

**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 August 31, 2022

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

Carnival Corporation

(Exact name of registrant as specified in its charter)

Republic of Panama

(State or other jurisdiction of incorporation or organization)

59-1562976

(I.R.S. Employer Identification No.)

3655 N.W. 87th Avenue

Miami, Florida 33178-2428

(Address of principal executive offices)  
(Zip Code)

(305) 599-2600

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Commission file number: 001-15136

Carnival plc

(Exact name of registrant as specified in its charter)

England and Wales

(State or other jurisdiction of incorporation or organization)

98-0357772

(I.R.S. Employer Identification No.)

Carnival House, 100 Harbour Parade

Southampton SO15 1ST United Kingdom

(Address of principal executive offices)  
(Zip Code)

011 44 23 8065 5000

(Registrant's telephone number, including area code)

None

(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 September 22, 2022, Carnival Corporation had outstanding 1,112,706,805 shares of Common Stock, \$0.01 par value.

At September 22, 2022, Carnival plc had outstanding 186,110,516 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 1,112,706,805 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

**CARNIVAL CORPORATION & PLC**

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>PART I - FINANCIAL INFORMATION</u></b>	
Item 1. <a href="#">Financial Statements</a> .....	<a href="#">4</a>
Item 2. <a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a> .....	<a href="#">26</a>
Item 3. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a> .....	<a href="#">34</a>
Item 4. <a href="#">Controls and Procedures</a> .....	<a href="#">34</a>
<b><u>PART II - OTHER INFORMATION</u></b>	
Item 1. <a href="#">Legal Proceedings</a> .....	<a href="#">35</a>
Item 1A. <a href="#">Risk Factors</a> .....	<a href="#">35</a>
Item 2. <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a> .....	<a href="#">35</a>
Item 6. <a href="#">Exhibits</a> .....	<a href="#">37</a>
<b><u>SIGNATURES</u></b>	<b><u>39</u></b>

**PART I - FINANCIAL INFORMATION**
**Item 1. Financial Statements.**

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

(in millions, except per share data)

	<b>Three Months Ended August 31,</b>		<b>Nine Months Ended August 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>				
Passenger ticket	\$ 2,595	\$ 303	\$ 4,753	\$ 326
Onboard and other	1,711	243	3,577	295
	<u>4,305</u>	<u>546</u>	<u>8,329</u>	<u>621</u>
<b>Operating Costs and Expenses</b>				
Commissions, transportation and other	565	79	1,141	116
Onboard and other	537	72	1,060	94
Payroll and related	563	375	1,601	834
Fuel	668	182	1,577	398
Food	259	52	586	80
Ship and other impairments	—	475	8	524
Other operating	787	381	2,118	786
	<u>3,379</u>	<u>1,616</u>	<u>8,092</u>	<u>2,832</u>
Selling and administrative	625	425	1,774	1,305
Depreciation and amortization	581	562	1,707	1,681
	<u>4,585</u>	<u>2,603</u>	<u>11,573</u>	<u>5,817</u>
<b>Operating Income (Loss)</b>	<u>(279)</u>	<u>(2,057)</u>	<u>(3,244)</u>	<u>(5,196)</u>
<b>Nonoperating Income (Expense)</b>				
Interest income	24	3	34	10
Interest expense, net of capitalized interest	(422)	(418)	(1,161)	(1,253)
Gain (loss) on debt extinguishment, net	—	(376)	—	(372)
Other income (expense), net	(81)	(11)	(108)	(87)
	<u>(479)</u>	<u>(802)</u>	<u>(1,235)</u>	<u>(1,702)</u>
<b>Income (Loss) Before Income Taxes</b>	<u>(759)</u>	<u>(2,859)</u>	<u>(4,478)</u>	<u>(6,898)</u>
<b>Income Tax Benefit (Expense), Net</b>	<u>(11)</u>	<u>23</u>	<u>(17)</u>	<u>17</u>
<b>Net Income (Loss)</b>	<u>\$ (770)</u>	<u>\$ (2,836)</u>	<u>\$ (4,495)</u>	<u>\$ (6,881)</u>
<b>Earnings Per Share</b>				
Basic	<u>\$ (0.65)</u>	<u>\$ (2.50)</u>	<u>\$ (3.89)</u>	<u>\$ (6.14)</u>
Diluted	<u>\$ (0.65)</u>	<u>\$ (2.50)</u>	<u>\$ (3.89)</u>	<u>\$ (6.14)</u>

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

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

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>August 31,</b>		<b>August 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Net Income (Loss)</b>	\$ (770)	\$ (2,836)	\$ (4,495)	\$ (6,881)
<b>Items Included in Other Comprehensive Income (Loss)</b>				
Change in foreign currency translation adjustment	(283)	(224)	(529)	79
Other	1	1	6	8
<b>Other Comprehensive Income (Loss)</b>	(282)	(223)	(523)	87
<b>Total Comprehensive Income (Loss)</b>	<u>\$ (1,052)</u>	<u>\$ (3,059)</u>	<u>\$ (5,018)</u>	<u>\$ (6,794)</u>

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

**CARNIVAL CORPORATION & PLC**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(in millions, except par values)

	<u>August 31,</u> <u>2022</u>	<u>November 30,</u> <u>2021</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,071	\$ 8,939
Short-term investments	—	200
Trade and other receivables, net	360	246
Inventories	420	356
Prepaid expenses and other	581	392
Total current assets	<u>8,432</u>	<u>10,133</u>
<b>Property and Equipment, Net</b>	38,137	38,107
<b>Operating Lease Right-of-Use Assets</b>	1,163	1,333
<b>Goodwill</b>	579	579
<b>Other Intangibles</b>	1,151	1,181
<b>Other Assets</b>	2,455	2,011
	<u>\$ 51,917</u>	<u>\$ 53,344</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	\$ 2,675	\$ 2,790
Current portion of long-term debt	2,877	1,927
Current portion of operating lease liabilities	139	142
Accounts payable	920	797
Accrued liabilities and other	1,873	1,641
Customer deposits	4,470	3,112
Total current liabilities	<u>12,954</u>	<u>10,408</u>
<b>Long-Term Debt</b>	28,518	28,509
<b>Long-Term Operating Lease Liabilities</b>	1,076	1,239
<b>Other Long-Term Liabilities</b>	989	1,043
<b>Contingencies and Commitments</b>		
<b>Shareholders' Equity</b>		
Common stock of Carnival Corporation, \$0.01 par value; 1,960 shares authorized; 1,243 shares at 2022 and 1,116 shares at 2021 issued	12	11
Ordinary shares of Carnival plc, \$1.66 par value; 217 shares at 2022 and 2021 issued	361	361
Additional paid-in capital	16,626	15,292
Retained earnings	1,868	6,448
Accumulated other comprehensive income (loss) ("AOCI")	(2,024)	(1,501)
Treasury stock, 130 shares at 2022 and 2021 of Carnival Corporation and 71 shares at 2022 and 67 shares at 2021 of Carnival plc, at cost	(8,464)	(8,466)
Total shareholders' equity	<u>8,379</u>	<u>12,144</u>
	<u>\$ 51,917</u>	<u>\$ 53,344</u>

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

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

	<b>Nine Months Ended</b>	
	<b>August 31, 2022</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (4,495)	\$ (6,881)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	1,707	1,681
Impairments	8	541
(Gain) loss on debt extinguishment	—	372
(Income) loss from equity-method investments	—	35
Share-based compensation	79	95
Amortization of discounts and debt issue costs	131	131
Noncash lease expense	103	106
Other, net	30	85
	<u>(2,438)</u>	<u>(3,834)</u>
Changes in operating assets and liabilities		
Receivables	(134)	(37)
Inventories	(87)	(19)
Prepaid expenses and other	(716)	(1,221)
Accounts payable	176	15
Accrued liabilities and other	262	458
Customer deposits	1,383	897
Net cash provided by (used in) operating activities	<u>(1,553)</u>	<u>(3,741)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(3,759)	(3,120)
Proceeds from sales of ships and other	55	351
Purchase of minority interest	(1)	(90)
Purchase of short-term investments	(315)	(2,672)
Proceeds from maturity of short-term investments	515	2,026
Derivative settlements and other, net	38	(29)
Net cash provided by (used in) investing activities	<u>(3,467)</u>	<u>(3,535)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from (repayments of) short-term borrowings, net	(114)	17
Principal repayments of long-term debt	(1,073)	(3,507)
Premium paid on extinguishment of debt	—	(286)
Proceeds from issuance of long-term debt	3,334	7,900
Issuance of common stock, net	1,180	1,003
Issuance of common stock under the Stock Swap Program	89	105
Purchase of treasury stock under the Stock Swap Program	(82)	(94)
Debt issue costs and other, net	(117)	(239)
Net cash provided by (used in) financing activities	<u>3,217</u>	<u>4,899</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(67)</u>	<u>13</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>(1,870)</u>	<u>(2,363)</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>8,976</u>	<u>9,692</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 7,107</u>	<u>\$ 7,329</u>

