resumptions in our guest cruise operations and the public's concern regarding the health and safety of travel, especially by cruise ship, and related decreases in demand for travel and cruising. Moreover, our ability to attract and retain guests and our ability to hire and the amounts we must pay our crew depends, in part, upon the perception and reputation of our company and our brands and the public's concerns regarding the health and safety of travel generally, as well as regarding the cruising industry and our ships specifically. In addition, our ability to re-hire crew may be negatively impacted as some have obtained alternative employment during the pause.

Our access to and cost of financing depends on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. As a result of COVID-19's effects on our operations, Moody's and S&P Global downgraded our credit ratings to be non-investment grade. If our credit ratings were to be further downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt or equity financing will be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or be unavailable due to our covenant restrictions then in effect. There is no guarantee that debt or equity financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations. Additionally, the impact of COVID-19 on the financial markets may adversely impact our ability to raise funds.

In addition, the COVID-19 outbreak has significantly increased economic and demand uncertainty. The effects of COVID-19 have caused a global recession, which could have a further adverse impact on our financial condition and operations. In past recessions, demand for our cruise vacations has been significantly negatively impacted which has resulted in lower occupancy rates and adverse pricing, with a corresponding increase in the use of credits and other means to attract travelers. As a result of the impact of COVID-19, we expect lower occupancy levels during our resumption of guest cruise operations and cannot predict when we will be able to achieve historical occupancy levels.

The extent of the effects of the outbreak on our business and the cruising industry at large is highly uncertain and will ultimately depend on future developments, including, but not limited to, the duration and severity of the outbreak, the length of time it takes for demand and pricing to return and normal economic and operating conditions to resume. To the extent COVID-19 adversely affects our business, operations, financial condition and operating results, it may also have the effect of heightening many other risks.

- *As a result of the COVID-19 outbreak, we may be out of compliance with one or more maintenance covenants in certain of our debt facilities, with the next testing date of November 30, 2022.*

Under the terms of certain of our export credit facilities, we are required to comply with the Interest Coverage Covenant of not less than 3.0 to 1.0, and ensure that our Debt to Capital Covenant does not exceed 65% at the end of each fiscal quarter. During the first quarter of 2021 (and while being in compliance with the Debt to Capital Covenant as of such date), we obtained waivers of compliance with the Interest Coverage Covenant and Debt to Capital Covenant in our export credit facilities through August 31, 2022 (with the next testing date of November 30, 2022) or November 30, 2022 (with the next testing date of February 28, 2023) for our funded export credit facilities with aggregate indebtedness of $8.8 billion as of May 31, 2021 and unfunded export credit facilities with an aggregate principal amount of $6.5 billion as of May 31, 2021.

During the first quarter of 2021 we entered into supplemental agreements with respect to our Revolving Credit Facility and many of our bank loans. Under our Revolving Credit Facility and many of our bank loans, we are now required to maintain the Interest Coverage Covenant from February 28, 2023, at a ratio of not less than 2.0 to 1.0 for the February 28, 2023 and May 31, 2023 testing dates, 2.5 to 1.0 for the August 31, 2023 and November 30, 2023 testing dates, and 3.0 to 1.0 from the February 28, 2024 testing date onwards, or through their respective maturity dates, and the Debt to Capital Covenant at the end of each fiscal quarter before the November 30, 2021 testing date at a percentage not to exceed 65%. From the November 30, 2021 testing date until the May 31, 2023 testing date the Debt to Capital Covenant is not to exceed 75%, following which it will be tested at levels which decline ratably to 65% from the May 31, 2024 testing date onwards.

Even though we expect to obtain further amendments under our debt facilities with respect to the Interest Coverage Covenant or the Debt to Capital Covenant, if such amendments are not obtained we may be required to take certain actions, which in the case of the Debt to Capital Covenant could include issuing additional equity and/or reducing our indebtedness, failing which we may not be in compliance with the Interest Coverage Covenant or the Debt to Capital Covenant following August 31, 2022 with the next testing date of November 30, 2022 for such debt facilities, or as of future testing dates for certain agreements, because of the phased resumption of our guest cruise operations.