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
<b>At November 30, 2021</b>	<b>\$ 11</b>	<b>\$ 361</b>	<b>\$ 15,292</b>	<b>\$ 6,448</b>	<b>\$(1,501)</b>	<b>\$(8,466)</b>	<b>\$ 12,144</b>
Net income (loss)	—	—	—	(4,495)	—	—	(4,495)
Other comprehensive income (loss)	—	—	—	—	(523)	—	(523)
Issuances of common stock, net	1	—	1,178	—	—	—	1,180
Purchases and issuances under the Stock Swap program, net	—	—	89	—	—	(82)	8
Issuance of treasury shares for vested share-based awards	—	—	—	(84)	—	84	—
Share-based compensation and other	—	—	67	(1)	—	—	66
<b>At August 31, 2022</b>	<b>\$ 12</b>	<b>\$ 361</b>	<b>\$ 16,626</b>	<b>\$ 1,868</b>	<b>\$(2,024)</b>	<b>\$(8,464)</b>	<b>\$ 8,379</b>

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 and began resuming guest cruise operations in 2021. As of August 31, 2022, 93% of our capacity was serving guests.

COVID-19 and its ongoing effects, inflation, higher fuel prices and higher interest rates are collectively having a material impact on our business, including our results of operations, liquidity and financial position. The extent of the collective impact of such items is uncertain and will depend on future developments, including the length of time it takes to return the company to profitability.

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:

- Continued resumption of guest cruise operations
- Expected increases in revenue in 2023 on a per passenger basis compared to 2019, particularly with the relaxation of COVID-19 related protocols aligning towards land-based vacation alternatives
- Expected improvement in occupancy on a year-over-year basis returning to historical levels during 2023
- Expected moderation of fuel prices continuing into the fourth quarter of 2022 and 2023
- Expected inflation and supply chain challenges to continue to weigh on costs, though moderated by a larger, more efficient fleet as compared to 2019
- Maintaining collateral and reserves at reasonable levels

In addition, we make certain assumptions about new ship deliveries, improvements and removals, and consider the future export credit financings that are associated with the new 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 and subsequent resumption of our guest cruise operations, and as a consequence, our ability to be predictive is uncertain. In addition, the effects of the COVID-19 global pandemic, inflation, higher fuel prices and higher interest rates are uncertain. We have made reasonable estimates and judgments of the impact of these events within our consolidated financial statements and there may be changes to those estimates in future periods. We took, and may continue as appropriate to take, actions to improve our liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions and accelerating the removal of certain ships from our fleet. We expect to continue to address maturities well in advance and obtain relevant financial covenant amendments or waivers, as needed.

Based on these actions and our assumptions, considering our \$7.4 billion of liquidity including cash and borrowings available under our \$1.7 billion, €1.0 billion and £0.2 billion multi-currency revolving credit facility (the “Revolving Facility”) at August 31, 2022, as well as our continued return to service, 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 nine months ended August 31, 2022 and 2021, the Consolidated Statements of Cash Flows for the nine months ended August 31, 2022 and 2021 and the Consolidated Balance Sheet at August 31, 2022 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 2021 joint Annual Report on Form 10-K (“Form 10-K”) filed with the U.S. Securities and Exchange Commission on January 27, 2022.

### ***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, inflation, higher fuel prices and higher interest rates 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 uncertain. We have made reasonable estimates and judgments of such items within our financial statements and there may be changes to those estimates in future periods.

### ***Accounting Pronouncements***

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU No. 2020-04”), which provides temporary optional expedients and exceptions to accounting guidance on contract modifications and hedge accounting to ease entities’ financial reporting burdens as the market transitions from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates. ASU 2020-04 is effective upon issuance and can be applied through December 31, 2022. The use of LIBOR was phased out at the end of 2021, although the phase-out of U.S. dollar LIBOR for existing agreements has been delayed until June 2023. We continue to monitor developments related to the LIBOR transition and identification of an alternative, market-accepted rate.

In December 2021, we amended our £350 million long-term debt agreement which referenced the British Pound sterling (“GBP”) LIBOR to the Sterling Overnight Index Average (“SONIA”) and applied the practical expedient. This amendment did not have a material impact on our consolidated financial statements. As of August 31, 2022, approximately \$8.4 billion of our outstanding indebtedness bears interest at floating rates referenced to U.S. dollar LIBOR with maturity dates extending beyond June 30, 2023. We are currently evaluating our contracts referenced to U.S. dollar LIBOR and working with our creditors on updating credit agreements as necessary to include language regarding the successor or alternate rate to LIBOR. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements during the LIBOR transition period.

The FASB issued guidance, *Debt - Debt with Conversion and Other Options* 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. We will adopt this guidance in the first quarter of 2023 using the modified retrospective approach. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

### **NOTE 2 – Revenue and Expense Recognition**

Guest cruise deposits and advance onboard purchases 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. The fees, taxes and charges that vary with guest head counts and are directly imposed on a revenue-producing arrangement are expensed in commissions, transportation and other costs when the corresponding revenues are recognized. For the three and nine months ended August 31, fees, taxes, and charges included in commissions, transportation and other costs were \$141 million and \$305 million in 2022 and were \$16 million and \$28 million in 2021. 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.

### ***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. In certain situations, we have provided flexibility to guests by allowing guests to rebook at a future date, receive future cruise credits (“FCCs”) or elect to receive refunds in cash. We have at times issued enhanced FCCs. Enhanced FCCs provide the guest with an additional credit value above the original cash deposit received, and the enhanced value is recognized as a discount applied to the future cruise in the period used. We record a liability for unexpired FCCs to the extent we have received and not refunded cash from guests for cancelled bookings. We had total customer deposits of \$4.8 billion as of August 31, 2022 and \$3.5 billion as of November 30, 2021. Refunds payable to guests who have elected cash refunds are recorded in accounts payable. During the nine months ended August 31, 2022 and 2021, we recognized revenues of \$1.7 billion and an immaterial amount related to our customer deposits as of November 30, 2021 and 2020. Historically, our customer deposits balance changes due to the seasonal nature of cash collections, the recognition of revenue, refunds of customer deposits and foreign currency translation.

### ***Trade and Other 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 have receivables from credit card merchants and travel agents for cruise ticket purchases and onboard revenue. These receivables are included within trade and other receivables, net. 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. These reserve funds are included in other assets.

### ***Contract Assets***

Contract assets are amounts paid prior to the start of a voyage as a result of obtaining the ticket contract and include prepaid travel agent commissions and prepaid credit and debit card fees. We record these amounts within prepaid expenses and other and subsequently recognize these amounts as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We had contract assets of \$191 million as of August 31, 2022 and \$55 million as of November 30, 2021.

**NOTE 3 – Debt**

<i>(in millions)</i>	<b>Maturity</b>	<b>Rate (a) (b)</b>	<b>August 31, 2022</b>	<b>November 30, 2021</b>
<b>Secured Debt</b>				
<b>Notes</b>				
Notes	Feb 2026	10.5%	\$ 775	\$ 775
EUR Notes	Feb 2026	10.1%	425	481
Notes	Jun 2027	7.9%	192	192
Notes	Aug 2027	9.9%	900	900
Notes	Aug 2028	4.0%	2,406	2,406
<b>Loans</b>				
EUR fixed rate	Nov 2022	5.5% - 6.2%	67	98
EUR floating rate	Nov 2022 - Jun 2025	EURIBOR + 2.7% - 3.8%	829	951
Floating rate	Jun 2025 - Oct 2028	LIBOR + 3.0% - 3.3%	4,111	4,137
<b>Total Secured Debt</b>			9,704	9,939
<b>Unsecured Debt</b>				
<b>Revolver</b>				
Facility	(c)	LIBOR + 0.7%	2,675	2,790
<b>Notes</b>				
EUR Notes	Nov 2022	1.9%	550	622
Convertible Notes	Apr 2023	5.8%	183	522
Notes	Oct 2023	7.2%	125	125
Convertible Notes	Oct 2024	5.8%	339	—
Notes	Mar 2026	7.6%	1,450	1,450
EUR Notes	Mar 2026	7.6%	500	566
Notes	Mar 2027	5.8%	3,500	3,500
Notes	Jan 2028	6.7%	200	200
Notes	May 2029	6.0%	2,000	2,000
EUR Notes	Oct 2029	1.0%	600	679
Notes	Jun 2030	10.5%	1,000	—
<b>Loans</b>				
Floating rate	Feb 2023 - Sep 2024	LIBOR + 3.8% - 4.5%	590	590
GBP floating rate	Feb 2025	SONIA + 0.9% (d)	410	467
EUR floating rate	Dec 2021 - Mar 2026	EURIBOR + 1.8% - 4.8%	800	1,375
<b>Export Credit Facilities</b>				
Floating rate	Feb 2022 - Dec 2031	LIBOR + 0.5% - 1.5%	1,312	1,363
Fixed rate	Aug 2027 - Dec 2032	2.4% - 3.4%	3,240	3,488
EUR floating rate	Feb 2022 - Dec 2033	EURIBOR + 0.2% - 1.6%	3,102	2,742
EUR fixed rate	Feb 2031 - Jan 2034	1.1% - 1.6%	2,529	1,551
<b>Total Unsecured Debt</b>			25,104	24,031
<b>Total Debt</b>			34,808	33,970
Less: unamortized debt issuance costs and discounts			(737)	(744)
Total Debt, net of unamortized debt issuance costs and discounts			34,071	33,226
Less: short-term borrowings			(2,675)	(2,790)

Less: current portion of long-term debt	(2,877)	(1,927)
<b>Long-Term Debt</b>	<b>\$ 28,518</b>	<b>\$ 28,509</b>

- (a) Substantially all of our variable debt has a 0.0% to 0.75% floor.
- (b) The above debt table does not include the impact of our interest rate swaps and as of November 30, 2021, it also excludes the impact of our foreign currency swaps. As of August 31, 2022, we had no foreign currency swaps. The interest rates on some of our debt, including our Revolving Facility, fluctuate based on the applicable rating of senior unsecured long-term securities of Carnival Corporation or Carnival plc.
- (c) Amounts outstanding under our Revolving Facility were drawn in 2020 for an initial six-month term. We may continue to re-borrow or otherwise utilize available amounts under the Revolving Facility through August 2024, subject to satisfaction of the conditions in the facility. We had \$0.3 billion available for borrowing under our Revolving Facility as of August 31, 2022. The Revolving 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 unutilized portion.
- (d) As of August 31, 2022 the interest rate for the GBP unsecured loan was linked to SONIA and subject to a credit adjustment spread ranging from 0.03% to 0.28%. As of November 30, 2021, this loan was referenced to GBP LIBOR.

Carnival Corporation and/or Carnival plc is the primary obligor of all of our debt, with the exception of \$0.6 billion of debt for which our subsidiary Costa Crociere S.p.A. is the primary obligor, and which is guaranteed by Carnival Corporation and Carnival plc.

#### ***Short-Term Borrowings***

As of August 31, 2022 and November 30, 2021, our short-term borrowings consisted of \$2.7 billion and \$2.8 billion under our Revolving Facility.

#### ***Export Credit Facility Borrowings***

During the nine months ended August 31, 2022, we borrowed \$2.3 billion under export credit facilities due in semi-annual installments through 2034. As of August 31, 2022, the net book value of the vessels subject to negative pledges was \$13.0 billion.

#### ***Secured Debt***

Our secured debt is secured on either a first or second-priority basis, depending on the instrument, by certain collateral, which includes vessels and certain assets related to those vessels and material intellectual property (combined net book value of approximately \$24.0 billion, including \$22.4 billion related to vessels and certain assets related to those vessels) as of August 31, 2022 and certain other assets.

#### ***2030 Senior Unsecured Notes***

In May 2022, we issued an aggregate principal amount of \$1.0 billion senior unsecured notes that mature on June 1, 2030 (the “2030 Senior Unsecured Notes”). The 2030 Senior Unsecured Notes bear interest at a rate of 10.5% per year.

#### ***Convertible Notes***

In 2020, we issued \$2.0 billion aggregate principal amount of 5.75% convertible senior notes due 2023 (the “2023 Convertible Notes”). The 2023 Convertible Notes mature on April 1, 2023, unless earlier repurchased or redeemed by us or earlier converted in accordance with their terms prior to the maturity date. Since April 2020, we repurchased, exchanged and converted a portion of the 2023 Convertible Notes which resulted in a decrease of the principal amount of the 2023 Convertible Notes to \$0.2 billion.

In August 2022, we issued \$339 million aggregate principal amount of 5.75% convertible senior notes due 2024 (the “2024 Convertible Notes” and, together with the 2023 Convertible Notes, the “Convertible Notes”) pursuant to privately-negotiated non-cash exchange agreements with certain holders of the 2023 Convertible Notes, pursuant to which such holders agreed to exchange their 2023 Convertible Notes for an equal amount of 2024 Convertible Notes. The 2024 Convertible Notes mature on

October 1, 2024, unless earlier repurchased or redeemed by us or earlier converted in accordance with their terms prior to the maturity date.

The Convertible Notes are convertible by holders, subject to the conditions described within the respective indentures that govern the Convertible Notes, into cash, shares of Carnival Corporation common stock, or a combination thereof, at our election. The Convertible Notes have an initial conversion rate of 100 shares of Carnival Corporation common stock per \$1,000 principal amount of the Convertible Notes, equivalent to an initial conversion price of \$10 per share of common stock. The initial conversion price of the Convertible Notes is subject to certain anti-dilutive adjustments and may also increase if such Convertible Notes are converted in connection with a tax redemption or certain corporate events. The 2024 Convertible Notes were convertible from the date of issuance of the 2024 Convertible Notes until August 31, 2022, and thereafter may become convertible if certain conditions are met. As of August 31, 2022, no condition allowing holders of the 2023 Convertible Notes or the 2024 Convertible Notes to convert had been met and therefore the Convertible Notes are not convertible.

We may redeem the 2023 Convertible Notes, in whole but not in part, at any time on or prior to December 31, 2022 at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, if we or any guarantor would have to pay any additional amounts on the 2023 Convertible Notes due to a change in tax laws, regulations or rulings or a change in the official application, administration or interpretation thereof. We may redeem the 2024 Convertible Notes, in whole but not in part, at any time on or prior to June 30, 2024 at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, if we or any guarantor would have to pay any additional amounts on the 2024 Convertible Notes due to a change in tax laws, regulations or rulings or a change in the official application, administration or interpretation thereof.

We account for the Convertible Notes as separate liability and equity components. We determined the carrying amount of the liability component as the present value of its cash flows.

The carrying amount of the equity component representing the conversion option was \$286 million on the date of issuance of the 2023 Convertible Notes and was calculated by deducting the carrying value of the liability component from the initial proceeds from the 2023 Convertible Notes. The carrying amount of the equity component was reduced to zero in conjunction with the partial repurchase of Convertible Notes in August 2020 because at the time of repurchase, the fair value of the equity component for the portion of the Convertible Notes that was repurchased, exceeded the total amount of the equity component recorded at the time the Convertible Notes were issued. The fair value of the conversion option remained unchanged after the exchange of the portion of the 2023 Convertible Notes for the 2024 Convertible Notes and, as a result, there was no adjustment to the carrying amount of the equity component.

The debt discount, which represented the excess of the principal amount of the 2023 Convertible Notes over the carrying amount of the liability component on the date of issuance of the 2023 Convertible Notes, was capitalized and amortized to interest expense under the effective interest rate method over the term of the 2023 Convertible Notes. Following the exchange of the portion of the 2023 Convertible Notes for the 2024 Convertible Notes, the remaining unamortized discount was allocated between the 2023 Convertible Notes and the 2024 Convertible Notes and is amortized to interest expense over each respective term using the effective interest rate method.

The net carrying value of the liability component of the Convertible Notes was as follows:

<i>(in millions)</i>	<b>August 31, 2022</b>	<b>November 30, 2021</b>
Principal	\$ 522	\$ 522
		(45)
	<u>\$ 501</u>	<u>\$ 478</u>

As of August 31, 2022, the if-converted value on available shares of 52 million for the Convertible Notes was below par.