Amendments and waivers of the Interest Coverage Covenant and Debt to Capital Covenant have led and may continue to lead to increased costs, increased interest rates, additional restrictive covenants and other lender protections that are, or may become, applicable to us under these debt facilities, and such increased costs, restrictions and modifications may vary among debt facilities. For example, in connection with the amendments to the Revolving Credit Facility and certain agreements governing our bank loans described above, we have made certain changes to more closely align the financial covenants among the various facilities and agreements. In addition, we have agreed to additional restrictive covenants in such facilities and agreements with respect to debt incurrence, lien incurrence, restricted payments and investments that are substantially consistent with those contained in the indentures governing our recent unsecured notes issuances. In May and June 2021, the subsidiaries that guarantee our 2026 Senior Unsecured Notes and the 2027 Senior Unsecured Notes agreed to guarantee certain of our debt that was outstanding prior to April 2020, including our Revolving Credit Facility. These subsidiaries are expected to enter into additional agreements to guarantee additional debt under certain of our export credit facilities. Our ability to provide additional lender protections under these facilities, including the granting of security interests in certain collateral and the granting of guarantees with respect to certain outstanding debt, will be limited by the terms of such agreements as amended, and our other debt facilities.

There can be no assurance that we will be able to obtain amendments in a timely manner, on acceptable terms or at all. If we were not able to obtain the financial covenant amendments described above under any one or more of these debt facilities, we would be in default of any such agreement. As a consequence, we would need to refinance or repay the applicable debt facility or facilities, and would be required to raise additional debt or equity capital, or divest assets, to refinance or repay such facility or facilities. If we were to be unable to obtain financial covenant amendments as may be required under any one or more of these debt facilities, there can be no assurance that we would be able to raise sufficient debt or equity capital, or divest assets, to refinance or repay such facility or facilities. With respect to each of the unfunded debt facilities, if we were unable to obtain amendments under such debt facilities, the relevant lender under such facility could terminate that facility. With respect to each of our funded debt facilities, if we were unable to obtain amendments or refinance or repay such debt facilities, it would lead to an event of default under such facilities, which could lead to an acceleration of the indebtedness under such debt facilities. In turn, this would lead to an event of default and potential acceleration of amounts due under all of our outstanding debt and derivative contract payables. As a result, the failure to obtain the financial covenant amendments described above would have a material adverse effect.

**Item 6. Exhibits.**

**INDEX TO EXHIBITS**

| | | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| **Exhibit Number** | **Exhibit Description** | **Form** | **Exhibit** | **Filing Date** | **Filed/ Furnished Herewith** |
| **Articles of incorporation and by-laws** | | | | | |
| 3.1 | Third Amended and Restated Articles of Incorporation of Carnival Corporation | 8-K | 3.1 | 4/17/2003 | |
| 3.2 | Third Amended and Restated By-Laws of Carnival Corporation | 8-K | 3.1 | 4/20/2009 | |
| 3.3 | Articles of Association of Carnival plc | 8-K | 3.3 | 4/20/2009 | |
| **Material Contracts** | | | | | |
| 10.1 | Amendment of the Carnival Corporation 2020 Stock Plan | | | | X |
| 10.2 | Amendment Agreement dated May 11, 2021 to the Multicurrency Revolving Facilities Agreement originally dated May 18, 2011, as amended and restated on August 6, 2019 and further amended on December 31, 2020, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Europe Designated Activity Company as facilities agent and a syndicate of financial institutions | | | | X |
| **Rule 13a-14(a)/15d-14(a) certifications** | | | | | |
| 31.1 | Certification of President and Chief Executive Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | X |
| 31.2 | Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | X |
| 31.3 | Certification of President and Chief Executive Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | X |
| 31.4 | Certification of Chief Financial Officer and Chief Accounting Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | X |