### ***Covenant Compliance***

As of August 31, 2022, our Revolving Facility and substantially all of our unsecured loans and export credit facilities contain certain covenants, the most restrictive of which require us to:

- Maintain minimum interest coverage (adjusted EBITDA to consolidated net interest charges) (the “Interest Coverage Covenant”) at the end of each fiscal quarter from August 31, 2023, at a ratio of not less than 2.0 to 1.0 for the August



31, 2023 testing date, 2.5 to 1.0 for the November 30, 2023 testing date, and 3.0 to 1.0 for the February 29, 2024 testing date onwards, or through their respective maturity dates

- Maintain minimum shareholders' equity of \$5.0 billion
- Limit our debt to capital (as defined) percentage from the November 30, 2021 testing date until the May 31, 2023 testing date, to a percentage 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 \$1.5 billion through November 30, 2026
- Adhere to certain restrictive covenants through November 30, 2024
- Limit the amounts of our secured assets as well as secured and other indebtedness

During August and September 2022, we entered into letter agreements to waive compliance with the Interest Coverage Covenant under our Revolving Facility and \$0.7 billion of \$1.4 billion of our unsecured loans and export credit facilities, which contain the covenant through February 29, 2024. We will be required to comply beginning with the next testing date of May 31, 2024.

At August 31, 2022, 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.

Carnival Corporation or Carnival plc and certain of our subsidiaries have guaranteed substantially all of our indebtedness.

As of August 31, 2022, the scheduled maturities of our debt are as follows:

*(in millions)*

<b>Year</b>	<b>Principal Payments</b>
4Q 2022	\$ 991
2023	2,377
2024 (a)	4,935
2025	4,258
2026	4,385
Thereafter	17,862
<b>Total</b>	<b>\$ 34,808</b>

- (a) Includes borrowings of \$2.7 billion under our Revolving Facility. Amounts outstanding under our Revolving Facility were drawn in 2020 for an initial six-month term. We may continue to re-borrow or otherwise utilize available amounts under the Revolving Facility through August 2024, subject to satisfaction of the conditions in the facility. We had \$0.3 billion available for borrowing under our Revolving Facility as of August 31, 2022.

#### **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 Corporation “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. In the matter filed by Havana Docks Corporation, the hearings on motions for summary judgment were concluded on January 18, 2022. On March 21, 2022, the court granted summary judgment in favor of Havana Docks Corporation as to liability. On August 31, 2022, the court determined that the trebling provision of the Helms-Burton statute applies to damages and interest. Accordingly, we have adjusted our estimated liability for this matter as of August 31, 2022. The court held a status conference on September 22, 2022, at which time it was determined that a jury trial is no longer necessary. All remaining issues, including calculation of damages and certain pending constitutional matters, will be addressed via briefing to the court. The briefing schedule is set to have all briefing completed on December 2, 2022. In the matter filed by Javier Bengochea on December 20, 2021, the court issued an order inviting an amicus brief from the U.S. government on several issues involved in the appeal. The U.S. government filed its brief and the court ordered the parties to respond. On May 6, 2022 we filed our response brief. We continue to believe we have a meritorious defense to these actions and we believe that any final liability which may arise as a result of these actions is unlikely to have a material impact on our consolidated financial statements.

As previously disclosed, on April 8, 2020, DeCurtis LLC (“DeCurtis”), a former vendor, filed an action against Carnival Corporation in the U.S. District Court for the Middle District of Florida seeking declaratory relief that DeCurtis is not infringing on several of Carnival Corporation’s patents in relation to its OCEAN Medallion systems and technology. The action also raises certain monopolization claims under The Sherman Antitrust Act of 1890, unfair competition and tortious interference, and seeks declaratory judgment that certain Carnival Corporation patents are unenforceable. DeCurtis seeks damages, including its fees and costs, and seeks declarations that it is not infringing and/or that Carnival Corporation’s patents are unenforceable. On April 10, 2020, Carnival Corporation filed an action against DeCurtis in the U.S. District Court for the Southern District of Florida for breach of contract, trade secrets violations and patent infringement. Carnival Corporation seeks damages, including its fees and costs, as well as an order permanently enjoining DeCurtis from engaging in such activities. These two cases have now been consolidated in the Southern District of Florida. On April 25, 2022, we moved for summary judgment on our breach of contract claims and on all of DeCurtis’s claims. DeCurtis also filed a motion for summary judgment on certain portions of our claims. Both motions for summary judgment are fully briefed. On July 28, 2022, the court adopted the Magistrate Judge’s report and recommendation granting our opening claim construction brief and denying DeCurtis’s motion for summary judgment regarding the invalidity of various patent claims. The court has set the trial date for February 27, 2023. We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

## **COVID-19 Actions**

### ***Private Actions***

We have been named in a number of individual actions related to COVID-19. Private parties have brought approximately 73 individual lawsuits as of August 31, 2022 in several U.S. federal and state courts as well as others in France, Belgium, 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. As of August 31, 2022, 71 of these individual actions in the U.S. have now been dismissed or settled for immaterial amounts and two remain. We believe the ultimate outcome of the remaining individual actions will not have a material impact on our consolidated financial statements.

Additionally, as of August 31, 2022, 10 purported class actions have been brought by former guests from *Ruby Princess*, *Diamond Princess*, *Grand Princess*, *Coral Princess* and *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. As of August 31, 2022, nine of these class actions have either been settled individually for immaterial amounts or had their class allegations dismissed by the courts and only the Australian matter remains.

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

We continue to take 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.

**Other Regulatory or Governmental Inquiries and Investigations**

We have been, 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.

As previously disclosed, on June 24, 2022, we finalized a settlement with the New York Department of Financial Services (“NY DFS”) in connection with previously disclosed cybersecurity events, pursuant to which we have paid an amount that did not have a material impact on our consolidated financial statements. In addition, as previously disclosed, we finalized a settlement with the State Attorneys General from 46 states in connection with the same cybersecurity events, pursuant to which we have paid an amount that did not have a material impact on our consolidated financial statements.

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 these incidents are not expected to have a material adverse effect on our business, results of operations, financial position or liquidity, 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.

On March 14, 2022, the U.S. Department of Justice and the U.S. Environmental Protection Agency notified us of potential civil penalties and injunctive relief for alleged Clean Water Act violations by owned and operated vessels covered by the 2013 Vessel General Permit. We are working with these agencies to reach a resolution of this matter. We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

**Other Contingent Obligations**

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.

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 August 31, 2022 and November 30, 2021, we had \$1.6 billion and \$1.1 billion in reserve funds related to our customer deposits provided to satisfy these requirements which are included within other assets. We continue to expect to provide reserve funds under these agreements. Additionally, as of August 31, 2022 and November 30, 2021, we had \$30 million of cash collateral in escrow which is included within other assets.

**Ship Commitments**

As of August 31, 2022, we expect the timing of our new ship growth capital commitments to be as follows:

*(in millions)*

**Year**

Remainder of 2022	\$	1,117
2023		2,268
2024		1,499 (a)
2025		864 (a)
Thereafter		—
	<u>\$</u>	<u>5,748</u>

(a) Includes a ship subject to financing

**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***

<i>(in millions)</i>	August 31, 2022				November 30, 2021			
	Carrying Value	Fair Value			Carrying Value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Liabilities</b>								
Fixed rate debt (a)	\$ 20,980	\$ —	\$16,431	\$ —	\$ 19,555	\$ —	\$19,013	\$ —
Floating rate debt (a)	13,828	—	12,004	—	14,415	—	13,451	—
Total	<u>\$ 34,808</u>	<u>\$ —</u>	<u>\$28,435</u>	<u>\$ —</u>	<u>\$ 33,970</u>	<u>\$ —</u>	<u>\$32,463</u>	<u>\$ —</u>

- (a) 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***

<i>(in millions)</i>	August 31, 2022			November 30, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Cash and cash equivalents	\$ 7,071	\$ —	\$ —	\$ 8,939	\$ —	\$ —
Short-term investments (a)	—	—	—	200	—	—
Derivative financial instruments	—	—	—	—	1	—
Total	<u>\$ 7,071</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,139</u>	<u>\$ 1</u>	<u>\$ —</u>
<b>Liabilities</b>						
Derivative financial instruments	\$ —	\$ 1	\$ —	\$ —	\$ 13	\$ —
Total	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13</u>	<u>\$ —</u>

- (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 of July 31, 2022, we performed our annual goodwill and trademark impairment reviews and determined there was no impairment for goodwill or trademarks.

As of August 31, 2022 and November 30, 2021, goodwill for our North America and Australia (“NAA”) segment was \$579 million. We had no goodwill for our Europe and Asia (“EA”) segment as of August 31, 2022 and November 30, 2021.

<i>(in millions)</i>	<b>Trademarks</b>		
	<b>NAA Segment</b>	<b>EA Segment</b>	<b>Total</b>
November 30, 2021	\$ 927	\$ 248	\$ 1,175
Exchange movements	—	(30)	(30)
August 31, 2022	<u>\$ 927</u>	<u>\$ 218</u>	<u>\$ 1,145</u>

**Impairment of Ships**

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. As a result of the continued effects of COVID-19 on our business, and our updated expectations of the estimated selling values for certain of our ships, we determined that a ship, which we subsequently sold, had a net carrying value that exceeded its estimated discounted future cash flows as of February 28, 2022. We compared the estimated selling value to the net carrying value and, as a result, recognized ship impairment charges as summarized in the table below during the first quarter of 2022. The principal assumption used in our cash flow analyses was the timing of the sale and its proceeds, which is considered a Level 3 input. We believe that we have made reasonable estimates and judgments as part of our assessment. A change in principal assumptions, including those regarding ship deployment given Costa Cruises’ Asia markets, particularly China, remain closed to cruising, may result in a need to perform additional impairment reviews and a need to recognize additional impairment charges.

The impairment charges summarized in the table below are included in ship and other impairments in our Consolidated Statements of Income (Loss).

<i>(in millions)</i>	<b>Three Months Ended August 31,</b>		<b>Nine Months Ended August 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
NAA Segment	\$ —	\$ 273	\$ 8	\$ 273
EA Segment	—	202	—	251
Total ship impairments	<u>\$ —</u>	<u>\$ 475</u>	<u>\$ 8</u>	<u>\$ 524</u>

Refer to Note 1 - “General, Use of Estimates and Risks and Uncertainty” for additional discussion.

**Derivative Instruments and Hedging Activities**

<i>(in millions)</i>	<b>Balance Sheet Location</b>	<b>August 31, 2022</b>	<b>November 30, 2021</b>
<b>Derivative assets</b>			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Prepaid expenses and other	\$ —	\$ 1
Total derivative assets		<u>\$ —</u>	<u>\$ 1</u>
<b>Derivative liabilities</b>			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Other long-term liabilities	\$ —	\$ 8
Interest rate swaps (b)	Accrued liabilities and other	1	3
	Other long-term liabilities	—	2
Total derivative liabilities		<u>\$ 1</u>	<u>\$ 13</u>

- (a) At August 31, 2022, we had no cross-currency swaps. At November 30, 2021, we had a cross currency swap totaling \$201 million that was designated as a hedge of our net investment in foreign operations with a euro-denominated functional currency.
- (b) 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 \$108 million at August 31, 2022 and \$160 million at November 30, 2021 of EURIBOR-based floating rate euro debt to fixed rate euro debt. At August 31, 2022, 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, when applicable.

<b>August 31, 2022</b>					
<i>(in millions)</i>	<b>Gross Amounts</b>	<b>Gross Amounts Offset in the Balance Sheet</b>	<b>Total Net Amounts Presented in the Balance Sheet</b>	<b>Gross Amounts not Offset in the Balance Sheet</b>	<b>Net Amounts</b>
Assets	\$ —	\$ —	\$ —	\$ —	\$ —
Liabilities	\$ 1	\$ —	\$ 1	\$ —	\$ 1
<b>November 30, 2021</b>					
<i>(in millions)</i>	<b>Gross Amounts</b>	<b>Gross Amounts Offset in the Balance Sheet</b>	<b>Total Net Amounts Presented in the Balance Sheet</b>	<b>Gross Amounts not Offset in the Balance Sheet</b>	<b>Net Amounts</b>
Assets	\$ 1	\$ —	\$ 1	\$ —	\$ 1
Liabilities	\$ 13	\$ —	\$ 13	\$ —	\$ 13

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:

<i>(in millions)</i>	<b>Three Months Ended August 31,</b>		<b>Nine Months Ended August 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Gains (losses) recognized in AOCI:</b>				
Cross currency swaps – net investment hedges - included component	\$ 40	\$ —	\$ 72	\$ —
Cross currency swaps – net investment hedges - excluded component	\$ (7)	\$ —	\$ (26)	\$ —
Interest rate swaps - cash flow hedges	\$ 1	\$ 1	\$ 10	\$ 3
<b>Gains (losses) reclassified from AOCI - cash flow hedges:</b>				
Interest rate swaps - Interest expense, net of capitalized interest	\$ —	\$ (1)	\$ (1)	\$ (4)
Foreign currency zero cost collars - Depreciation and amortization	\$ 1	\$ 1	\$ 2	\$ 1
<b>Gains (losses) recognized on derivative instruments (amount excluded from effectiveness testing – net investment hedges)</b>				
Cross currency swaps – Interest expense, net of capitalized interest	\$ 2	\$ —	\$ 5	\$ —

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 consider hedging certain of our ship commitments and net investments in foreign operations. The financial impacts of our hedging instruments generally offset the changes in the underlying exposures being hedged.

#### ***Operational Currency Risks***

Our operations primarily utilize the U.S. dollar, Euro, Sterling or the Australian dollar 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 August 31, 2022, we have designated \$410 million of our sterling-denominated debt as non-derivative hedges of our net investments in foreign operations. For the three and nine months ended August 31, 2022, we recognized \$32 million and \$57 million of gains on these non-derivative net investment hedges in the cumulative translation adjustment section of other comprehensive income (loss). We also have 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.

At August 31, 2022, 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 \$5.2 billion for newbuilds scheduled to be delivered through 2025.

The cost of shipbuilding orders that we may place in the future that are 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, reserve funds related to customer deposits, 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 August 31, 2022, 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, Chief Executive Officer and Chief Climate 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.

Three Months Ended August 31,

<i>(in millions)</i>	Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
<b>2022</b>					
NAA	\$ 2,880	\$ 2,280	\$ 368	\$ 358	\$ (126)
EA	1,266	983	173	172	(62)
Cruise Support	41	21	78	36	(94)
Tour and Other	118	94	6	15	3
	<u>\$ 4,305</u>	<u>\$ 3,379</u>	<u>\$ 625</u>	<u>\$ 581</u>	<u>\$ (279)</u>
<b>2021</b>					
NAA	\$ 271	\$ 966	\$ 219	\$ 343	\$ (1,257)
EA	232	610	139	180	(696)
Cruise Support	14	13	61	34	(94)
Tour and Other	28	27	6	6	(10)
	<u>\$ 546</u>	<u>\$ 1,616</u>	<u>\$ 425</u>	<u>\$ 562</u>	<u>\$ (2,057)</u>

Nine Months Ended August 31,

<i>(in millions)</i>	Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
<b>2022</b>					
NAA	\$ 5,672	\$ 5,335	\$ 1,078	\$ 1,046	\$ (1,787)
EA	2,389	2,529	524	531	(1,196)
Cruise Support	114	76	154	104	(220)
Tour and Other	154	151	17	26	(40)
	<u>\$ 8,329</u>	<u>\$ 8,092</u>	<u>\$ 1,774</u>	<u>\$ 1,707</u>	<u>\$ (3,244)</u>
<b>2021</b>					
NAA	\$ 291	\$ 1,647	\$ 672	\$ 1,018	\$ (3,046)
EA	274	1,106	378	550	(1,760)
Cruise Support	15	28	232	95	(341)
Tour and Other	42	51	23	18	(49)
	<u>\$ 621</u>	<u>\$ 2,832</u>	<u>\$ 1,305</u>	<u>\$ 1,681</u>	<u>\$ (5,196)</u>

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

<i>(in millions)</i>	Three Months Ended August 31, 2022	Nine Months Ended August 31, 2022
North America	\$ 2,753	\$ 5,491
Europe	1,456	2,676
Australia and Asia	74	97
Other	22	64
	<u>\$ 4,305</u>	<u>\$ 8,329</u>

As a result of the pause in our guest cruise operations, revenue data for the three and nine months ended August 31, 2021 is not included in the table.