**INDEX TO EXHIBITS**

| Exhibit Number | Exhibit Description | Incorporated by Reference | | | Filed/ Furnished Herewith |
|---|---|---|---|---|---|
| | | Form | Exhibit | Filing Date | |
| **Section 1350 certifications** | | | | | |
| 32.1* | Certification of President and Chief Executive Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | X |
| 32.2* | Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | X |
| 32.3* | Certification of President and Chief Executive Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | X |
| 32.4* | Certification of Chief Financial Officer and Chief Accounting Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | X |
| **Interactive Data File** | | | | | |
| 101 | The consolidated financial statements from Carnival Corporation & plc’s joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2021, as filed with the Securities and Exchange Commission on June 28, 2021, formatted in Inline XBRL, are as follows: | | | | |
| | (i) the Consolidated Statements of Income (Loss) for the three and six months ended May 31, 2021 and 2020; | | | | X |
| | (ii) the Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended May 31, 2021 and 2020; | | | | X |
| | (iii) the Consolidated Balance Sheets at May 31, 2021 and November 30, 2020; | | | | X |
| | (iv) the Consolidated Statements of Cash Flows for the six months ended May 31, 2021 and 2020; | | | | X |
| | (v) the Consolidated Statements of Shareholders’ Equity for the three and six months ended May 31, 2021 and 2020; | | | | X |
| | (vi) the notes to the consolidated financial statements, tagged in summary and detail. | | | | X |
| 104 | The cover page from Carnival Corporation & plc’s joint Quarterly Report on Form 10-Q for the quarter ended May 31, 2021, as filed with the Securities and Exchange Commission on June 28, 2021, formatted in Inline XBRL (included as Exhibit 101) | | | | |

* These items are furnished and not filed.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| CARNIVAL CORPORATION | CARNIVAL PLC |
|---|---|
| By: /s/ Arnold W. Donald | By: /s/ Arnold W. Donald |
| Arnold W. Donald | Arnold W. Donald |
| President and Chief Executive Officer | President and Chief Executive Officer |
| By: /s/ David Bernstein | By: /s/ David Bernstein |
| David Bernstein | David Bernstein |
| Chief Financial Officer and Chief Accounting Officer | Chief Financial Officer and Chief Accounting Officer |
| Date: June 28, 2021 | Date: June 28, 2021 |

**AMENDMENT**
**of the**
**CARNIVAL CORPORATION 2020 STOCK PLAN**

Section 5(b)(i) of the Carnival Corporation 2020 Stock Plan (the “Plan”) is hereby amended in its entirety to read as follows:

(i) subject to Section 12 of the Plan, no more than 25,000,000 Shares (the “Absolute Share Limit”) shall be available for Awards under the Plan;

CONFORMED COPY

**11 May 2021**

**CARNIVAL CORPORATION**

and

**CARNIVAL PLC**

**THE SUBSIDIARIES OF CARNIVAL CORPORATION** and **CARNIVAL PLC listed in Schedule 1**

(as Borrowers)

**BANK OF AMERICA EUROPE DESIGNATED ACTIVITY COMPANY**

(as Facilities Agent)

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# AMENDMENT AGREEMENT RELATING TO A MULTICURRENCY REVOLVING FACILITIES AGREEMENT ORIGINALLY DATED 18 MAY 2011 AS AMENDED FROM TIME TO TIME

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Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

**CONTENTS**

**THIS AGREEMENT** is dated 11 May 2021 and made between:

(1) **CARNIVAL CORPORATION** (a Panamanian corporation having its principal place of business at Carnival Place, 3655 N.W. 87th Avenue, Miami, Florida, 33178-2428) (the ***Company***);

(2) **CARNIVAL PLC** (a company incorporated under the laws of England and Wales with registered number 04039524) (***Carnival plc***);

(3) **THE SUBSIDIARIES OF THE COMPANY** and of **CARNIVAL PLC** listed in Schedule 1 (*Borrowers*) as borrowers (in this capacity and together with the Company and Carnival plc, the ***Borrowers***);

(4) **CARNIVAL CORPORATION** and **CARNIVAL PLC** as guarantors of their respective Subsidiaries (each a ***Guarantor***); and

(5) **BANK OF AMERICA EUROPE DESIGNATED ACTIVITY COMPANY** as facilities agent of the other Finance Parties (the ***Facilities Agent***).

**WHEREAS:**

(1) This Agreement is supplemental to and amends the multicurrency facilities agreement (the ***Facilities Agreement***) dated 18 May 2011 as amended and restated most recently on 6 August 2019 and amended further from time to time most recently on 31 December 2020 between, among others, the Company, Carnival plc and Bank of America Europe Designated Activity Company (formerly known as Bank of America Merrill Lynch International Designated Activity Company) as successor in title to Bank of America Merrill Lynch International Limited.