**NOTE 7 – Earnings Per Share**

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2022	2021	2022	2021
<i>(in millions, except per share data)</i>				
Net income (loss) for basic and diluted earnings per share	\$ (770)	\$ (2,836)	\$ (4,495)	\$ (6,881)
Weighted-average shares outstanding	1,185	1,133	1,154	1,120
Dilutive effect of equity plans	—	—	—	—
Diluted weighted-average shares outstanding	1,185	1,133	1,154	1,120
Basic earnings per share	\$ (0.65)	\$ (2.50)	\$ (3.89)	\$ (6.14)
Diluted earnings per share	\$ (0.65)	\$ (2.50)	\$ (3.89)	\$ (6.14)

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

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2022	2021	2022	2021
<i>(in millions)</i>				
Equity awards	—	3	1	3
Convertible Notes	52	54	52	54
Total antidilutive securities	52	56	54	57

**NOTE 8 – Supplemental Cash Flow Information**

<i>(in millions)</i>	August 31, 2022	November 30, 2021
Cash and cash equivalents (Consolidated Balance Sheets)	\$ 7,071	\$ 8,939
Restricted cash included in prepaid expenses and other and other assets	35	38
Total cash, cash equivalents and restricted cash (Consolidated Statements of Cash Flows)	\$ 7,107	\$ 8,976

For the nine months ended August 31, 2022 and 2021, we did not have borrowings or repayments of commercial paper with original maturities greater than three months.

**NOTE 9 – Property and Equipment**

**Ship Sales**

During 2022, we sold one NAA segment ship and one EA segment ship and entered into an agreement to sell one NAA segment ship, which collectively represents a passenger-capacity reduction of 4,110 for our NAA segment and 1,410 for our EA segment.

Refer to Note 5 - “Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risks, Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis, Impairment of Ships” for additional discussion.



**NOTE 10 – Shareholders’ Equity**

We have a program that allows us to realize a net cash benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares (the “Stock Swap Program”).

During the three months ended August 31, 2022, there were no sales or repurchases under the Stock Swap Program. During the nine months ended August 31, 2022, we sold 5.2 million of Carnival Corporation common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$8 million, which were used for general corporate purposes. During the three and nine months ended August 31, 2021, under the Stock Swap Program, we sold 4.6 million shares of Carnival Corporation common stock and repurchased the same amount of Carnival plc ordinary shares resulting in net proceeds of \$10 million, which were used for general corporate purposes.

Outside of public equity offerings, during the three months ended August 31, 2022, there were no sales of Carnival Corporation common stock. In addition, outside of public equity offerings, during the nine months ended August 31, 2022, we sold 1.6 million shares of Carnival Corporation common stock at an average price per share of \$19.27, resulting in net proceeds of \$30 million.

**Public Equity Offerings**

During the three months ended August 31, 2022, we completed a public equity offering of 117.5 million shares of Carnival Corporation common stock at a price per share of \$9.95, resulting in net proceeds of \$1.2 billion.

## **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,” “aspiration,” “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, and in the future may continue to be, amplified by COVID-19. 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. The current, and uncertain future, impact of COVID-19, 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.
- Events and conditions around the world, including war and other military actions, such as the current invasion of Ukraine, inflation, higher fuel prices, higher interest rates and other general concerns impacting the ability or desire of people to travel, have led, and may in the future lead, to a decline in demand for cruises, impacting our operating costs and profitability.
- Incidents concerning our ships, guests or the cruise industry 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.
- Factors associated with climate change, including evolving and increasing regulations, increasing global concern about climate change and the shift in climate conscious consumerism and stakeholder scrutiny, and increasing frequency and/or severity of adverse weather conditions could adversely affect our business.
- Inability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them, may expose us to risks that may adversely impact our business.
- 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 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.
- The loss of key employees, our inability to recruit or retain qualified shoreside and shipboard employees and increased labor costs could have an adverse effect on our business and results of operations.
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.

- We rely on supply chain vendors who are integral to the operations of our businesses. These vendors and service providers are also affected by COVID-19 and may be unable to deliver on their commitments which could impact our business.
- 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. Forward-looking and other statements in this document may also address our sustainability progress, plans and goals (including climate change and environmental-related matters). In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

### **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. 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 typically earned during this period. This historical trend was disrupted in 2020 by the pause and in 2021 by the ongoing 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.

### **Known Trends and Uncertainties**

- We believe the increased cost of fuel, liquefied natural gas and other related costs are reasonably likely to continue to impact our profitability in both the short and long-term.
- We expect inflation, higher interest rates and supply chain challenges to continue to weigh on our costs, and they are reasonably likely to continue to impact our profitability.
- We believe the increasing global focus on climate change, including the reduction of carbon emissions and new and evolving regulatory requirements, is reasonably likely to materially impact our future costs, capital expenditures and revenues and/or the relationship between them. The full impact of climate change to our business is not yet known.
- In addition, we are experiencing some challenges with onboard staffing which have resulted in occupancy constraints on certain voyages and are reasonably likely to impact our profitability in the short-term.
- We expect a net loss for the fourth quarter of 2022 and continue to expect a net loss for the full year 2022.

**Statistical Information**

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2022	2021	2022	2021
Passenger Cruise Days (“PCDs”) (in thousands) (a)	17,700	2,053	36,363	2,219
Available Lower Berth Days (“ALBDs”) (in thousands) (b)	21,015	3,788	51,004	4,405
Occupancy percentage (c)	84 %	54 %	71 %	50 %
Passengers carried (in thousands)	2,571	340	5,233	372
Fuel consumption in metric tons (in thousands)	701	344	1,899	852
Fuel consumption in metric tons per thousand ALBDs	33	(d)	37	(d)
Fuel cost per metric ton consumed	\$ 958	\$ 537	\$ 836	\$ 472
<b>Currencies (USD to 1)</b>				
AUD	\$ 0.70	\$ 0.75	\$ 0.71	\$ 0.76
CAD	\$ 0.78	\$ 0.80	\$ 0.78	\$ 0.80
EUR	\$ 1.03	\$ 1.19	\$ 1.08	\$ 1.20
GBP	\$ 1.21	\$ 1.39	\$ 1.28	\$ 1.38

The resumption of guest cruise operations has impacted the comparability of all aspects of our business.

**Notes to Statistical Information**

- (a) PCD represents the number of cruise passengers on a voyage multiplied by the number of revenue-producing ship operating days for that voyage.
- (b) ALBD is a standard measure of passenger capacity for the period that we use to approximate rate and capacity variances, based on consistently applied formulas that we use to perform analyses to determine the main non-capacity driven factors that cause our cruise revenues and expenses to vary. ALBDs assume that each cabin we offer for sale accommodates two passengers and is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.
- (c) Occupancy, in accordance with cruise industry practice, is calculated using a numerator of PCDs and denominator of ALBDs, which assumes two passengers per cabin even though some cabins can accommodate three or more passengers. Percentages in excess of 100% indicate that on average more than two passengers occupied some cabins.
- (d) Fuel consumption in metric tons per thousand ALBDs for 2021 is not meaningful.



EA

(in millions)	Three Months Ended August 31,			Nine Months Ended August 31,		
	2022	2021	Change	2022	2021	Change
Operating Costs and Expenses	983	610	374	2,529	1,106	1,423
Selling and administrative	173	139	34	524	378	146
Depreciation and amortization	172	180	(8)	531	550	(19)
	1,328	929	399	3,585	2,034	1,551
<b>Operating Income (Loss)</b>	<b>\$ (62)</b>	<b>\$ (696)</b>	<b>\$ 634</b>	<b>\$ (1,196)</b>	<b>\$ (1,760)</b>	<b>\$ 564</b>

We paused our guest cruise operations in March 2020. We began our resumption of guest cruise operations in 2021 and continued into 2022. As of August 31, 2022, 93% of our capacity was serving guests, compared to 35% as of August 31, 2021. Our NAA segment had 95% of its capacity serving guests as of August 31, 2022, compared to 31% as of August 31, 2021. Our EA segment had 92% of its capacity serving guests as of August 31, 2022, compared to 43% as of August 31, 2021. We expect eight of our nine brands will have their entire fleet serving guests by the end of the fourth quarter of 2022. Given Costa Cruises' significant presence in Asia, particularly China, which remains closed to cruising, the brand continues to evaluate deployment options and fleet optimization alternatives beyond the previously announced transfers of *Costa Luminosa* to Carnival Cruise Line as well as *Costa Venezia* and *Costa Firenze* to the COSTA® by CARNIVAL® concept.

The effects of the COVID-19 global pandemic, inflation, higher fuel prices and higher interest rates are collectively having a material negative impact on all aspects of our business, including our results of operations, liquidity and financial position. The full extent of these impacts are uncertain.