(2) Pursuant to Clause 41 (*Amendments and Waivers*) of the Facilities Agreement, the Facilities Agent is authorised to effect, on behalf of any Finance Party, any amendment or waiver permitted by that Clause. The Majority Lenders have consented to the amendment of the Facilities Agreement as contemplated by this Agreement and, accordingly, the Facilities Agent is authorised and has been instructed to execute this Agreement on behalf of the Finance Parties.

**IT IS AGREED** as follows:

## 1. INTERPRETATION

### 1.1 Definitions

In this Agreement:

***Amended Facilities Agreement*** means the Facilities Agreement as amended by this Agreement.

***Effective Date*** means the date on which the Facilities Agent confirms to the Lenders and the Company that it has received each of the documents listed in Schedule 2 (*Conditions Precedent*) in a form and substance satisfactory to the Facilities Agent. The Facilities Agent shall give such confirmation promptly upon being so satisfied.

***Subsidiary Deed of Guarantee*** means the deed of guarantee issued by each Subsidiary Guarantor in favour of the Facilities Agent on behalf of the Finance Parties in respect of the Obligors.

***Subsidiary Guarantor*** means each of:

(a) GXI, LLC.;

(b) HAL Antillen N.V.;

(c) Holland America Line N.V.;

(d) Cruiseport Curacao C.V.;

(e) Princess Cruise Lines, Ltd.;

(f) Seabourn Cruise Line Limited; and

(g) Costa Crociere S.p.A.

1.2 **Defined terms and construction**

In this Agreement, unless the context otherwise requires:

(a) a reference to a term defined in any other Finance Document has the same meaning in this Agreement;

(b) references to Clauses are to Clauses of the Amended Facilities Agreement unless otherwise stated; and

(c) the provisions of Clause 1.2 (*Construction*) apply to this Agreement as though they were set out in full in this Agreement except that references to the Amended Facilities Agreement are to be construed as references to this Agreement.

**2. AMENDMENT OF FACILITIES AGREEMENT**

With effect from (and including) the Effective Date, the Facilities Agreement shall be amended to incorporate the amendments set out in Schedule 3 (*Amendments*) to this Agreement.

**3. REPRESENTATIONS**

The Repeating Representations are confirmed to be true in all material respects by each Obligor (by reference to the facts and circumstances then existing) on the date of this Agreement and on the Effective Date, and in each case as if references to the Finance Documents in such Repeating Representations are references to this Agreement, the Amended Facilities Agreement and the Subsidiary Deed of Guarantee.

**4. GUARANTEE**

On the Effective Date, each Obligor:

(a) confirms its acceptance of the Amended Facilities Agreement;

(b) agrees that it is bound as an Obligor by the terms of the Amended Facilities Agreement; and

(c) if a Guarantor, confirms that its guarantee provided under Clause 23 (*Guarantee and Indemnity*) of the Amended Facilities Agreement and the relevant Deed of Guarantee:

(i) continues in full force and effect on the terms of the Amended Facilities Agreement and the relevant Deed of Guarantee; and

(ii) extends to the obligations of the Obligors under the Finance Documents (including the Amended Facilities Agreement and notwithstanding the imposition of any amended, additional or more onerous obligations).

**5. EFFECT OF AMENDMENT**

(a) In accordance with the Facilities Agreement, each of the Facilities Agent and Company designates each of this Agreement, the Amended Facilities Agreement and the Subsidiary Deed of Guarantee as a Finance Document.

(b) The Facilities Agreement and this Agreement will, from the Effective Date, be read and construed as one document.

(c) Except as otherwise provided in this Agreement, the Finance Documents remain in full force and effect.

(d) Except to the extent expressly waived in this Agreement, no waiver is given by this Agreement and the Lenders expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.

**6. MISCELLANEOUS**

6.1 **Further assurance**

Each Obligor shall, at the request of the Facilities Agent and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

6.2 **Incorporation of terms**

The provisions of Clauses 37 (*Notices*), 39 (*Partial invalidity*), 46 (*Governing law*) and 47 (*Enforcement*) of the Amended Facilities Agreement shall apply to this Agreement as though they were set out in full in this Agreement and as if references in those clauses to “this Agreement” are references to this Agreement.

6.3 **Counterparts**

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery.

6.4 **Italian transparency rules**

Pursuant to and in accordance with the transparency rules (*Disposizioni in materia di trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*) applicable to transactions and banking and financial services issued by Bank of Italy on 29 July 2009 and published in the Italian official gazette (*Gazzetta Ufficiale*) no. 217 on 18 September 2009 (as amended and supplemented from time to time) (the ***Transparency Rules***), the Parties mutually acknowledge and declare that this Agreement and any of its terms and conditions have been negotiated, with the assistance of their respective legal counsels, on an individual basis and, as a result, this Agreement falls into the category of the agreements "*che costituiscono oggetto di trattativa individuale*" which are exempted from the application of Section II of the Transparency Rules.

**IN WITNESS** whereof the parties have caused this Agreement to be duly executed on the date first written above.

## SCHEDULE 1

## BORROWERS

**Name of Subsidiaries of the Company and Carnival plc**

1. Costa Crociere S.p.A. (a company organised and existing under the laws of Italy as a *società per azioni*, having its registered office in Genoa (Italy), Piazza Piccapietra 48, registered with the Companies' Register (*Registro delle Imprese*) of Genoa under no. 02545900108, *Repertorio Economico Amministrativo* no. GE-279842)

2. CC U.S. Ventures, Inc. (a corporation incorporated and existing under the laws of the State of Delaware, United States of America)

## SCHEDULE 2

## CONDITIONS PRECEDENT

**Subsidiary Guarantors**

1. A copy of the constitutional documents of each Subsidiary Guarantor.

2. A copy of a resolution of the board of directors or, if applicable, a committee of the board of directors of each Subsidiary Guarantor approving the terms of, the transactions contemplated by, and the execution, delivery and performance of, the Subsidiary Deed of Guarantee and authorising a specified person or persons to execute the Subsidiary Deed of Guarantee.

3. If applicable, a copy of the resolution of the board of directors appointing the committee referred to in paragraph 2 above.

4. A specimen of the signature of each person who executes the Subsidiary Deed of Guarantee and who is authorised on behalf of a Subsidiary Guarantor to execute or witness the execution of the Subsidiary Deed of Guarantee.

5. A certificate of an authorised signatory of the Company certifying that each copy document relating to any Subsidiary Guarantor specified in this Schedule is correct, complete and in full force and effect as at a date no earlier than the date of the Subsidiary Deed of Guarantee.

6. A copy of a good standing certificate with respect to each Subsidiary Guarantor incorporated in a State in the United States of America, issued as of a recent date by the Secretary of State or other appropriate official of each such Subsidiary Guarantor's jurisdiction of incorporation or organisation.

7. A copy of a good standing certificate with respect to each Subsidiary Guarantor incorporated in Bermuda, issued as of a recent date by the appropriate official of each such Subsidiary Guarantor's jurisdiction of incorporation or organisation.

8. A certificate downloaded from *registro delle imprese* confirming that no insolvency procedures have been started in relation to Costa Crociere S.p.A. no earlier than 5 Business Days before the date of the Subsidiary Deed of Guarantee.

**Legal opinions**

1. A legal opinion of Allen & Overy LLP, London office, English law legal advisers to the Facilities Agent, addressed to the Finance Parties.

2. A legal opinion of Morris James LLP, Delaware state law legal advisers to the Facilities Agent, addressed to the Finance Parties.

3. A legal opinion of Allen & Overy LLP, Milan office, Italian law legal advisers to the Facilities Agent, addressed to the Finance Parties.

4. A legal opinion of STvB Advocaten, Curaçao law legal advisers to the Company, addressed to the Finance Parties.

5. A legal opinion of Conyers Dill & Pearman Limited, Bermuda law legal advisers to the Company, addressed to the Finance Parties.

**Other documents and evidence**

1. This Agreement duly executed by all parties thereto.
2. The Subsidiary Deed of Guarantee duly executed by all parties thereto.

## SCHEDULE 3

## AMENDMENTS

1. The definition of “Obligor” in Clause 1.1 (*Definitions*) shall be amended by adding the following words to the end of the definition:

   “or a Subsidiary Guarantor.”