**Three Months Ended August 31, 2022 (“2022”) Compared to Three Months Ended August 31, 2021 (“2021”)**

**Revenues**

**Consolidated**

Cruise passenger ticket revenues made up 60% of our total revenues in 2022 while onboard and other revenues made up 40%. Revenues in 2022 increased by \$3.8 billion as compared to 2021 due to the resumption of guest cruise operations and the significant increase of ships in service. ALBDs increased to 21.0 million in 2022 as compared to 3.8 million in 2021. Occupancy in 2022 was 84% compared to 54% in 2021.

**NAA Segment**

Cruise passenger ticket revenues made up 60% of our NAA segment's total revenues in 2022 while onboard and other cruise revenues made up 40%. NAA segment revenues in 2022 increased by \$2.6 billion as compared to 2021 due to the resumption of guest cruise operations and the significant increase of ships in service. ALBDs increased to 12.6 million in 2022 as compared to 1.4 million in 2021. Occupancy in 2022 was 92% compared to 68% in 2021.

**EA Segment**

Cruise passenger ticket revenues made up 77% of our EA segment's total revenues in 2022 while onboard and other cruise revenues made up 23%. EA segment revenues in 2022 increased by \$1.0 billion as compared to 2021 due to the resumption of guest cruise operations and the significant increase of ships in service. ALBDs increased to 8.5 million in 2022 as compared to 2.4 million in 2021. Occupancy in 2022 was 73% compared to 47% in 2021.

**Operating Costs and Expenses**

**Consolidated**

Operating costs and expenses increased by \$1.8 billion to \$3.4 billion in 2022 from \$1.6 billion in 2021. These increases were driven by our resumption of guest cruise operations and restart related expenses, including the cost of returning ships to guest cruise operations and returning crew members to our ships, the cost of maintaining enhanced health and safety protocols, inflation and supply chain disruptions. We anticipate that many of these costs and expenses will end in 2022.

Fuel costs increased by \$486 million to \$668 million in 2022 from \$182 million in 2021. This increase was caused by higher fuel consumption of 357 thousand metric tons, due to the resumption of guest cruise operations, and an increase in fuel prices of \$421 per metric ton consumed in 2022 compared to 2021.

There were no ship impairment charges recognized in 2022 and \$475 million of ship impairment charges recognized in 2021.

Selling and administrative expenses increased by \$199 million to \$625 million in 2022 from \$425 million in 2021. This increase was caused by higher administrative expenses and increased advertising and promotional spend incurred as part of our resumption of guest cruise operations.

The drivers in changes in costs and expenses for our NAA and EA segments are the same as those described for our consolidated results.

### **Nonoperating Income (Expense)**

Gains (losses) on debt extinguishment, net decreased to \$0 million in 2022 from \$376 million in 2021.

### **Nine Months Ended August 31, 2022 (“2022”) Compared to Nine Months Ended August 31, 2021 (“2021”)**

#### **Revenues**

##### **Consolidated**

Cruise passenger ticket revenues made up 57% of our total revenues in 2022 while onboard and other revenues made up 43%. Revenues in 2022 increased by \$7.7 billion as compared to 2021 due to the resumption of guest cruise operations and the significant increase of ships in service. ALBDs increased to 51.0 million in 2022 as compared to 4.4 million in 2021. Occupancy in 2022 was 71% compared to 50% in 2021.

##### **NAA Segment**

Cruise passenger ticket revenues made up 56% of our NAA segment’s total revenues in 2022 while onboard and other cruise revenues made up 44%. NAA segment revenues in 2022 increased by \$5.4 billion as compared to 2021 due to the resumption of guest cruise operations and the significant increase of ships in service. ALBDs increased to 31.4 million in 2022 as compared to 1.4 million in 2021. Occupancy in 2022 was 78% compared to 68% in 2021.

##### **EA Segment**

Cruise passenger ticket revenues made up 76% of our EA segment’s total revenues in 2022 while onboard and other cruise revenues made up 24%. EA segment revenues in 2022 increased by \$2.1 billion as compared to 2021 due to the resumption of guest cruise operations and the significant increase of ships in service. ALBDs increased to 19.6 million in 2022 as compared to 3.0 million in 2021. Occupancy in 2022 was 60% compared to 43% in 2021.

#### **Operating Costs and Expenses**

##### **Consolidated**

Operating costs and expenses increased by \$5.3 billion to \$8.1 billion in 2022 from \$2.8 billion in 2021. These increases were driven by our resumption of guest cruise operations and restart related expenses, including the cost of returning ships to guest cruise operations and returning crew members to our ships, higher number of dry-dock days, the cost of maintaining enhanced health and safety protocols, inflation and supply chain disruptions. We anticipate that many of these costs and expenses will end in 2022.

Fuel costs increased by \$1.2 billion to \$1.6 billion in 2022 from \$0.4 billion in 2021. The increase was caused by higher fuel consumption of 1.0 million metric tons, due to the resumption of guest cruise operations, and an increase in fuel prices of \$364 per metric ton consumed in 2022 compared to 2021.

We recognized a ship impairment charge of \$8 million in 2022 and ship impairment charges of \$524 million in 2021.

Selling and administrative expenses increased by \$0.5 billion to \$1.8 billion for 2022 from \$1.3 billion in 2021. The increase was caused by higher administrative expenses and increased advertising and promotional spend incurred as part of our resumption of guest cruise operations.

The drivers in changes in costs and expenses for our NAA and EA segments are the same as those described for our consolidated results.

### **Nonoperating Income (Expense)**

Interest expense, net of capitalized interest, decreased by \$0.1 billion to \$1.2 billion in 2022 from \$1.3 billion in 2021. The decrease was caused by a lower average interest rate as a result of completed refinancing efforts and was partially offset by a higher average debt balance in 2022 compared to 2021.

Gains (losses) on debt extinguishment, net decreased to \$0 million in 2022 from \$372 million in 2021.

### **Liquidity, Financial Condition and Capital Resources**

As of August 31, 2022, we had \$7.4 billion of liquidity including cash and borrowings available under our Revolving Facility. During the remainder of 2022 and 2023 we expect to continue to address maturities well in advance and obtain relevant financial covenant amendments or waivers, as needed.

We had a working capital deficit of \$4.5 billion as of August 31, 2022 compared to working capital deficit of \$0.3 billion as of November 30, 2021. The increase in working capital deficit was caused by a decrease in cash and cash equivalents, a decrease in short-term investments, an increase in customer deposits and an increase in current portion of long-term debt. 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 \$4.5 billion and \$3.1 billion of customer deposits as of August 31, 2022 and November 30, 2021, respectively. We have paid refunds of customer deposits with respect to a portion of cancelled cruises. The amount of any future cash refunds may depend on future cruise cancellations and guest rebookings. 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. In addition, we have a relatively low-level of accounts receivable and limited investment in inventories.

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 \$1.6 billion of net cash flows in operating activities during the nine months ended August 31, 2022, a decrease of \$2.2 billion, compared to \$3.7 billion of net cash flows used for the same period in 2021. This was due to a decrease in the net loss and an increase in cash inflows from customer deposits during the nine months ended August 31, 2022 compared to the same period in 2021 and other working capital changes.

#### ***Investing Activities***

During the nine months ended August 31, 2022, net cash used in investing activities was \$3.5 billion. This was driven by the following:

- Capital expenditures of \$3.0 billion for our ongoing new shipbuilding program
- Capital expenditures of \$776 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sale of ships and other of \$55 million
- Purchases of short-term investments of \$315 million
- Proceeds from maturity of short-term investments of \$515 million



During the nine months ended August 31, 2021, net cash used in investing activities was \$3.5 billion. This was driven by the following:

- Capital expenditures of \$2.8 billion for our ongoing new shipbuilding program
- Capital expenditures of \$332 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sale of ships and other of \$351 million
- Purchases of short-term investments of \$2.7 billion
- Proceeds from maturity of short-term investments of \$2.0 billion

### ***Financing Activities***

During the nine months ended August 31, 2022, net cash provided by financing activities of \$3.2 billion was caused by the following:

- Issuances of \$3.3 billion of long-term debt
- Repayments of \$1.1 billion of long-term debt
- Payments of \$116 million related to debt issuance costs
- Net repayments of short-term borrowings of \$114 million
- Net proceeds of \$1.2 billion from the public offering of Carnival Corporation common stock
- Purchases of \$82 million of Carnival plc ordinary shares and issuances of \$89 million of Carnival Corporation common stock under our Stock Swap Program

During the nine months ended August 31, 2021, net cash provided by financing activities of \$4.9 billion was caused by the following:

- Issuances of \$7.9 billion of long-term debt, including net proceeds of \$3.4 billion from the issuance of the 2027 Senior Unsecured Notes, net proceeds of \$2.4 billion from the issuance of the 2028 Senior Secured Notes, and net proceeds of \$2.1 billion borrowed under export credit facilities to fund ship deliveries
- Repayments of \$3.5 billion of long-term debt, including \$2.0 billion repurchase of the 2023 Senior Secured Notes
- Premium payments of \$286 million related to the repurchase of the 2023 Senior Secured Notes
- Net proceeds of \$1.0 billion from Carnival Corporation common stock
- Purchases of \$94 million of Carnival plc ordinary shares and issuances of \$105 million of Carnival Corporation common stock under our Stock Swap Program
- Payments of \$233 million related to debt issuance costs

### **Funding Sources**

As of August 31, 2022, we had \$7.4 billion of liquidity including cash and borrowings available under our Revolving Facility. In addition, we had \$2.9 billion of undrawn export credit facilities to fund ship deliveries planned through 2024. We plan to use future cash flows from operations to fund our cash requirements including capital expenditures not funded by our export credit facilities.