2. A new definition of “Subsidiary Guarantor” shall be inserted in Clause 1.1 (*Definitions*) in alphabetical order as follows:

   “***Subsidiary Guarantor*** means each of:

   (a) GXI, LLC., incorporated in the State of Delaware, United States of America;

   (b) HAL Antillen N.V., incorporated in Curaçao;

   (c) Holland America Line N.V., incorporated in Curaçao;

   (d) Cruiseport Curacao C.V., incorporated in Curaçao;

   (e) Princess Cruise Lines, Ltd., incorporated in Bermuda;

   (f) Seabourn Cruise Line Limited, incorporated in Bermuda; and

   (g) Costa Crociere S.p.A., incorporated in Italy”

3. Clause 27.8 (*Guarantees*) shall be deleted in its entirety and replaced with the following:

   “The Company (for itself and its Subsidiaries) and Carnival plc (for itself and its Subsidiaries) will ensure that no member of the Carnival Corporation & plc Group other than a Subsidiary Guarantor will grant any guarantee in respect of any Pre-COVID Unsecured Debt from 31 December 2020 until 30 November 2024, unless such entity was already an obligor or guarantor of such Pre-COVID Unsecured Debt as at such date.”

4. A new Clause 30.4 (*Resignation of a Subsidiary Guarantor*) shall be inserted as follows:

   “**30.4 Resignation of a Subsidiary Guarantor**

   (a) The Company may designate that a Subsidiary Guarantor automatically ceases to be a Subsidiary Guarantor by notifying the Facilities Agent if:

      (i) that Subsidiary Guarantor is being disposed of by way of a Third Party Disposal and the Company has confirmed this is the case; or

      (ii) the Majority Lenders have consented to the resignation of that Subsidiary Guarantor.

(b) A resignation of a Subsidiary Guarantor pursuant to paragraph (a)(ii) above shall only be effective if:

(i) the Company has confirmed that no Default is continuing or would result from the acceptance of the notice of resignation;

(ii) no payment is due from the Subsidiary Guarantor under a Finance Document; and

(iii) where the Subsidiary Guarantor is also a Borrower, it is under no actual or contingent obligations as a Borrower and has resigned and ceased to be a Borrower under Clause 30.3 (*Resignation of a Borrower*).

(c) The resignation of a Subsidiary Guarantor pursuant to paragraph (a)(i) above shall not be effective until the date of the relevant Third Party Disposal at which time that company shall cease to be a Subsidiary Guarantor and shall have no further rights or obligations under the Finance Documents as a Subsidiary Guarantor.

(d) For the purposes of this Clause 30.4, ***Third Party Disposal*** means the disposal of a Subsidiary Guarantor to a person which is not a member of the Group where that disposal is permitted under this Agreement or made with the approval of the Majority Lenders."

5. A new Clause 34.12 (*Amounts paid in error*) shall be inserted as follows:

"**34.12 Amounts paid in error**

(a) If the Facilities Agent pays an amount to another Party and the Facilities Agent notifies that Party that that payment was an Erroneous Payment then the Party to whom that amount was paid by the Facilities Agent shall on demand refund the same to the Facilities Agent together with interest on that amount from the date of payment to the date of receipt by the Facilities Agent, calculated by the Facilities Agent to reflect its cost of funds.

(b) The rights and remedies of the Facilities Agent (whether arising under this Clause 34.12 or otherwise) which relate to an Erroneous Payment will not be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such right or remedy (whether or not known by the Facilities Agent or any other Party).

(c) All payments to be made by a Party to the Facilities Agent (whether made pursuant to this Clause 34.12 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

(d) In this Agreement, ***Erroneous Payment*** means a payment of an amount by the Facilities Agent to another Party which the Facilities Agent determines (in its sole discretion) was made in error."

6. Clauses 37.1 (*Communications in writing*) to 37.4 (*Notification of Address and fax number*) inclusive shall be deleted in their entirety and replaced with the following:

**"37.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by email or letter.

**37.2 Addresses**

(a) The address and email (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(i) in the case of the Company and each other Obligor, that identified with its name in paragraph (b) below;

(ii) in the case of each Lender, any other Original Obligor or any Additional Borrower, that notified in writing to the Facilities Agent on or prior to the date on which it becomes a Party; and

(iii) in the case of the Facilities Agent, that identified with its name in paragraph (c) below,

or any substitute address, email or department or officer as the Party may notify to the Facilities Agent (or the Facilities Agent may notify to the other Parties, if a change is made by the Facilities Agent) by not less than five Business Days' notice.

(b) The contact details of the Company and each other Obligor for this purpose are:

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178
E-Mail: QDobbins@carnival.com
Attention: Treasurer; and

Address: Carnival Corporation, 3655 NW 87th Avenue, Miami, Florida 33178
E-Mail: EMiguez@carnival.com
Attention: General Counsel

(c) The contact details of the Facilities Agent for this purpose are:

In relation to general credit matters:

Bank of America Europe Designated Activity Company
Two Park Place
Hatch Street
Dublin 2
Ireland

Attention: EMEA Lending Fulfilment
E-Mail: colin.gotts@bofa.com & kevin.p.day@bofa.com

In relation to administrative matters:

Bank of America Europe Designated Activity Company
26 Elmfield Road
Bromley
Kent
BR1 1LR

Attention: Loans Agency Operations
E-Mail: emea.7115loansagency@bankofamerica.com

**37.3 Delivery**

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if delivered in person or email, at the time of delivery; or

(ii) if by post, five days after being deposited in the post, postage prepaid in an envelope correctly addressed.

(b) Any communication or document to be made or delivered to the Facilities Agent will be effective only when actually received by the Facilities Agent.

(c) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

(d) All notices from or to an Obligor shall be sent through the Facilities Agent.

(e) Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

**37.4 Notification of address and email**

Promptly upon receipt of notification of an address and email or change of address or email pursuant to Clause 37.2 (*Addresses*) or changing its own address or email, the Facilities Agent shall notify the other Parties."

**SIGNATORIES**
**Borrowers**

**CARNIVAL CORPORATION**

By: /S/ QUINBY DOBBINS
Quinby Dobbins, Treasurer & SVP Corporate Finance

Place of execution: Miami, Florida USA

**CARNIVAL PLC**

By: /S/ QUINBY DOBBINS
Quinby Dobbins, Treasurer & SVP Corporate Finance

Place of execution: Miami, Florida USA

**COSTA CROCIERE S.p.A.**

By: /S/ DAVID BERNSTEIN
David Bernstein, Director

Place of execution: Miami, Florida USA

**CC U.S. VENTURES, INC.**

By: /S/ ARNALDO PEREZ
Arnaldo Perez, Secretary

Place of execution: Miami, Florida USA

**Guarantors**

**CARNIVAL CORPORATION**

By: /S/ QUINBY DOBBINS
Quinby Dobbins, Treasurer & SVP Corporate Finance

Place of execution: Miami, Florida USA

**CARNIVAL PLC**

By: /S/ QUINBY DOBBINS
Quinby Dobbins, Treasurer & SVP Corporate Finance

Place of execution: Miami, Florida USA

**Facilities Agent**

**BANK OF AMERICA EUROPE DESIGNATED ACTIVITY COMPANY**

By: /S/ KEVIN DAY
Kevin Day
Vice President

Place of execution: United Kingdom

**Exhibit 31.1**

I, Arnold W. Donald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2021

By:/s/ Arnold W. Donald
Arnold W. Donald
President and Chief Executive Officer

**Exhibit 31.2**

I, David Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2021

By:/s/ David Bernstein
David Bernstein
Chief Financial Officer and Chief Accounting Officer

**Exhibit 31.3**

I, Arnold W. Donald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2021

By:/s/ Arnold W. Donald
Arnold W. Donald
President and Chief Executive Officer

**Exhibit 31.4**

I, David Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2021

By:/s/ David Bernstein
David Bernstein
Chief Financial Officer and Chief Accounting Officer

**Exhibit 32.1**

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2021 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the “Report”), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: June 28, 2021

By:/s/ Arnold W. Donald
Arnold W. Donald
President and Chief Executive Officer

**Exhibit 32.2**

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2021 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the “Report”), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: June 28, 2021

By:/s/ David Bernstein
David Bernstein
Chief Financial Officer and Chief Accounting Officer

**Exhibit 32.3**

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2021 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the “Report”), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: June 28, 2021

By:/s/ Arnold W. Donald
Arnold W. Donald
President and Chief Executive Officer

**Exhibit 32.4**

In connection with the Quarterly Report on Form 10-Q for the quarter ended May 31, 2021 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: June 28, 2021

By:/s/ David Bernstein
David Bernstein
Chief Financial Officer and Chief Accounting Officer