<i>(in billions)</i>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Future export credit facilities at August 31, 2022	\$ 0.8	\$ 1.6	\$ 0.5

Our export credit facilities contain various financial covenants as described in Note 3 - “Debt”. At August 31, 2022, 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 and interest rate swaps, was as follows:

	<u>August 31, 2022</u>
Fixed rate	47 %
EUR fixed rate	14 %
Floating rate	25 %
EUR floating rate	13 %
GBP floating rate	1 %

**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, Chief Executive Officer and Chief Climate Officer and our Chief Financial Officer and Chief Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of August 31, 2022, 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 August 31, 2022 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” and “Other Regulatory or Governmental Inquiries and Investigations,” 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 may exceed \$1 million.

On June 20, 2022, Princess Cruises notified the Australian Maritime Safety Authorization (“AMSA”) and the flag state, Bermuda, regarding approximately six cubic meters of comminuted food waste (liquid biodigester effluent) inadvertently discharged by *Coral Princess* inside the Great Barrier Reef Marine Park. On June 23, 2022, the UK P&I Club N.V. provided a letter of undertaking for approximately \$1.9 million (being the estimated maximum combined penalty). We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

### **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.

#### **Operating Risk Factors**

- Events and conditions around the world, including war and other military actions, such as the current invasion of Ukraine, inflation, higher fuel prices, higher interest rates and other general concerns impacting the ability or desire of people to travel, have led, and may in the future lead, to a decline in demand for cruises, impacting our operating costs and profitability.

We have been, and may continue to be, impacted by the public’s concerns regarding the health, safety and security of travel, including government travel advisories and travel restrictions, political instability and civil unrest, terrorist attacks, war and military action, most recently the current invasion of Ukraine, and other general concerns. The current invasion of Ukraine and its resulting impacts, including supply chain disruptions, increased fuel prices and international sanctions and other measures that have been imposed, have adversely affected, and may continue to adversely affect, our business. These factors may also have the effect of heightening many other risks to our business, any of which could materially and adversely affect our business and results of operations. Additionally, we have been, and may continue to be, impacted by heightened regulations around customs and border control, travel bans to and from certain geographical areas, voluntary changes to our itineraries in light of geopolitical events, government policies increasing the difficulty of travel and limitations on issuing international travel visas. We have been and may continue to be impacted by inflation, higher fuel prices, higher interest rates and supply chain disruptions and may also be impacted by adverse changes in the perceived or actual economic climate, such as global or regional recessions, higher unemployment and underemployment rates and declines in income levels.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

#### **A. Stock Swap Program**

We have a program that allows us to realize a net cash benefit when Carnival Corporation common stock is trading at a premium to the price of Carnival plc ordinary shares. Under the Stock Swap Program, we may elect to offer and sell shares of Carnival Corporation common stock at prevailing market prices in ordinary brokers’ transactions and repurchase an equivalent number of Carnival plc ordinary shares in the UK market.

Under the Stock Swap Program effective June 2021, the Board of Directors authorized the sale of up to \$500 million shares of Carnival Corporation common stock in the U.S. market and the purchase of Carnival plc ordinary shares on at least an equivalent basis.

We may in the future implement a program to allow us to obtain a net cash benefit when Carnival plc ordinary shares are trading at a premium to the price of Carnival Corporation common stock.

Any sales of Carnival Corporation common stock and Carnival plc ordinary shares have been or will be registered under the Securities Act of 1933, as amended. During the three months ended August 31, 2022, there were no sales or repurchases under the Stock Swap Program. Since the beginning of the Stock Swap Program, first authorized in June 2021, we have sold 14.1 million shares of Carnival Corporation common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$27 million. As of August 31, 2022, the maximum number of Carnival plc Ordinary Shares that may yet be purchased under the Stock Swap Program was 4.2 million.

**B. Repurchases**

No shares of Carnival Corporation common stock and Carnival plc ordinary shares were purchased outside of publicly announced plans or programs.

**Item 6. Exhibits.**

**INDEX TO EXHIBITS**

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed/ Furnished Herewith
		Form	Exhibit	Filing Date	
<b>Articles of incorporation and by-laws</b>					
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	
<b>Material Contracts</b>					
10.1	<a href="#">Indenture, dated as of August 22, 2022, by and between Carnival Corporation, Carnival plc, the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee, relating to the 5.75% Convertible Senior Notes due 2024.</a>	8-K	4.1	8/22/2022	
10.2	<a href="#">Special Performance-Based Restricted Stock Unit Agreement for Josh Weinstein under the Carnival Corporation 2020 Stock Plan.</a>				X
<b>Rule 13a-14(a)/15d-14(a) certifications</b>					
31.1	<a href="#">Certification of President, Chief Executive Officer and Chief Climate Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				X
31.2	<a href="#">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.</a>				X
31.3	<a href="#">Certification of President, Chief Executive Officer and Chief Climate Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				X
31.4	<a href="#">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.</a>				X
<b>Section 1350 certifications</b>					

**INDEX TO EXHIBITS**

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed/ Furnished Herewith
		Form	Exhibit	Filing Date	
32.1*	<a href="#">Certification of President, Chief Executive Officer and Chief Climate 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.</a>				X
32.2*	<a href="#">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.</a>				X
32.3*	<a href="#">Certification of President, Chief Executive Officer and Chief Climate 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.</a>				X
32.4*	<a href="#">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.</a>				X
<b>Interactive Data File</b>					
101	The consolidated financial statements from Carnival Corporation & plc's joint Quarterly Report on Form 10-Q for the quarter ended August 31, 2022, as filed with the Securities and Exchange Commission on September 30, 2022, formatted in Inline XBRL, are as follows:				
	(i) the Consolidated Statements of Income (Loss) for the three and nine months ended August 31, 2022 and 2021;				X
	(ii) the Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended August 31, 2022 and 2021;				X
	(iii) the Consolidated Balance Sheets at August 31, 2022 and November 30, 2021;				X
	(iv) the Consolidated Statements of Cash Flows for the nine months ended August 31, 2022 and 2021;				X
	(v) the Consolidated Statements of Shareholders' Equity for the three and nine months ended August 31, 2022 and 2021;				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 August 31, 2022, as filed with the Securities and Exchange Commission on September 30, 2022, 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/ Josh Weinstein  
Josh Weinstein  
President, Chief Executive Officer and Chief  
Climate Officer

By: /s/ Josh Weinstein  
Josh Weinstein  
President, Chief Executive Officer and Chief  
Climate Officer

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

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

Date: September 30, 2022

Date: September 30, 2022

I, Josh Weinstein, 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: September 30, 2022

By: /s/ Josh Weinstein

Josh Weinstein

President, Chief Executive Officer and Chief Climate Officer



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: September 30, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

I, Josh Weinstein, 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: September 30, 2022

By: /s/ Josh Weinstein

Josh Weinstein

President, Chief Executive Officer and Chief Climate Officer

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: September 30, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2022 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: September 30, 2022

By: /s/ Josh Weinstein

Josh Weinstein

President, Chief Executive Officer and Chief Climate Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2022 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: September 30, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2022 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: September 30, 2022

By: /s/ Josh Weinstein

Josh Weinstein

President, Chief Executive Officer and Chief Climate Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended August 31, 2022 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: September 30, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer