

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

FORM 10-K

(Mark One)

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

For the fiscal year ended November 30, 2021 or

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

For the transition period from _____ to _____

Commission file number: 001-9610

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 and zip code)

(305) 599-2600

(Registrant's telephone number, including area code)



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 and zip code)

011 44 23 8065 5000

(Registrant's telephone number, including area code)

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 Depositary 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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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 registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was \$25.2 billion as of the last business day of the registrant’s most recently completed second fiscal quarter.

At January 13, 2022, Carnival Corporation had outstanding 986,363,933 shares of its Common Stock, \$0.01 par value.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was \$4.6 billion as of the last business day of the registrant’s most recently completed second fiscal quarter.

At January 13, 2022, Carnival plc had outstanding 185,007,921 Ordinary Shares \$1.66 par value, one Special Voting Share GBP 1.00 par value and 986,363,933 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2021 Annual Report and 2022 joint definitive Proxy Statement are incorporated by reference into Part II and Part III of this report.

CARNIVAL CORPORATION & PLC
FORM 10-K
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2021

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DOCUMENTS INCORPORATED BY REFERENCE

The information described below and contained in the Registrants' 2021 Annual Report to shareholders to be furnished to the U.S. Securities and Exchange Commission pursuant to Rule 14a-3(b) of the Securities Exchange Act of 1934 is shown in [Exhibit 13](#) and is incorporated by reference into this joint 2021 Annual Report on Form 10-K ("Form 10-K").

Part and Item of the Form 10-K

Part II

Item 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities - Market Information, Holders and Performance Graph.

Item 6. Reserved.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Item 8. Financial Statements and Supplementary Data.

Portions of the Registrants' 2022 joint definitive Proxy Statement, to be filed with the U.S. Securities and Exchange Commission, are incorporated by reference into this Form 10-K under the items described below.

Part and Item of the Form 10-K

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Item 11. Executive Compensation.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Item 14. Principal Accountant Fees and Services.

PART I

Item 1. **Business.**

A. **Overview**

I. **Summary**

Carnival Corporation was incorporated in Panama in 1974 and Carnival plc was incorporated in England and Wales in 2000. Carnival Corporation and Carnival plc operate a dual listed company (“DLC”), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation’s Articles of Incorporation and By-Laws and Carnival plc’s Articles of Association. The two companies operate as if they are a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Carnival Corporation and Carnival plc are both public companies with separate stock exchange listings and their own shareholders. Together with their consolidated subsidiaries, Carnival Corporation and Carnival plc are referred to collectively in this Form 10-K as “Carnival Corporation & plc,” “our,” “us” and “we.” We are one of the world’s largest leisure travel companies with operations in North America, Australia, Europe and Asia.

II. **Recent Developments**

Resumption of Guest Cruise Operations

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income. Since the beginning of our fiscal year, we have experienced an impact on bookings for our near-term sailings, including higher cancellations resulting from an increase in pre-travel positive test results and challenges in the availability of timely pre-travel tests. In addition, in the last few weeks we have seen a dampening of the booking activity for the second half of 2022 relative to 2019. Despite the disruption caused by Omicron to the airlines and other forms of travel, we expect to be able to successfully operate over 96% of our previously disclosed available lower berth days (“ALBD’s”) in the first quarter of 2022.

We have worked closely with health and medical experts globally and nationally, as well as with authorities in destination countries, to put in place comprehensive health and safety protocols for protection against and mitigation of COVID-19 across the entire cruise experience for all of our nine brands. This includes cross-industry learnings and best practices based on the proven health and safety record of industry-wide sailings, and input from top scientists and public health, epidemiological and policy experts. Protocols have been and will continue to be updated based on evolving scientific and medical knowledge related to mitigation strategies. Details about enhanced protocols, including the latest information and requirements for each of our brands, is available on their websites.

Liquidity and Refinancing

We have taken actions to improve our liquidity, including completing various capital market transactions, capital and operating expense reductions during the pause in operations and accelerating the removal of certain less efficient ships from our fleet. As of November 30, 2021, we had \$9.4 billion of liquidity including cash, short-term investments and borrowings available under our multi-currency revolving credit facility. Through our debt management efforts, we have refinanced over \$9 billion to date, reducing our future annual interest expense by approximately \$400 million per year and extending maturities, optimizing our debt maturity profile. In addition, we expect to continue to pursue additional refinancing opportunities to reduce interest expense and extend maturities.

Refer to Note 1 - “Liquidity and Management’s Plans”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Estimates - Liquidity and COVID-19” and to “Liquidity, Financial Condition and Capital Resources” for additional discussion regarding our liquidity.

III. **Vision, Goals and Related Strategies**

At Carnival Corporation & plc, our highest responsibility and top priority is compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees. On this foundation, we aspire to deliver unmatched joyful vacations for our guests, always exceeding their

expectations and in doing so driving outstanding shareholder value. We are committed to a positive and just corporate culture, based on inclusion and the power of diversity. We operate with integrity, trust and respect for each other -- communicating, coordinating and collaborating while seeking candor, openness and transparency at all times. And we aspire to be an exemplary corporate citizen, leaving the people and the places we touch even better.

Our vision is based on four key pillars that are all paramount to the success of our business:

- Compliance, health, environment, safety, security (“HESS”) and sustainability
- Guests
- Employees
- Investors and other stakeholders

Compliance, HESS and Sustainability

We are committed to operating a safe and reliable fleet and to protect the environment and the health, safety and well-being of our guests, the people in the communities we touch and our shipboard and shoreside employees. We are dedicated to fully complying with, or exceeding, all applicable legal and statutory requirements. We are also focused on enhancing our sustainable business model while reinforcing our commitment to and investment in sustainability solutions through our six critical sustainability focus areas - climate action; circular economy; good health and well-being; sustainable tourism; biodiversity and conservation; and diversity, equity and inclusion. In order to continue supporting our sustainability strategy across our brands and business partners, we have established new goals for 2030 and aspirations for 2050 which incorporate the six key focus areas and align with elements of the United Nation’s Sustainable Development Goals and build on the momentum of our successful achievement of our 2020 sustainability goals. A key focus of our sustainability efforts is climate action, which includes our commitment to reduce carbon emissions.

Guests

Our goal is to deliver unmatched joyful vacations for our guests by consistently exceeding their expectations while providing them with a wide variety of exceptional vacation experiences and attractive itineraries. We believe that our portfolio of brands is instrumental to this, alongside our continual focus on helping our guests choose the cruise brand that will best meet their unique needs and desires, improving their overall vacation experiences and building state-of-the-art ships with innovative onboard offerings and providing unequalled service to our guests.

Employees

Our goal is to foster a positive and just corporate culture, based on inclusion and the power of diversity that supports the recruitment, development and retention of the finest employees. A team of highly motivated and engaged employees is key to delivering unmatched joyful vacations that exceed our guests’ expectations. Understanding the critical skills that are needed for outstanding performance is crucial in order to hire and train our officers, crew and shoreside personnel. We believe in building trust-based relationships and listening to and acting upon our employees’ perspectives and ideas and using employee feedback tools to monitor and improve our progress in this area. We are a diverse organization and value and support our talented and diverse employee base. We are committed to employing people from around the world and hiring individuals based on the quality of their experience, skills, education and character, without regard for their identification with any group or classification of people.

Investors and Other Stakeholders

We value the relationships we have with our investors and other stakeholders, including travel agents, trade associations, communities, regulatory bodies, media, creditors, insurers, shipbuilders, governments and suppliers. Strong relationships with our travel agent partners are especially vital to our success. We believe that engaging stakeholders in a mutually beneficial manner is critical to our long-term success. As part of this effort, we believe we must continue to be an outstanding corporate citizen in the communities in which we operate. Our brands work to meet or exceed their economic, environmental, ethical and legal responsibilities.

B. Global Cruise Industry

I. Overview

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income.

We believe cruising offers a broad range of products and services to suit vacationing guests of many ages, backgrounds and interests. Each brand in our portfolio meets the needs of a unique set of consumer psychographics and vacation needs which allows us to penetrate large addressable customer segments. The mobility of cruise ships enables us to move our vessels between regions in order to meet changing demand across different geographic areas.

Cruise brands can be broadly classified as offering contemporary, premium and luxury cruise experiences. The contemporary experience has a more casual ambiance and historically includes cruises that last seven days or less. The premium experience emphasizes quality, comfort, style and more destination-focused itineraries and appeals to those who are more affluent. Historically, the premium experience includes cruises that last from seven to 14 days. The luxury experience is usually characterized by very high standards of accommodation and service, smaller vessel size and exotic itineraries to ports that are inaccessible by larger ships. We have product and service offerings in each of these three broad classifications.

II. Passenger Capacity by Ocean Going Vessels

<u>Calendar Year</u>	<u>Passenger Capacity as of December 31 (a) (b)</u>	
	<u>Global Cruise Industry (c)</u>	<u>Carnival Corporation & plc</u>
2018	555,570	244,830
2019	589,820	254,010
2020	607,500	246,450
2021	636,270	253,950
2022	688,070	268,310
2023	726,940	277,010
2024	757,620	281,280

<u>Calendar Years</u>	<u>Passenger Capacity Compound Annual Growth Rate (a)</u>	
	<u>Global Cruise Industry (c)</u>	<u>Carnival Corporation & plc</u>
2019 - 2021	4.6 %	1.2 %
2022 - 2024	6.0 %	3.5 %

- (a) Includes ships which have resumed guest cruise operations and ships in pause status expected to return to guest cruise operations. 2022-2024 data is estimated based on announced newbuilds and ship retirements and does not include an estimate for unannounced ship retirements.
- (b) In accordance with cruise industry practice, passenger capacity is calculated based on the assumption of two passengers per cabin even though some cabins can accommodate three or more passengers.
- (c) Global cruise industry data was obtained from Cruise Industry News.

C. Our Global Cruise Business

I. Segment Information

	Ships in Service or Expected to Return to Service as of November 30, 2021 (a)		
	Passenger Capacity	Percentage of Total Capacity	Number of Cruise Ships
North America and Australia (“NAA”) Segment			
Carnival Cruise Line (b)	74,710	31 %	25
Princess Cruises	42,610	18	14
Holland America Line	22,920	9	11
P&O Cruises (Australia)	7,230	3	3
Seabourn	2,570	1	5
	<u>150,050</u>	<u>62</u>	<u>58</u>
Europe and Asia (“EA”) Segment			
Costa Cruises (“Costa”)	36,520	15	11
AIDA Cruises (“AIDA”)	30,770	13	13
P&O Cruises (UK)	19,020	8	6
Cunard	6,830	3	3
	<u>93,130</u>	<u>38</u>	<u>33</u>
	<u>243,180</u>	<u>100 %</u>	<u>91</u>

- (a) As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service.
- (b) Includes *Costa Magica*, which we previously announced will be entering the Carnival Cruise Line fleet.

We also have a Cruise Support segment that includes our portfolio of leading port destinations and other services, all of which are operated for the benefit of our cruise brands.

In addition to our cruise operations, we own Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon, which complements our Alaska cruise operations. Our tour company owns and operates hotels, lodges, glass-domed railcars and motorcoaches which comprise our Tour and Other segment.

II. Passengers Carried

In 2021, we carried 1.2 million passengers, consisting of 0.7 million carried by our NAA segment and 0.5 million carried by our EA segment, which was lower than our historical levels as a result of the gradual resumption of guest cruise operations. In 2019, our most recent full year of guest cruise operations, our brands carried 12.9 million passengers, 8.6 million carried by our NAA segment and 4.2 million carried by our EA segment.

III. Ships Under Contract for Construction

As of November 30, 2021, we have a total of 11 cruise ships expected to be delivered through 2025. Our ship construction contracts are with Fincantieri and MARIOTTI in Italy, Meyer Werft in Germany and Meyer Turku in Finland.

	Expected Delivery Date	Passenger Capacity Lower Berth
Carnival Cruise Line		
<i>Carnival Celebration</i>	November 2022	5,250
<i>Carnival Jubilee</i>	October 2023	5,440
Princess Cruises		
<i>Discovery Princess</i>	January 2022	3,660
Newbuild (a)	January 2024	4,270
Newbuild (a)	July 2025	4,270
Seabourn		
<i>Seabourn Venture</i>	March 2022	260
<i>Seabourn Pursuit</i>	February 2023	260
Costa		
<i>Costa Toscana</i>	December 2021	5,330
AIDA		
<i>AIDAcosma</i>	December 2021	5,440
P&O Cruises (UK)		
<i>Arvia</i>	December 2022	5,190
Cunard		
Newbuild	December 2023	3,000

(a) Ships are subject to financing

IV. Cruise Brands



Carnival Cruise Line is “The World’s Most Popular Cruise Line®” and has provided multi-generational family entertainment at exceptional value to its guests for nearly 50 years. Carnival Cruise Line creates an environment where guests can be their most playful selves on ships that are designed to inspire the experience of bringing people together, with limitless opportunities for guests to create their own fun.



For over 55 years, Princess has sailed the world bringing people closer together – by connecting guests to their loved ones, exciting cultures and new friends. The endless choices are enhanced by Princess MedallionClass experiences, which are enabled by a revolutionary wearable that supports a seamless, effortless, and personalized vacation, and are combined with our global destination expertise delivered through programs such as “North to Alaska”.



For more than 145 years, Holland America Line has delivered a distinctively classic, European style of cruising throughout its fleet of mid-sized premium ships. Guests of all ages enjoy immersive travel through engaging experiences onboard and in-depth cultural experiences as part of their exploration of fascinating destinations around the world. Holland America Line believes travel has the power to change the world and has defined their higher purpose to help make the world a better place through opening minds, building connections and inspiring shared humanity.



For almost 90 years, P&O Cruises (Australia) has taken Australians & New Zealanders on dream holidays to the South Pacific filled with amazing entertainment, world-class dining, idyllic destinations and unforgettable onboard experiences. With P&O Cruises (Australia) you can choose to do everything, or nothing at all.



Seabourn's ultra-luxury resorts at sea represent the most advanced evolution of intimate, small-ship cruising with all ocean-front suites, beautifully designed spaces and exceptionally refined amenities. The official cruise line partner of UNESCO World Heritage, Seabourn offers discerning travelers immersive destination experiences on all seven continents. A variety of prestigious partnerships enhance the ships' award-winning cuisine, world-class spa & wellness and other onboard enrichments, and our staffs' unique style of sincere, heartfelt hospitality adds unforgettable Seabourn Moments to every voyage.



Costa delivers Italy's finest at sea primarily serving guests from Continental Europe and Asia. Costa brings a modern Italian lifestyle to its ships and provides guests with a true European experience that embodies a uniquely Italian passion for life through warm hospitality, entertainment and gastronomy that makes Costa different from any other cruise experience.



AIDA is the leading and most recognized brand in the German cruise market. Its guests enjoy the German inspired active, premium modern lifestyle cruise experience. AIDA provides a cruising wellness holiday in modern comfort where guests feel at home and enjoy consistently excellent service accompanied by the AIDA smile.



P&O Cruises (UK) is Britain's favorite cruise line, welcoming guests to extraordinary travel experiences designed in a distinctively British way - through a blend of discovery, relaxation and exceptional service catered towards British tastes. P&O Cruises (UK)'s fleet of premium ships deliver authentic travel experiences around the globe, combining style, quality and innovation with a sense of occasion and attention to detail, to create a truly memorable holiday.



For over 180 years, the iconic Cunard fleet has perfected the timeless art of luxury ocean travel. While onboard, Cunard guests experience unique signature moments, from Cunard's white gloved afternoon tea service to spectacular gala evening balls to its renowned Insights Speaker program. Guest expectations are exceeded through Cunard's exemplary White Star Service®. From the moment a guest steps onboard, every detail of their voyage is curated to ensure they feel special and are inspired by unique events. Onboard Cunard, guests are free to do as much or as little as they please.

V. Principal Source Geographic Areas

<i>(in thousands)</i>	Carnival Corporation & plc Cruise Guests Carried		Brands Mainly Serving
	2021	2019	
United States and Canada	660	7,170	Carnival Cruise Line, Princess Cruises, Holland America Line, Seabourn and Cunard
Continental Europe	390	2,590	Costa and AIDA
Asia	0	1,110	Princess Cruises and Costa
Australia and New Zealand	0	920	Carnival Cruise Line, Princess Cruises and P&O Cruises (Australia)
United Kingdom	170	780	P&O Cruises (UK) and Cunard
Other	10	300	
Total	1,220	12,870	

Due to the gradual resumption of guest cruise operations, data for 2021 is not representative of a typical full year of operations. Due to the impact of COVID-19 on the global cruise industry, data for 2020 is not meaningful and is not included in the table. We have provided 2019 data as we believe it is most representative of our future Principal Source Geographic Areas.

VI. Cruise Programs

	Carnival Corporation & plc Percentage of Passenger Capacity by Itinerary	
	2021	2019
Caribbean	32 %	32 %
Europe without Mediterranean	23	14
Mediterranean	29	13
Australia and New Zealand	—	7
Alaska	4	6
China	—	4
Other	12	25
	100 %	100 %

Due to the gradual resumption of guest cruise operations, data for 2021 is not representative of a typical full year of operations. Due to the impact of COVID-19 on the global cruise industry, data for 2020 is not meaningful and is not included in the table. We have provided 2019 data as we believe it is most representative of our future Cruise Programs.

VII. Cruise Pricing and Payment Terms

Each of our cruise brands publishes prices for the upcoming seasons primarily through the internet, although published materials such as direct mailings are also used. Our brands have multiple pricing levels that vary by source market, category of guest accommodation, ship, season, duration and itinerary. Cruise prices frequently change in a dynamic pricing environment and are impacted by a number of factors, including the number of available cabins for sale in the marketplace and the level of guest demand. We offer a variety of special promotions, including early booking, past guest recognition and travel agent programs.

Our bookings are generally taken several months in advance of the cruise departure date. Historically, the longer the cruise itinerary the further in advance the bookings are made. This lead time allows us to manage our prices in relation to demand for available cabins through the use of advanced revenue management capabilities and other initiatives.

The cruise ticket price typically includes the following:

- Accommodations
- Most meals, including snacks at numerous venues
- Access to amenities such as swimming pools, water slides, water parks, whirlpools, a health club, and sun decks
- Child care and supervised youth programs
- Entertainment, such as theatrical and comedy shows, live music and nightclubs
- Visits to multiple destinations

We offer value added packages to induce ticket sales to guests and groups and to encourage advance purchase of certain onboard items. These packages are bundled with cruise tickets and sold to guests for a single price rather than as a separate package and may include one or more of the following:

- Beverage packages
- Shore excursions
- Air packages
- Specialty restaurants
- Internet packages
- Photo packages
- Onboard spending credits
- Service charges

Our brands' payment terms generally require that a guest pay a deposit to confirm their reservation and then pay the balance due before the departure date. We have provided flexibility to guests with bookings on sailings cancelled due to the pause in guest cruise operations by allowing guests to receive enhanced future cruise credits ("FCC") or to elect to receive refunds in cash.

VIII. 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 gradual 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. Since 2020, the Alaska cruise seasons have been adversely impacted by the continued effects of COVID-19.

IX. Onboard and Other Revenues

Onboard and other activities are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires. In 2021, we earned 45% of our cruise revenues from onboard and other revenue goods and services. In 2019, our most recent full year of guest cruise operations, we earned 30% of our cruise revenues from onboard and other revenues.

- Beverage sales
- Casino gaming
- Shore excursions
- Retail sales
- Photo sales
- Internet and communication services
- Full service spas
- Specialty restaurants
- Art sales
- Laundry and dry cleaning services

X. Marketing Activities

Guest feedback and research support the development of our overall marketing and business strategies to drive demand for cruises and increase the number of first-time cruisers. Our goal has always been to increase consumer awareness for cruise vacations and further grow our share of their vacation spend. We measure and evaluate key drivers of guest loyalty and their satisfaction with our products and services that provide valuable insights about guests' cruise experiences. We closely monitor our net promoter scores, which reflect the likelihood that our guests will recommend our brands' cruise products and services to friends and family.

While we significantly reduced our marketing activities during 2020 and 2021 as a result of COVID-19, our brands historically have had comprehensive marketing and advertising programs across diverse mediums to promote their products and services to vacationers and our travel agent partners. Each brand's marketing activities have generally been designed to reach a local region in the local language. Our marketing efforts historically have allowed us to attract new guests online by leveraging the reach and impact of digital marketing and social media. Over time, we have invested in new marketing technologies to deliver more engaging and personalized communications. This has helped us cultivate guests as advocates of our brands, ships, itineraries and onboard products and services.

Substantially all of our cruise brands offer past guest recognition programs that reward repeat guests with special incentives such as reduced fares, gifts, onboard activity discounts, complimentary laundry and internet services, expedited ship embarkation and disembarkation and special onboard activities.

XI. Sales Channels

We sell our cruises through travel agents, tour operators, company vacation planners and our websites. Our individual cruise brands' relationships with their travel agent partners are generally independent of each of our other brands. Our travel agents relationships are generally not exclusive and travel agents generally receive a base commission, plus the potential of additional commissions, including discounts or complimentary tour conductor cabins, based on the achievement of pre-defined sales volumes.

Travel agent partners are an integral part of our long-term cruise distribution network and are critical to our success. We utilize local sales teams to motivate travel agents to support our products and services with competitive sales and pricing policies and joint marketing and advertising programs. We also employ a wide variety of educational programs, including websites, seminars and videos, to train agents on our cruise brands and their products and services. In 2021, due to physical distancing requirements, we held a variety of virtual training and educational programs to continue to support and develop our travel agent partners.

All of our brands have internet booking engines to allow travel agents to book our cruises. We also support travel agent booking capabilities through global distribution systems. All of our cruise brands have their own consumer websites that provide access to information about their products and services to users and enable their guests to quickly and easily book cruises and other products and services online. These sites interface with our brands' social networks, blogs and other social media sites, which allow them to develop greater contact and interaction with their guests before, during and after their cruise. We also employ vacation planners who support our sales initiatives by offering our guests one-on-one cruise planning expertise and other services.

XII. Ethics and Compliance

We believe a clear and strong ethics and compliance culture is imperative for the future success of any corporation. Our compliance framework includes an Ethics and Compliance (“E&C”) governance function, as well as an ethics and compliance strategic plan. Our Chief Ethics and Compliance Officer, an executive officer and member of the executive leadership team, leads the effort to promote and monitor a strong ethics and compliance culture and further develop our E&C governance function throughout the company. This function involves monitoring compliance with health, environment, safety, security laws and other regulations, compliance risk management, improved compliance training programs for our employees, thorough investigations relating to health, environmental and safety incidents and efforts to strengthen our corporate culture. More specifically, the E&C governance function’s strategic plan sets out the following four goals:

- Align and build upon fundamental principles - strengthen culture to support ethics and compliance
- Be proactive and embrace a risk-based approach - develop a more strategic mindset
- Assemble the people, platform and processes - organize ethics and compliance leadership, governance, systems and access to data and procedures
- Listen and learn - promote open communications: speaking up, listening, learning and responding

By taking these measures, we heightened our commitment to operate with integrity, which includes not only complying with applicable laws, but also treating our guests, employees and stakeholders with honesty, transparency and respect. To further heighten the focus on ethics and compliance, the Boards of Directors established the Compliance Committees, which oversee the E&C governance function, maintain regular communications with the Chief Ethics and Compliance Officer and ensure implementation of the E&C governance function’s strategic plan.

In 2020, despite the challenges related to COVID-19, we prioritized various improvements to be made during the pause in guest cruise operations called the Pause Priorities Plan. Throughout 2020 and 2021, we continued to make various improvements throughout our business. These improvements included the following:

- In the environmental arena, we made progress on improving on and investing in food waste management; developing criteria used for bringing back qualified environmental and technical talent when we resumed guest cruise operations; launching our Fleet Environmental Officer Program to further support, train and coach our environmental officers; developing a new and improved virtual environmental training program for Environmental Officers; and improving our efforts to conduct due diligence on the waste vendors that we engage across the company.
- For health, safety and security, we have made substantial progress in developing new protocols, installation of filters and testing equipment, and new awareness training to respond to COVID-19 and to comply with governmental regulations.
- To strengthen our capabilities to conduct internal investigations of HESS incidents, we revised and improved our investigation procedures and developed new training on root cause analysis.
- To continue strengthening the corporate culture, we developed a Culture Action Plan, which consists of various activities undertaken since 2020, including efforts to highlight and incentivize key actions and behaviors, new trainings for managers and leaders, more frequent communications, revised performance evaluations and culture surveys to measure progress. More specifically, we implemented our Culture Essentials, which are the key actions and behaviors we are encouraging and reinforcing to further strengthen our culture.

XIII. Sustainability

We strive to be a company that people want to work for and to be an exemplary global corporate citizen. Our commitment and actions to keep our guests and crew members safe and comfortable, protect the environment, develop and provide opportunities for our workforce, strengthen stakeholder relations and enhance both the communities where we work as well as the port communities that our ships visit, are reflective of our brands’ core values and vital to our success as a business enterprise.

We have established new goals for 2030 which incorporate six key focus areas listed below that align with elements of the United Nation’s Sustainable Development Goals and build on the momentum of our successful achievement of our 2020 sustainability goals. A key focus of our sustainability efforts is climate action which includes our commitment to reduce carbon emissions.

Climate Action 2030 Goals

- Achieve 40% carbon intensity reduction relative to our 2008 baseline measured in both grams of CO₂e per ALB-km and grams of CO₂e per ALBD

- Having peaked our absolute carbon emissions in 2011, we plan to continue to reduce emissions over time, and identify a pathway to decarbonization
- Reduce absolute particulate matter air emissions by 50% relative to our 2015 baseline
- Increase fleet shore power connection capability to 60% of the fleet
- Expand liquefied natural gas (“LNG”) program
- Optimize the reach and performance of our Advanced Air Quality System program
- Expand battery, fuel cell and biofuel capabilities
- Reduce supply chain emissions associated with food procurement and waste management
- Identify carbon offset options only when energy efficiency options have been exhausted

Circular Economy 2030 Goals

- Achieved more than 50% reduction in single-use plastic items in 2021 relative to our 2018 baseline based on ships that have restarted during our gradual resumption of guest cruise operations
- Achieve 50% reduction in single-use plastic items in 2022 relative to our 2018 baseline based on full fleet operations
- Achieve 30% unit food waste reduction by 2022 and 50% by 2030 relative to our 2019 baseline
- Increase Advanced Waste Water Treatment System coverage to more than 75% of our fleet capacity
- Send a larger percentage of waste to waste-to-energy facilities where practical
- Partner with primary vendors to reduce upstream packaging volumes

Good Health and Well-Being 2030 Goals

- Committed to continued job creation
- Implement global well-being standards by 2023
- Reduce the number of guest and crew work-related injuries
- Establish measurable Company Culture metrics and set annual improvement targets

Sustainable Tourism 2030 Goals

- Establish partnerships with destinations focused on sustainable economic development, preservation of local traditions and capacity management
- Continue to support disaster resilience, relief and recovery efforts
- Build stronger community relationships in our employment bases and destinations via employee volunteering programs

Biodiversity and Conservation 2030 Goals

- Support biodiversity and conservation initiatives through select nongovernmental organization partnerships
- Conduct audits and monitor animal encounter excursions regularly

Diversity, Equity and Inclusion 2030 Goals

- Ensure our overall shoreside employee base reflects the diversity of the world by 2030
- Expand shipboard and shoreside diversity, equity and inclusion across all ranks and departments by 2030

Since the pause in guest cruise operations, we have accelerated our capacity optimization strategy, which includes the removal of less efficient ships from our fleet. This strategy, together with our ongoing ship newbuild program, which includes the delivery of more efficient ships and the natural retirement of less efficient ships, has been and will continue to be a factor in our expected ability to achieve our 2030 carbon intensity reduction goal. Furthermore, we have invested over \$350 million in energy efficiency improvements in our existing fleet since 2016 and expect to continue to make similar investments as part of our plan to achieve our 2030 sustainability goals.

As part of our plan for carbon footprint reduction, we lead the cruise industry’s use of LNG powered cruise ships with a total of 11 next-generation cruise ships that are expected to join the fleet through 2025, including four ships already in operation as of November 30, 2021. In total, these ships are expected to represent 20% of our total future capacity. LNG vessels generate up to 20% less carbon emissions than traditionally powered ships, while almost eliminating sulfur oxides, reducing nitrogen oxides by 85% and particulate matter by 95%-100%. While fossil fuels are currently the only viable option for our industry, we are closely monitoring technology developments and partnering with key organizations on research and development to support our carbon emission reduction goals. For example, we are partnering to evaluate and pilot maritime scale battery technology and methanol powered fuel cells and working with classification societies and other stakeholders to assess lower carbon fuel options for cruise ships including hydrogen, methanol, eLNG, and biofuels. We also pioneered the use of Advanced Air Quality Systems on board our ships to aid in the reduction of sulfur emissions and are promoting the use of shore power, enabling ships to use shoreside electric power where available while in port. We do not expect the incremental efforts to meet our 2030 sustainability goals to have a material impact on our financial statements.

In addition to the 2030 sustainability goals, we have announced our 2050 aspirations. We are committed to continuing our reduction of carbon emissions and have aspirations to achieve net carbon-neutral ship operations by 2050, well ahead of current IMO targets, while minimizing the use of carbon offsets. To achieve this aspiration, we are partnering with key organizations to help identify and scale new technologies not yet ready for the cruise industry. We believe our scale will support our effort to lead the industry in climate action.

We voluntarily publish Sustainability Reports that address governance, stakeholder engagement, environmental, labor, human rights, society, product responsibility, economic and other sustainability-related issues and performance indicators. These reports, which are not incorporated in this document but can be viewed at www.carnivalcorp.com, www.carnivalplc.com and www.carnivalsustainability.com, were developed in accordance with the Global Reporting Initiative (“GRI”) Standards, the global standard for sustainability reporting. For the first time, within our separate sustainability report, we have voluntarily incorporated disclosures in accordance with the Sustainability Accounting Standards Board (“SASB”) framework and reported our progress consistent with the Task Force on Climate-Related Financial Disclosures (“TCFD”) guidance. We have been publishing Sustainability Reports since 2011.

XIV. Human Capital Management and Employees

Our shipboard and shoreside employees are sourced from well over 100 countries. In connection with our gradual resumption of guest cruise operations in 2021, we increased the number of employees onboard certain of our ships from the reduced levels during the pause in guest cruise operations. In 2021, we had an average of 30,000 employees onboard our ships, excluding employees on leave. Our shoreside operations had an annual average of 9,000 full-time and 1,000 part-time/seasonal employees. As a result of the reduction in our shoreside workforce during the early part of our pause in guest cruise operations to preserve cash, we require additional personnel to support the return of our full fleet to guest cruise operations. During 2021, we opened a significant number of shoreside positions, many of which remained open as of November 30, 2021 due to an increasingly competitive labor market. In 2019, our most recent full year of guest cruise operations, we had an average of 92,000 employees on our ships, excluding employees on leave and our shoreside operations had an annual average of 12,000 full-time and 2,000 part-time/seasonal employees. Holland America Princess Alaska Tours significantly increases its work force during the late spring and summer months in connection with the Alaskan cruise season. We have entered into agreements with unions covering certain employees on our ships and in our shoreside hotel and transportation operations. The percentages of our shipboard and shoreside employees that are represented by collective bargaining agreements are 58% and 28%, respectively. We consider our employee and union relationships to be strong.

A team of highly motivated and engaged employees is key to delivering unmatched joyful vacations that exceed our guests’ expectations. To facilitate the recruitment, development and retention of our valuable team members, we strive to make Carnival Corporation & plc a diverse, inclusive and safe workplace, with opportunities for our employees to grow and develop in their careers.

a. Talent Development

We believe in the investment in our team members through the training and development of both shoreside and shipboard employees. During the pause in guest cruise operations, our training teams have made significant progress in delivering virtual training to augment the normal training historically completed in-person. We anticipate that as we continue to transition to full guest cruise operations that we will continue to leverage a combination of virtual and in-person training to ensure that our teams are well-prepared to carry out their individual and collective responsibilities.

For our shipboard employees, our goal is to be a leader in delivering high quality professional maritime training, as evidenced by the Arison Maritime Center. The Center is home to the Center for Simulator Maritime Training (“CSMART”). The leading-edge CSMART Academy features the most advanced bridge and engine room simulator technology and equipment available, with the capacity to provide annual professional training for all our bridge, engineering and environmental officers. CSMART participants receive a maritime training experience that fosters advanced knowledge and skills development, critical thinking and problem solving; all in a professional learning environment where our corporate culture is reinforced. CSMART also offers training related to LNG technology as well as an environmental officer training program and additional environmental courses for bridge and engineering officers to further enhance our training on environmental awareness and protection.

b. Succession Planning

Our Boards of Directors believe that planning for succession is an important function. Our multi-brand structure enhances our succession planning process. At the corporate level, a highly-skilled management team oversees a collection of cruise brands.

At both the corporate and brand levels, we continually strive to foster the professional development of senior management and other critical roles. As a result, Carnival Corporation & plc has developed a very experienced and strong group of leaders, with their performance subject to ongoing monitoring and evaluation, as potential successors to all of our senior executive positions, including our Chief Executive Officer.

XV. Supply Chain

We incur expenses for goods and services to deliver exceptional cruise experiences to our guests. In addition, we incur significant capital expenditures for materials to support the refurbishment and enhancements of our vessels as well as to build new ships. We approach our spend strategically and look for suppliers who demonstrate the ability to help us leverage our scale in terms of cost, quality, service, innovation and sustainability. We are focused on the creation of strategic partnerships and will streamline our supplier base where it is prudent and on a risk-based basis. Our largest capital investments are for the construction of new ships.

COVID-19 is continuing to impact global supply markets and supply chains, resulting in shortages, extended lead times and increased inflation impacting our operations and profitability. We are applying a number of different strategies to mitigate the impact of these challenges on our operations, including extending our demand planning, placing purchase orders earlier, leveraging corporate contracts, utilizing short term contracts and leveraging our supplier relationships.

XVI. Insurance

a. General

We maintain insurance to cover a number of risks associated with owning and operating our vessels and other non-ship related risks. All such insurance policies are subject to coverage limits, exclusions and deductible levels. Insurance premiums are dependent on our own loss experience and the general premium requirements of our insurers. We maintain certain levels of deductibles for substantially all the below-mentioned coverages. We may increase our deductibles to mitigate future premium increases. We do not carry coverage related to loss of earnings or revenues from our ships or other operations.

b. Protection and Indemnity (“P&I”) Coverages

Liabilities, costs and expenses for illness and injury to crew, guest injury, pollution and other third-party claims in connection with our cruise activities are covered by our P&I clubs, which are mutual indemnity associations owned by ship owners.

We are members of three P&I clubs, Gard, Steamship Mutual and UK Club, which are part of a worldwide group of 13 P&I clubs, known as the International Group of P&I Clubs (the “IG”). The IG insures directly, and through broad and established reinsurance markets, a large portion of the world’s shipping fleets. Coverage is subject to the P&I clubs’ rules and the limits of coverage are determined by the IG.

c. Hull and Machinery Insurance

We maintain insurance on the hull and machinery of each of our ships for reasonable amounts as determined by management. The coverage for hull and machinery is provided by large and well-established international marine insurers. Insurers make it a condition for insurance coverage that a ship be certified as “in class” by a classification society that is a member of the International Association of Classification Societies (“IACS”). All of our ships are routinely inspected and certified to be in class by an IACS member.

d. War Risk Insurance

We use a combination of insurance and self-insurance to cover war risk for legal liability to crew, guests and other third parties as well as loss or damage to our vessels arising from war or war-like actions. Our primary war risk insurance coverage is provided by international marine insurers and our excess war risk insurance is provided by our three P&I clubs. Under the terms of our war risk insurance coverage, which are typical for war risk policies in the marine industry, insurers can give us seven days’ notice that the insurance policies will be canceled. However, the policies can be reinstated at different premium rates.

e. Other Insurance

We maintain property insurance covering our shoreside assets and casualty insurance covering liabilities to third parties arising from our hotel and transportation business, shore excursion operations and shoreside operations, including our port and related commercial facilities. We also maintain worker's compensation, director's and officer's liability and other insurance coverages.

XVII. Governmental Regulations

a. Maritime Regulations

1. General

Our ships are regulated by numerous international, national, state and local laws, regulations, treaties and other legal requirements, as well as voluntary agreements, which govern health, environmental, safety and security matters in relation to our guests, crew and ships. These requirements change regularly, sometimes on a daily basis, depending on the itineraries of our ships and the ports and countries visited. If we violate or fail to comply with any of these laws, regulations, treaties and other requirements, we could be fined or otherwise sanctioned by regulators. We are committed to complying with, or exceeding, all relevant maritime requirements.

The primary regulatory bodies that establish maritime laws and requirements applicable to our ships include:

The International Maritime Organization ("IMO"): All of our ships, and the maritime industry as a whole, are subject to the maritime safety, security and environmental regulations established by the IMO, a specialized agency of the United Nations. The IMO's principal sets of requirements are mandated through its International Convention for the Safety of Life at Sea ("SOLAS") and its International Convention for the Prevention of Pollution from Ships ("MARPOL").

Flag States: Our ships are registered, or flagged, in The Bahamas, Bermuda, Italy, the Netherlands, Panama and the UK, which are also referred to as Flag States. Our ships are regulated by these Flag States through international conventions that govern, among other things, health, environmental, safety and security matters in relation to our guests, crew and ships. Representatives of each Flag State conduct periodic inspections, surveys and audits to verify compliance with these requirements.

Ship classification societies: Class certification is one of the necessary documents required for our cruise ships to be flagged in a specific country, obtain liability insurance and legally operate as passenger cruise ships. Our ships are subject to periodic class surveys, including dry-dock inspections, by ship classification societies to verify that our ships have been maintained in accordance with the rules of the classification societies and that recommended repairs have been satisfactorily completed. Dry-dock frequency is a statutory requirement mandated by SOLAS. Our ships dry-dock once or twice every five years, depending on the age of the ship.

National, regional and other authorities: We are subject to the decrees, directives, regulations and requirements of the European Union ("EU"), the UK, the U.S., other countries and hundreds of other authorities including international ports that our ships visit every year.

Port regulatory authorities (Port State Control): Our ships are also subject to inspection by the port regulatory authorities, which are also referred to as Port State Control, in the various countries that they visit. Such inspections include verification of compliance with the maritime safety, security, environmental, customs, immigration, health and labor requirements applicable to each port, as well as with regional, national and international requirements. Many countries have joined together to form regional Port State Control authorities.

As members of the Cruise Lines International Association ("CLIA"), we helped to develop and have implemented policies that are intended to enhance shipboard safety and environmental protection throughout the cruise industry. In some cases this calls for implementing best practices, which are in excess of existing legal requirements. Further details on these and other policies, which are not incorporated into this document, can be found on www.cruising.org.

Our Boards of Directors have HESS Committees, which were comprised of six independent directors as of December 1, 2021. The principal function of the HESS Committees is to assist the boards in fulfilling their responsibility to supervise and monitor our health, environment, safety, security and sustainability related policies, programs and initiatives at sea and ashore and

compliance with related legal and regulatory requirements. The HESS Committees and our management team review all significant relevant risks or exposures and associated mitigating actions.

We are committed to implementing appropriate measures to manage identified risks effectively. We have a Chief Maritime Officer to oversee our global maritime operations, including maritime policy, maritime affairs, training, shipbuilding, asset management, ship refits and research and development. In addition, we have a Chief Ethics and Compliance Officer who is responsible for overseeing our ethics and compliance governance function, including all areas of HESS.

To help ensure that we are compliant with legal and regulatory requirements and that these areas of our business operate in an efficient and effective manner we:

- Provide regular health, environmental, safety and security support, training, guidance and information to guests, employees and others working on our behalf
- Develop and implement effective and verifiable management systems to fulfill our health, environmental, safety, security and sustainability commitments
- Perform regular shoreside and shipboard audits and take appropriate action when deficiencies are identified
- Report and investigate health, environmental, safety and security incidents and strive to take appropriate action to prevent recurrence
- Identify those employees responsible for managing health, environment, safety, security and sustainability programs and aim to establish clear lines of accountability
- Identify the aspects of our business with potential to impact the environment and continue to take appropriate action to minimize that impact
- Monitor an anonymous hotline for any reported allegations or concerns and the related responses
- Review and work to improve policies and procedures designed to prevent, detect, respond and correct various regulatory violations and other misconduct

2. Maritime Safety Regulations

The IMO has adopted safety standards as part of SOLAS. To help ensure guest and crew safety, SOLAS establishes requirements for the following:

- Vessel design and structural features
- Construction and materials
- Refurbishment standards
- Radio communications
- Life-saving and other equipment
- Fire protection and detection
- Safe management and operation
- Musters

All of our crew undergo regular safety training that meets or exceeds all international maritime regulations, including SOLAS requirements, which are periodically revised.

SOLAS requires implementation of the International Safety Management Code (“ISM Code”), which provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code is mandatory for passenger vessel operators. Under the ISM Code, vessel operators are required to:

- Develop and implement a Safety Management System (“SMS”) that includes, among other things, the adoption of safety and environmental protection policies setting forth instructions and procedures for operating vessels safely and describing procedures for responding to emergencies and protecting the environment. In addition, our SMS includes health and security procedures.
- Obtain a Document of Compliance (“DOC”) for the vessel operator, as well as a Safety Management Certificate (“SMC”) for each vessel they operate. These documents are issued by the vessel’s Flag State and evidence compliance with the ISM Code and the SMS
- Verify or renew DOCs and SMCs periodically in accordance with the ISM Code

We have implemented and continue to develop policies and procedures that we believe enhance our commitment to the safety of our guests and crew. These initiatives include the following:

- Training of our bridge, engineering and environmental officers in maritime related best practices facilitated by our CSMART Academy, the Center for Simulator Maritime Training located within our Arison Maritime Center in Almere, Netherlands

- Further standardization of our detailed bridge and engine resource management procedures on our ships
- Expansion of our existing oversight function to monitor and assist operations through state of the art fleet operations centers in Miami and Hamburg
- Identifying and promoting the use of international standards and best-practice policies and procedures in health, environmental, safety and security disciplines across the organization including on all our ships
- Further enhancement of our processes for auditing our HESS performance throughout our operations

3. Maritime Security Regulations

Our ships are subject to numerous security requirements. These requirements include the International Ship and Port Facility Security Code, which is part of SOLAS, the U.S. Maritime Transportation Security Act of 2002, which addresses U.S. port and waterway security and the U.S. Cruise Vessel Security and Safety Act of 2010, which applies to all of our ships that embark or disembark passengers in the U.S. These regulations include requirements as to the following:

- Implementation of specific security measures, including onboard installation of a ship security alert system
- Assessment of vessel security
- Efforts to identify and deter security threats
- Training, drills and exercises
- Security plans that may include guest, vehicle and baggage screening procedures, security patrols, establishment of restricted areas, personnel identification procedures, access control measures and installation of surveillance equipment
- Establishment of procedures and policies for reporting and managing allegations of crimes

4. Maritime Environmental Regulations

We are subject to numerous international, multi-national, national, state and local environmental laws, regulations and treaties that govern air emissions, waste management, and the storage, handling, use and disposal of hazardous substances such as chemicals, solvents and paints.

As a means of managing and improving our environmental performance and compliance, we adhere to standards set by the International Organization for Standardization (“ISO”), an international standard-setting body, which produces worldwide industrial and commercial standards. The environmental management system of our company and ships is certified in accordance with ISO 14001, the environmental management standard that was developed to help organizations manage the environmental impacts of their processes, products and services. ISO 14001 defines an approach to setting and achieving environmental objectives and targets, within a structured management framework.

i. International Regulations

The principal international convention governing marine pollution prevention and response is MARPOL.

a. Preventing and Minimizing Pollution

MARPOL includes six annexes, four of which are applicable to our cruise ships, containing requirements designed to prevent and minimize both accidental and operational pollution by oil, sewage, garbage and air emissions and sets forth specific requirements related to vessel operations, equipment, recordkeeping and reporting that are designed to prevent and minimize pollution. All of our ships must carry an International Oil Pollution Prevention Certificate, an International Sewage Pollution Prevention Certificate, an International Air Pollution Prevention Certificate and a Garbage Management Plan. The ship’s Flag State issues these certificates, which evidence their compliance with the MARPOL regulations regarding prevention of pollution by oil, sewage, garbage and air emissions. Certain jurisdictions have not adopted all of these MARPOL annexes but have established various national, regional or local laws and regulations that apply to these areas.

As noted above, MARPOL governs the prevention of pollution by oil from operational measures, as well as from accidental discharges. MARPOL requires that discharges of machinery space bilge water pass through pollution prevention equipment that separates oil from the water and monitors the discharged water to ensure that the effluent does not exceed 15 parts per million oil content. During 2019, we voluntarily completed the upgrade of oily water separation equipment to the latest MARPOL standards as set forth by the IMO onboard all of our ships. Our ships have oily water separators with oil content monitors installed and maintain a record of certain engine room operations in an Oil Record Book. In addition, we have voluntarily installed redundant systems on all of our ships that monitor processed bilge water a second time prior to discharge to help

ensure that it contains no more than 15 parts per million oil content. This system also provides additional controls to prevent improper bilge water discharges. MARPOL also requires that our ships have Shipboard Oil Pollution Emergency Plans.

MARPOL also governs the discharge of sewage from ships and contains regulations regarding the ships' equipment and systems for the control of sewage discharge, the provision of facilities at ports and terminals for the reception of sewage and requirements for survey and certification.

MARPOL also governs the discharge of garbage from ships and requires the implementation of Garbage Management Plan and the maintenance of a Garbage Record Book.

Furthermore, MARPOL addresses air emissions from vessels, establishes requirements for the prevention of air pollution from ships to reduce emissions of sulfur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter. It also contains restrictions on the use of ozone depleting substances ("ODS") and requires the recording of ODS use, equipment containing ODS and the emission of ODS.

b. Sulfur Emissions

The IMO has adopted a global 0.5% sulfur cap for marine fuel which began in January 2020. The EU Parliament and Council has also adopted 0.5% sulfur content fuel requirement (the "EU Sulfur Directive"). The options to comply with both the global 0.5% sulfur cap and the EU Sulfur Directive include the installation of Advanced Air Quality Systems, or the use of low sulfur or alternative fuels.

MARPOL addresses air emissions from both auxiliary and main propulsion diesel engines on ships and further specifies requirements for Emission Control Areas ("ECAs") with stricter limitations on sulfur emissions content in these areas, requiring ships to use fuel with a sulfur content of no more than 0.1%, or to use alternative emission reduction methods, such as Advanced Air Quality Systems.

We have Advanced Air Quality Systems on most of our ships, which are aiding in partially mitigating the financial impact from the ECAs and global 0.5% sulfur requirements.

c. Other Ship Emission Abatement Methods

In the long-term, the cost impacts of meeting progressively lower sulfur fuel requirements may be further mitigated by the future developments of, and investments in, improved sulfur emission abatement technologies, the use of alternative lower cost and lower emission fuels and our continued efforts to improve the overall fuel efficiency across our fleet. Our ongoing efforts to reduce unit fuel consumption include a focus on itinerary planning and voyage optimization, investment in various energy-efficiency upgrades (including enhancements to vessel air conditioning systems, lighting, waste heat recovery, engine performance improvements and hydrodynamic upgrades), enhanced training and energy awareness for our shipboard teams, collaborative energy-savings groups across operating lines and a shift towards better informed data-driven energy related decisions.

As part of our emission abatement program, we have continued our work with several local port authorities to utilize cruise ship shore power connections and have equipped 42 of our ships with the ability to utilize shore power technology. This technology enables our ships to use power from the local electricity provider rather than running their engines while in port to power their onboard services, resulting in reduced ship air emissions.

Similarly, in an effort to extend our commitment to sustainability and to play a leading role in matters of environmental protection in the cruise industry, we are expanding our investment in the use of lower carbon fuels, in particular LNG. *AIDAnova*, the first cruise ship in the world with the ability to use LNG to generate 100 percent of its power both in port and on the open sea, entered the fleet in December 2018, followed by three additional LNG ships, *Costa Smeralda*, *Iona* and *Mardi Gras*. As of November 30, 2021, we also had seven additional LNG cruise ships on order, including *Costa Toscana* and *AIDAcosma*, which entered the fleet in December 2021 and *Carnival Celebration*, entering the fleet in November 2022. These ships generate up to 20% less carbon emissions than traditionally powered ships and we believe, on balance, may help to reduce our impact on the environment. While fossil fuels are currently the only viable option for our industry, we are closely monitoring technology developments and partnering with key organizations on research and development to support our carbon emission reduction goals.

d. Greenhouse Gas Emissions (“GHG”)

In 2013, the IMO approved measures to improve energy efficiency and reduce emissions of GHGs from international shipping by adopting technical and operational measures for all ships. The technical measures apply to the design of new vessels, and the operational reduction measures apply to all vessels. Operational reduction measures have been implemented through a variety of means, including a Ship Energy Efficiency Management Plan, improved voyage planning and more frequent propeller and hull cleanings. We have established objectives within the ISO 14001 environmental management system for each of our brands to further reduce fuel consumption rates and the resulting GHG emissions.

In 2016, the IMO approved the implementation of a mandatory data collection system (“DCS”) for fuel oil consumption. The DCS requires ships of 5,000 gross tons and above to provide fuel oil consumption data to their respective Flag State at the end of each calendar year, beginning in 2019. Flag States validate the data and transfer it to an IMO database. The IMO will produce a summary annual report with anonymous data. In 2018, the IMO also set aspirations to achieve several shipping industry GHG emission reduction goals with 2030 and 2050 target dates. In November 2020, the IMO’s Marine Environment Protection Committee approved further MARPOL changes in support of its GHG emission reduction goals, which are expected to enter into force on January 1, 2023 and include annual ship-level unit emissions performance improvement expectations that could negatively impact our itinerary flexibility and marketability. In addition, the IMO is currently considering various other proposals which aim to reduce GHG emissions within the global shipping industry. These proposals include a range of measures including possible fuel standards and market-based measures, such as carbon taxes, that, if enacted, could result in reduced revenue or increased compliance related costs which may individually and collectively have a material impact on our profitability. The exact impact is uncertain as the proposals have not yet been finalized and enacted.

e. Ballast Water

Ballast water is water used to stabilize ships at sea and maintain safe operating conditions throughout a voyage. Ballast water can carry a multitude of marine species. In 2017, the IMO’s Ballast Water Management Convention entered into force, which governs the discharge of ballast water from ships. Subsequent amendments effectively extended the implementation date for installation of ballast water management systems for existing ships by about two years, though other requirements went into effect immediately, including requirements for ballast water exchange, record keeping, and maintaining an approved Ballast Water Management Plan. The Convention is designed to regulate the treatment of ballast water prior to discharging overboard in order to avoid the transfer of marine species to new environments, as well as establishing other ballast water management practices for monitoring and environmental protection.

ii. U.S. Federal and State Regulations

The Act to Prevent Pollution from Ships implements several MARPOL Annexes in the U.S. and imposes numerous requirements on our ships, as discussed above. Administrative, civil and criminal penalties may be assessed for violations.

The Oil Pollution Act of 1990 (“OPA 90”) established a comprehensive federal liability regime, as well as prevention and response requirements, relating to discharges of oil in U.S. waters. The major requirements include demonstrating financial responsibility up to the liability limits set by OPA 90 and having oil spill response plans in place. We have Certificates of Financial Responsibility (“COFR”) that demonstrate our ability to meet the liability limits of OPA 90 based on the gross tonnage of our ships for removal costs and damages, such as from an oil spill. The COFR also covers releases of hazardous substances. It is possible, however, for our liability limits to be broken, which could expose us to unlimited liability. Under OPA 90, owners or operators of vessels operating in U.S. waters must file Vessel Response Plans with the U.S. Coast Guard (“USCG”) and must operate and conduct any response action in compliance with these plans. As OPA 90 expressly allows coastal states to impose liabilities and requirements beyond those imposed under federal law, many U.S. states have enacted laws more stringent than OPA 90. Some of these state laws impose unlimited liability for oil spills and contain more stringent financial responsibility and contingency planning requirements. Most coastal states have also enacted environmental regulations that impose strict liability for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance, similar to OPA 90.

The Clean Water Act (“CWA”) provides the U.S. Environmental Protection Agency (“EPA”) with the authority to regulate incidental discharges from commercial vessels, including discharges of ballast water, bilge water, gray water, anti-fouling paints and other substances during normal operations within the U.S. three mile territorial sea and inland waters. Pursuant to the CWA authority, the U.S. National Pollutant Discharge Elimination System was designed to minimize pollution within U.S. territorial waters. For our affected ships, the incidental discharge requirements are set forth in EPA’s Vessel General Permit (“VGP”) for discharges incidental to the normal operations of vessels. The VGP establishes effluent limits for 27 specific discharges incidental to the normal operation of a vessel, many of which apply to our cruise ships. In addition to the

requirements associated with these discharges and more stringent vessel-specific requirements, the VGP includes requirements for inspections, monitoring, reporting and record-keeping. In 2018, the Vessel Incidental Discharge Act (“VIDA”) was signed into law and was intended to clarify and streamline discharge requirements for the incidental discharges covered by the VGP and certain USCG regulations for ballast water. More specifically, a new section was added to the CWA called “Uniform National Standards for Discharges Incidental to Normal Operation of Vessels.” Once fully implemented, VIDA will replace the VGP; however, while the standards and regulations are being developed, which is expected to take at least until the end of 2022, the 2013 VGP has been administratively extended and will remain in effect. VIDA requires the standards and regulations to be at least as stringent as the existing requirements in the 2013 VGP and USCG regulations, unless information becomes available that was not reasonably available when the initial standard of performance was issued, and that information would have justified a less stringent standard. In October 2020, the EPA posted its notice of proposed rulemaking to set standards for 20 types of vessel discharges incidental to normal operations. The discharge standards are organized into three categories: (1) general operation and maintenance; (2) biofouling management; and (3) oil management. These standards mandate overall minimization of discharges and prescribe associated best management practices. No training or education requirements are included, as these will be set by the USCG in its rulemaking once EPA’s standards are finalized. Notably, EPA incorporated discharge standards applicable to exhaust gas cleaning system discharges based substantially on applicable IMO guidelines, which better harmonizes the VGP and IMO requirements. While the proposed rule provides clarity into the likely structure of VIDA, there is uncertainty over the mechanism through which state-specific standards may be implemented.

We are subject to the requirements of the U.S. Resource Conservation and Recovery Act for the disposal of both hazardous and non-hazardous solid wastes that are generated by our ships. In general, vessel owners are required to determine if their wastes are hazardous and, when landing waste ashore, comply with certain standards for the proper management of hazardous wastes, including the use of hazardous waste manifests for shipments to approved disposal facilities.

The U.S. National Invasive Species Act (“NISA”) was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. waters through ballast water taken on by vessels in foreign waters. The USCG adopted regulations under NISA that impose mandatory ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters. Depending on a vessel’s compliance date for installation of a USCG type-approved ballast water management system, these requirements may now be met by performing mid-ocean ballast exchange, by retaining ballast water onboard the vessel or by using a ballast water management system authorized or approved by the USCG. In the near future, ballast exchange will no longer be permissible. These USCG regulations, however, will ultimately be replaced with the new regulatory regime being developed under VIDA, which is expected to contain similar requirements.

The state of Alaska has enacted legislation that prohibits certain discharges in designated Alaskan waters and sets effluent limits on others, which are applicable to cruise ships. Further, the state of Alaska requires that certain discharges be reported and monitored to verify compliance with the standards established by the legislation. Environmental regimes in Alaska are more stringent than the U.S. federal requirements with regard to discharges from vessels. The legislation also provides that repeat violators of the regulations could be prohibited from operating in Alaskan waters. The state of California also has environmental requirements significantly more stringent than federal requirements for water discharges and air emissions.

iii. EU Regulations

The EU has adopted a broad range of substantial environmental measures aimed at improving the quality of the environment for European citizens. To support the implementation and enforcement of European environmental legislation, the EU has adopted directives on environmental liability and enforcement and a recommendation providing for minimum criteria for environmental inspections.

The European Commission’s (“EC”) strategy is to reduce emissions from ships. The EC strategy seeks to implement SO_x Emission Control Areas set out in MARPOL, as discussed above.

The EC has also implemented regulations aimed at reducing GHG emissions from maritime shipping through a Monitoring, Reporting and Verification regulation, which involves collecting emissions data from ships over 5,000 gross tons to monitor and report carbon emissions on all voyages to, from and between European Union ports.

The EU has a series of significant carbon reforms as a part of its Fit for 55 package to meet its 2030 emissions reduction goal. The main instruments for reducing emissions are the Emissions Trading System (“ETS”), Energy Taxation Directive (“ETD”) and the newly proposed FuelEU Maritime initiative.

The ETS regulates carbon emissions through a “cap and trade” principle, where a cap is set on the total amount of certain greenhouse gases that can be emitted. The proposed updates to the ETS could lead to carbon allowances being introduced in the maritime sector.

The ETD is a framework for the taxation of energy products and sets minimum rates of excise duty to encourage a low-carbon economy. Proposed amendments to the ETD will introduce new tax rates based on the energy content and environmental impact rather than volume. These amendments will also widen the directive to include maritime fuels, which were previously exempt.

The recently proposed FuelEU Maritime initiative is a long-term framework to reduce maritime emissions by increasing the use of sustainable alternative fuels and for the cruise industry the use of shore power. The proposal also requires compliance with the maximum limits of GHG intensity of energy used on board. The stringency of these limits increase over time and there are financial penalties for non-compliance.

If enacted, the Fit for 55 regulations may individually and collectively result in increased costs and have a material impact on our profitability beginning in 2023. The exact impact is uncertain as the proposals have not yet been finalized and enacted.

Compliance with such regulations and the associated potential cost is complicated by the fact that various countries and regions are following different approaches to the regulation of climate change.

5. Maritime Health Regulations

We are committed to providing a healthy environment for all of our guests and crew. We collaborate with public health inspection programs throughout the world, such as the Centers for Disease Control and Prevention (“CDC”) in the U.S. and the SHIPSAN Project in the EU as well as CLIA’s Public Health and Medical Policy, to ensure that development of these programs leads to enhanced health and hygiene onboard our ships. Through our collaborative efforts, we work with the authorities to develop and revise guidelines, review plans and conduct on-site inspections for all newbuilds and significant ship renovations. During the COVID-19 pandemic, the cruise industry has been subject to various enhanced regulations from the various regulatory bodies of worldwide health authorities resulting in the issuance of prescriptive protocols we are required to comply with to operate. We continue to work closely with governments and health authorities around the world to ensure that our health and safety protocols comply with the requirements of each location. In addition, we continue to maintain our ships by meeting, and often exceeding, applicable public health guidelines and requirements, complying with inspections, reporting communicable illnesses and conducting regular crew training and guest education programs.

6. Maritime Labor Regulations

The International Labor Organization develops and oversees international labor standards and includes a broad range of requirements, such as the definition of a seafarer, minimum age of seafarers, medical certificates, recruitment practices, training, repatriation, food, recreational facilities, health and welfare, hours of work and rest, accommodations, wages and entitlements.

The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, as amended, establishes additional minimum standards relating to training, including security training, certification and watchkeeping for our seafarers.

b. Other Governmental Regulations

In most countries where we source the majority of our guests, we are required to establish financial responsibility, such as obtaining a guarantee from stable financial institutions and insurance companies, to satisfy liability in cases of our non-performance of obligations to our guests. The amount of financial responsibility varies by jurisdiction based on the amount mandated by the applicable local regulatory agency or association.

In Australia and most of Europe, we may be obligated to honor our guests’ cruise payments made by them to their travel agents and tour operators regardless of whether we receive these payments.

We are also subject to many other laws and regulations which require our compliance, including those addressing antitrust, anti-money laundering, data privacy, securities, sanctions, bribery and corruption, as well as human resources related matters.

XVIII. Taxation

A summary of our principal taxes and exemptions in the jurisdictions where our significant operations are located is as follows:

a. U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on its itinerary, any particular ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profit taxes.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to federal and state income taxation in the U.S.

1. Application of Section 883 of the Internal Revenue Code

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Applicable U.S. Treasury regulations provide in general that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. in respect of each category of shipping income for which an exemption is being claimed under Section 883 (an “equivalent exemption jurisdiction”) and (ii) the foreign corporation meets a defined publicly-traded corporation stock ownership test (the “publicly-traded test”). Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and that Carnival Corporation currently satisfies the publicly-traded test under the regulations. Accordingly, substantially all of Carnival Corporation’s income is exempt from U.S. federal income and branch profit taxes.

Regulations under Section 883 list certain activities that the Internal Revenue Service (“IRS”) does not consider to be incidental to the international operation of ships and, therefore, the income attributable to such activities, to the extent such income is U.S. source, does not qualify for the Section 883 exemption. Among the activities identified as not incidental are income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

2. Exemption Under Applicable Income Tax Treaties

We believe that the U.S. source transportation income earned by Carnival plc and its subsidiaries currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

3. U.S. State Income Tax

Carnival Corporation, Carnival plc and certain subsidiaries are subject to various U.S. state income taxes generally imposed on each state’s portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

b. UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter UK tonnage tax under a rolling ten-year term and, accordingly, reapply every year. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands’ relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the cruise segment of the Australian vacation region are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

c. Italian and German Income Tax

In 2015, Costa and AIDA re-elected to enter the Italian tonnage tax regime through 2024 and can reapply for an additional ten-year period beginning in early 2025. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa's and AIDA's earnings that are not eligible for taxation under the Italian tonnage tax regime will be taxed at an effective tax rate of 4.8% in 2021 and 2020.

Substantially all of AIDA's earnings are exempt from German income taxes by virtue of the Germany/Italy income tax treaty.

d. Asian Countries Income and Other Taxes

Substantially all of our brands' income from their international operations in Asian countries is exempt from income tax by virtue of relevant income tax treaties. In addition, the income is exempt from indirect taxes in China under relevant income tax treaties and other circulars.

e. Other

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes, fees and other charges based on guest counts, ship tonnage, passenger capacity or some other measure.

XIX. Trademarks and Other Intellectual Property

We own, use and/or have registered or licensed numerous trademarks, patents and patent pending designs and technology, copyrights and domain names, which have considerable value and some of which are widely recognized throughout the world. These intangible assets enable us to distinguish our cruise products and services, ships and programs from those of our competitors. We own or license the trademarks for the trade names of our cruise brands, each of which we believe is a widely-recognized brand in the cruise industry, as well as our ship names and a wide variety of cruise products and services.

XX. Competition

We compete with land-based vacation alternatives throughout the world, such as hotels, resorts (including all-inclusive resorts), theme parks, organized tours, casinos, vacation ownership properties, and other internet-based alternative lodging sites. Based on 2021 Cruise Industry News statistics, as of December 31, 2021, we, along with our principal cruise competitors Royal Caribbean Group, Norwegian Cruise Line Holdings, Ltd. and MSC Cruises, represented approximately 80% of the cruise industry capacity, including ships operating with guests onboard and ships in pause status expected to return to guest cruise operations.

D. Website Access to Carnival Corporation & plc SEC Reports

We use our websites as channels of distribution of company information. Our Form 10-K, joint Quarterly Reports on Form 10-Q, joint Current Reports on Form 8-K, joint Proxy Statement related to our annual shareholders meeting, Section 16 filings and all amendments to those reports are available free of charge at www.carnivalcorp.com and www.carnivalplc.com and on the SEC's website at www.sec.gov as soon as reasonably practicable after we have electronically filed or furnished these reports with the SEC. In addition, you may automatically receive email alerts and other information when you enroll your email address by visiting the Investor Services section of our websites. The content of any website referred to in this document is not incorporated by reference into this document.

E. Industry and Market Data

This document includes market share and industry data and forecasts that we obtained from industry publications, third-party surveys and internal company surveys. Industry publications, including those from Cruise Industry News, and surveys and forecasts, generally state that the information contained therein has been obtained from sources believed to be reliable. Cruise Industry News is a for profit magazine company that covers all aspects of cruise operations. Their magazines and annual report cover all cruise lines and shipyards and report on all aspects of cruise operations including relevant issues, financial results, ship building, ship reviews, etc. All other references to third party information are publicly available at nominal or no cost. We use the most currently available industry and market data to support statements as to our market positions. Although we believe that the industry publications and third-party sources are reliable, we have not independently verified any of the data. Similarly, while we believe our internal estimates with respect to our industry are reliable, they have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented herein, our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under Part I, Item 1A. Risk Factors and [Exhibit 13](#), Management's Discussion and Analysis of Financial Condition and Results of Operations, in this Form 10-K.

Item 1A. Risk Factors.

You should carefully consider the following discussion of material factors, events and uncertainties that make an investment in the Company's securities risky and provide important information for the understanding of the "forward-looking" statements discussed in this Form 10-K and elsewhere. These risk factors should be read in conjunction with other information in this Form 10-K.

The events and consequences discussed in these risk factors could have a material adverse effect on the Company's business, financial condition, operating results and stock price. These risk factors do not identify all risks that the Company faces; operations could also be affected by factors, events, or uncertainties that are not presently known to the Company or that the Company currently does not consider to present material risks to its operations. In addition to the effects of the COVID-19 pandemic and resulting global disruptions on our business and operations discussed in Item 7 of this Form 10-K and in the risk factors below, additional or unforeseen effects from the COVID-19 pandemic and the global economic climate may give rise to or amplify many of these risks discussed below. Some of the statements in this item and elsewhere in this document are "forward-looking statements." For a discussion of those statements and of other factors to consider see the "Cautionary Note Concerning Factors That May Affect Future Results" section below.

The ordering and lettering of the risk factors set forth below is not intended to reflect any Company indication of priority or likelihood.

COVID-19 and Liquidity/Debt Related Risk Factors

a. 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.

The COVID-19 global pandemic is having material negative impacts on all aspects of our business. We implemented a pause of our guest cruise operations in mid-March 2020 across all brands. We have been, and will continue to be, negatively impacted by travel advisories and evolving, conflicting and complex restrictions, recommendations and regulations set by various governmental authorities. These restrictions, recommendations and regulations have and may continue to impact our ability to operate our business in an optimal manner.

As we continue our gradual return to service, we expect to continue incurring incremental restart-related spend, including the cost of returning ships to guest cruise operations and returning crew members to our ships as well as the incremental costs of maintaining enhanced health and safety protocols. The industry is subject to and may be further subject to enhanced health and hygiene requirements in attempts to counteract future outbreaks, and these requirements may be costly, take a significant amount of time to implement across our global cruise operations and may result in disruptions in guest cruise operations, incremental costs and loss of revenue.

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

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

We have received, and may continue to receive, lawsuits, other governmental investigations and other actions stemming from COVID-19. We cannot predict the quantum or outcome of any such proceedings, some of which could result in the imposition of civil and criminal penalties in the future, and the impact that they will have on our financial results, but any such impact may be material.

In connection with our capacity optimization strategy, we have and may continue to accelerate the removal of ships from our fleet. Some agreements for the disposal of vessels have been for recycling. When we choose to dispose of a ship, there can be no assurance that there will be a viable buyer to purchase it at a price that exceeds our net book value, which could result in ship impairment charges and losses on ship disposals.

We cannot predict the timing of our complete return to service at historical occupancy levels and when certain ports will reopen to our ships. If our gradual resumption of guest cruise operations is delayed or there are future pauses or additional disruptions in the resumption of guest cruise operations, it could further negatively impact our liquidity. As our business is seasonal, the impact of such a delay or future pause in the resumption of guest cruise operations will be heightened if such delay or future pause occurs during the Northern Hemisphere summer months. Moreover, even as travel advisories and restrictions are lifted, demand for cruises may continue to be impacted and we cannot predict if and when each brand will return to pre-outbreak demand, occupancy or pricing. In addition, we cannot predict the impact COVID-19 will have on our partners, such as travel agencies, suppliers and other vendors, counterparties and joint ventures. We may be adversely impacted as a result of the adverse impact our partners, counterparties and joint ventures suffer.

We have never previously experienced a complete cessation and subsequent gradual resumption of our guest cruise operations, and as a consequence, our ability to be predictive regarding the impacts on our brands and future prospects is uncertain. In particular, we cannot predict the impact on our financial performance and cash flows (including as required for cash refunds of deposits) and the public's concern regarding the health and safety of travel, especially by cruise ship, and related decreases in demand for travel and cruising. As a result of the impact of COVID-19, we expect lower occupancy levels during our resumption of guest cruise operations and cannot predict when we will be able to achieve historical occupancy levels. Moreover, our ability to attract and retain guests and our ability to hire and the amounts we must pay our crew depend, in part, upon the perception and reputation of our company and our brands and the public's concerns regarding the health and safety of travel generally, as well as regarding the cruising industry and our ships specifically. In addition, our ability to re-hire crew may be negatively impacted as some have obtained alternative employment during the pause in guest cruise operations.

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

b. Our substantial debt could adversely affect our financial health and operating flexibility.

We have a substantial amount of debt and significant debt service obligations. Our substantial debt could have important negative consequences for us. Our substantial debt could:

- require us to dedicate a large portion of our cash flow from operations to service debt and fund repayments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- make us more vulnerable to downturns in our business, the economy or the industry in which we operate;
- limit our ability to raise additional debt or equity capital in the future to satisfy our requirements relating to working capital, capital expenditures, development projects, strategic initiatives or other purposes;
- restrict us from making strategic acquisitions, introducing new technologies or exploiting business opportunities;
- make it difficult for us to satisfy our obligations with respect to our debt; and
- expose us to the risk of increased interest rates as certain of our borrowings are (and may be in the future) at a variable rate of interest.

c. Despite our leverage, we may incur more debt, which could adversely affect our business and prevent us from fulfilling our obligations with respect to our debt.

We may incur additional debt in the future. Although the instruments governing our existing indebtedness contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial and a portion of such debt currently is, and may in the future be, secured. The instruments governing our existing indebtedness do not prevent us from incurring liabilities that do not constitute "Indebtedness" as defined therein. If new debt is added to our existing debt levels, our business could be adversely affected, which may prevent us from fulfilling our obligations with respect to our debt.

d. We are subject to maintenance covenants, as well as restrictive debt covenants, that may limit our ability to finance future operations and capital needs and pursue business opportunities and activities. We are also subject to financial covenants that could lead to an acceleration of the indebtedness of our debt facilities if we fail to comply. If we fail to comply with any of these covenants, it could have a material adverse effect on our business.

Certain of our debt instruments limit our flexibility in operating our business. For example, some of our debt instruments limit the ability of Carnival Corporation, Carnival plc and certain of their respective subsidiaries to, among other things:

- incur or guarantee additional indebtedness;
- pay dividends or distributions on or redeem or repurchase capital stock and make other restricted payments;
- make certain investments;
- consummate certain asset sales;
- engage in certain transactions with affiliates;
- grant or assume certain liens; and
- consolidate, merge or transfer all or substantially all of our assets.

All of these limitations are subject to significant exceptions and qualifications. Despite these exceptions and qualifications, we cannot provide assurance that the operating and financial restrictions and covenants in certain of our debt instruments will not adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. Any future indebtedness may include similar or other restrictive terms.

In addition, many of our debt agreements contain one or more financial covenants that require us to maintain a minimum liquidity, interest coverage, and shareholders' equity and/or limit our debt to capital percentage. Our ability to comply with our debt covenants, including the financial maintenance covenants described above, and restrictions may be affected by events beyond our control, including prevailing economic, financial and industry conditions, such as the continued resumption of our guest cruise operations and our ability to issue additional equity. If we breach any of these covenants or restrictions, we could be in default under the terms of certain of our debt facilities and the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable (or cancel any unfunded commitments, if applicable) and proceed against any collateral, if any, securing that debt. If the debt under certain of our debt instruments that we enter into were to be accelerated, our assets may be insufficient to repay our debt in full. Borrowings under other debt instruments that contain cross-default provisions may also be accelerated or become payable on demand. In these circumstances, our assets may not be sufficient to repay our indebtedness then outstanding in full.

At November 30, 2021, we were in compliance with the applicable covenants under our debt agreements, however, we cannot provide assurance that we will be able to maintain compliance for such debt facilities as of future testing dates. As a result, the failure to comply with the financial covenants of our debt facilities would have a material adverse effect as described above.

e. We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate cash required to service our debt.

Our ability to meet our debt service obligations or refinance our debt depends on our future operating and financial performance and ability to generate cash. This will be affected by our ability to successfully implement our business strategy, as well as general economic, financial, competitive, regulatory and other factors beyond our control, such as the disruption caused by the COVID-19 pandemic. If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, obtain additional financing, delay planned capital expenditures or sell assets. We cannot assure you that we will be able to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt. Refer to "Liquidity, Financial Condition and Capital Resources".

f. Our variable rate indebtedness exposes us to interest rate volatility, which could cause our debt service obligations to increase significantly.

Borrowings under certain of our facilities are at variable rates of interest and expose us to interest rate volatility. If interest rates increase, our debt service obligations on certain of our variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

In addition, in July 2017, the United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered Rate ("LIBOR"), announced that it will no longer persuade or compel banks to submit LIBOR rates after 2021. At the end of 2021, the ICE Benchmark Administration, the administrator for LIBOR, ceased publishing one-week and two-month U.S. dollar LIBOR and will cease publishing all remaining U.S. dollar LIBOR tenors in mid-2023. Concurrently, the United Kingdom's Financial Conduct Authority announced the cessation or loss of representativeness of the U.S. dollar LIBOR tenors

from those dates. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of, among other entities, large U.S. financial institutions, has recommended replacing U.S. dollar LIBOR with a new index that measures the cost of borrowing cash overnight, backed by U.S. Treasury securities (“SOFR”). SOFR is observed and backward-looking, which stands in contrast with LIBOR under the current methodology, which is an estimated forward-looking rate and relies, to some degree, on the expert judgment of submitting panel members. While we continue to monitor market developments to assess replacement rate options, the consequences of these developments with respect to LIBOR cannot be entirely predicted and may result in the level of interest payments on the portion of our indebtedness that bears interest at variable rates to be affected, which may adversely impact the amount of our interest payments under such debt.

g. The covenants in certain of our debt facilities may require us to secure those facilities in the future.

Certain of our debt facilities contain provisions which may require that we provide a security interest in certain assets. In certain of our debt facilities, there is a requirement that if the credit rating of our senior indebtedness should fall below investment grade (which occurred on June 24, 2020) and at such time we have granted liens or security interests in respect of indebtedness in an amount exceeding 25% of our total assets (excluding for these purposes the value of any intangible assets) as shown in our most recent Consolidated Balance Sheet, then we will be required to provide a first-priority security interest in certain designated assets. In addition, under our export credit facilities, there is a requirement that if a security interest or lien is granted in respect of a vessel to secure borrowed money under certain other debt facilities, then a first-priority security interest will be required to be provided over certain designated vessels.

If the events described above were to occur, we may be unable to comply with this requirement and expect to seek covenant amendments from the lenders under the relevant facilities. Any such amendment may lead to increased costs, increased interest rates, additional restrictive covenants and other available lender protections that would be applicable to us under these debt facilities, and such increased costs, restrictions and modifications may vary among debt facilities. Our ability to give additional lender protections under these facilities, including the granting of security interests in collateral, will be limited by the restrictions in our indebtedness and security interest we have already granted. If we were not able to obtain amendments, the occurrence of such events may result in an event of default under these facilities and other debt facilities that contain cross default provisions that would be triggered.

Operating Risk Factors

a. World events impacting the ability or desire of people to travel have and may continue to lead to a decline in demand for cruises.

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 and other general concerns. 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, government policies increasing the difficulty of travel and limitations on issuing international travel visas. We 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.

b. Incidents concerning our ships, guests or the cruise vacation industry have in the past and may, in the future, impact the satisfaction of our guests and crew and lead to reputational damage.

Our operations involve the risk of incidents and media coverage thereof. Such incidents include, but are not limited to, the improper operation or maintenance of ships, motorcoaches and trains; guest and crew illnesses; mechanical failures, fires and collisions; repair delays, groundings and navigational errors; oil spills and other maritime and environmental issues as well as other incidents at sea, while in port or on land which may cause guest and crew discomfort, injury, or death. Although our commitment to the safety and comfort of our guests and crew is paramount to the success of our business, our ships have been involved in outbreaks, accidents and other incidents in the past and we may experience similar or other incidents in the future. Our ability to attract and retain guests, our ability to hire and the amounts we must pay our crew depend, in part, upon the perception and reputation of our company and our brands and the public’s concerns regarding the health and safety of travel generally, as well as the cruising industry and our ships specifically. In addition, these and any other events which impact the travel industry more generally may negatively impact our guests’ or crew’s ability or desire to travel to or from our ships and/or interrupt the supply of critical goods and services.

c. 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.

We are subject to numerous international, national, state and local laws, regulations, treaties and other legal requirements that govern health, environmental, safety and security matters in relation to our guests, crew and ships. These requirements change regularly, depending on the itineraries of our ships and the ports and countries visited. Implementing these and any subsequent requirements may be costly and take time to implement across our global cruise operations. In addition, the accelerating pace of regulatory changes may affect our ability to comply. If we violate or fail to comply with any of these laws, regulations, treaties and other requirements we could be, and have previously been, fined or otherwise sanctioned by regulators. In addition, there is increased global focus on climate change, which may lead to additional regulatory requirements. Refer to Operating Risk Factor d. below for additional discussion on climate change regulation risks. We are subject to a court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, which is operative until April 2022 and subjects our operations to additional review and other obligations. Failure to comply with the requirements of this environmental compliance plan or other special conditions of probation could result in fines, which the court has imposed in the past, and restrictions on our operations.

We are subject to laws and requirements related to the treatment and protection of personal, sensitive and/or other regulated data in the jurisdictions where we operate. Various governments, agencies and regulatory organizations have enacted or are considering new rules and regulations and we expect to continue to incur costs to comply with these rules and regulations. In the course of doing business, we collect guest, employee, company and other third-party data, including personally identifiable information and other sensitive data. We have incurred legal and other costs in connection with cyber incidents relating to such sensitive data. Refer to Operating Risk Factor f. below for additional discussion of data security risks.

Our operations subject us to potential liability under anti-corruption laws and regulations. We may also be affected by economic sanctions, trade protection laws, policies and other regulatory requirements affecting trade and investment.

We are subject to compliance with tax laws, regulations and treaties in the jurisdictions in which we are incorporated or operate. These tax laws, regulations and treaties are subject to change at any time, which may result in substantially higher tax expense. For example, the Organization for Economic Co-operation and Development (“OECD”) has proposed a multi-jurisdictional inclusive framework to address base erosion and profit sharing that, if enacted by relevant jurisdictions, may result in increased tax expense.

d. 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.

Growing concerns regarding climate change have resulted in increased global regulatory focus on greenhouse gas (“GHG”) and other emissions which may have material impacts on our business. For example, we may be impacted by the EU’s Fit for 55 package, which includes proposed updates to the ETS relating to the need to acquire carbon emission allowances, proposed reforms to the EU’s ETD, which imposes taxes on fuel purchased in the EU, as well as a new regulatory proposal, the FuelEU Maritime initiative, which sets out a long-term framework to reduce emissions by increasing the use of sustainable alternative fuels and shore power. In addition, the IMO is currently considering various other proposals which aim to reduce emissions within the global shipping industry. If enacted, these regulations and reforms may individually or collectively have a material impact on our operating costs and profitability. Regulatory efforts, both internationally and in the U.S., are evolving, including the international alignment of such efforts, and we cannot determine what final regulations will be enacted or their ultimate impact on our business. Climate change-related regulatory activity and developments that require us to reduce our emissions, which includes both the EU and IMO proposals discussed above, may adversely affect our business and financial results by requiring us to make capital investments in new equipment or technologies, pay for carbon emissions, purchase carbon offset credits, or otherwise incur additional costs or take additional actions related to our emissions. Such activity may also impact us indirectly by increasing our operating costs, including fuel costs. Regulatory developments may also result in the inability to operate ships that do not meet certain standards, the acceleration of the removal of less fuel efficient ships from our fleet and impact the resale value of our ships in the future.

Growing recognition among consumers globally of the negative effects of climate change and the impact of GHG and other emissions may lead to material changes in consumer preferences. For instance, our guests may choose a vacation option that they perceive as operating in a manner that is more sustainable for the climate, seek alternative methods of travel, or reduce the amount and frequency of their travel. In addition, some environmental focused groups have and may continue to generate negative publicity regarding the environmental impact of the cruise vacation industry and are advocating for more stringent

regulation of ship emissions while the ship is docked and at sea. Growing environmental scrutiny of our industry from the investment community, other stakeholders, and the media could impact how we are perceived which may have a material impact on our operations and financial results. Certain climate related actions and investments we make today may not lead us to our intended future emissions related goals or may not be favorably perceived in future years based on continuing evolving regulations and perceptions around effective emissions mitigation strategies and technologies.

Our cruise ships, hotels, land tours, port and related commercial facilities and shore excursions have been and may continue to be impacted by adverse weather patterns or other natural disasters, such as hurricanes, earthquakes, floods, fires, tornadoes, tsunamis, typhoons and volcanic eruptions. Climate change is expected to increase the frequency and intensity of certain adverse weather patterns, possibly making certain destinations less desirable or impacting our business in other ways. It is possible that we could be forced to alter itineraries or cancel a cruise or a series of cruises or tours due to these or other types of disruptions. The physical climate-related risks to our business include increased hurricane/typhoon intensity and frequency, increases in global temperatures and rising sea levels which may adversely impact our shoreside facilities, our investments in ports or the availability or desirability of ports and destinations in which we operate. These effects may also disrupt the supply of critical goods and services to our facilities and ships. Such activity could have a material impact on our business and profitability.

e. 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.

We have developed and will continue to establish goals, targets, and other objectives related to sustainability matters. These statements reflect our current plans and do not constitute a guarantee that they will be achieved. Our efforts to research, establish, accomplish, and accurately report on these goals, targets, and objectives expose us to numerous operational, reputational, financial, legal, and other risks, any of which could have a negative impact on our business. Our ability to achieve any stated goal, target, or objective, particularly with respect to environmental emissions, is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include the availability and costs of low- or non-carbon-based energy sources, evolving regulatory requirements affecting sustainability standards or disclosures, the availability of future financing and the availability of suppliers that can meet our sustainability standards.

Our business may face increased scrutiny from our guests, employees, investment community and destinations that we serve related to our sustainability activities, including the goals, targets, and objectives that we adopt, and our methodologies and timelines for pursuing them. If our sustainability practices do not meet the expectations of our guests, employees, investors or other stakeholders, demand for cruising, our reputation, our ability to attract or retain employees, and our attractiveness as an investment could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets, and objectives within the timelines we announce, or at all, could have the same negative impacts as well as expose us to government enforcement actions and private litigation.

f. 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.

We have and may continue to be impacted by breaches in data security and lapses in data privacy, which occur from time to time. These can vary in scope and intent from motivated driven attacks to malicious attacks intended to disrupt or compromise our shoreside and shipboard operations by targeting our key operating systems. Breach or circumvention of our systems or the systems of third parties, including by ransomware, through vulnerabilities in licensed software or hardware, or as a result of other attacks, results in disruptions to our business operations; unauthorized access to (or the loss of company access to) competitively sensitive, confidential or other critical data (including sensitive financial, medical or other personal or business information) or systems; loss of customers; financial losses; regulatory investigations, enforcement actions and fines; litigation and misuse or corruption of critical data and proprietary information, any of which could be material.

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

Our principal offices, information technology operations, system networks and various remote work locations may be impacted by actual or threatened natural disasters (for example, hurricanes, earthquakes, floods, fires, tornadoes, tsunamis, typhoons and volcanic eruptions) or other disruptive events. Our maritime and/or shoreside operations, including our ability to manage our inventory of cabins held for sale and set pricing, control costs and serve our guests, depends on the reliability of our information

technology operations and system networks, as well as our ability to refine and update to more advanced systems and technologies.

g. 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.

Our success depends, in large part, on the skills and contributions of our employees, and on our ability to recruit, develop and retain high quality, diverse employees. We may not be successful in recruiting, developing or retaining key or other highly qualified employees. As a result of COVID-19, the reduction in our workforce during our pause in guest cruise operations, general macroeconomic factors and an increasingly competitive labor market, we are experiencing difficulty in hiring sufficient qualified employees to support our return to full operations. For example, there is particularly high competition for recruiting and retaining qualified employees needed to support our information technology systems and infrastructure which are critical to our successful operations.

In addition, we hire a significant number of qualified shipboard employees each year and, thus, our ability to adequately recruit, develop and retain these individuals is critical to our success. Incidents involving cruise ships, including COVID-19 outbreaks on our ships and increasing demand as a result of the industry's projected growth could negatively impact our ability to recruit, develop and retain sufficient qualified shipboard employees. Our ability to re-hire crew may be negatively impacted by increasing demands related to our comprehensive health and safety protocols, including mask and vaccine requirements and by reduced labor supply as many have obtained alternative employment during the pause in guest cruise operations. For example, we are experiencing difficulty in hiring sufficient qualified shipboard medical employees to support our return to full operations.

A prolonged shortage of qualified shoreside and shipboard employees and/or increased turnover rates could decrease our ability to operate our business in an optimal manner. The shortage and competitive labor market is resulting in increased costs from the need to hire temporary personnel and we are often required to increase wages and/or benefits in order to attract and retain employees, all of which may negatively impact our results of operations. In connection with our gradual resumption of guest cruise operations we have and intend to continue hiring a significant number of qualified employees for the foreseeable future, and we expect to continue to face significant challenges in hiring such employees.

h. 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 may be impacted, and have been impacted in the past, by economic, market and political conditions around the world, such as fuel demand, regulatory requirements, supply disruptions and related infrastructure needs, which make it difficult to predict the future price and availability of fuel. The supply and availability of different fuel types in various markets in which we operate may result in increased volatility and could lead to increased fuel prices and reduced profitability. Future increases in the global price of fuel would increase the cost of our cruise ship operations as well as some of our other expenses, such as crew travel, freight and commodity prices. Increases in airfares, which could result from increases in the price of fuel, would increase our guests' overall vacation costs as many of our guests depend on airlines to transport them to or from the airports near the ports where our cruises embark and disembark.

Many of our vessels have exhaust gas cleaning systems that allow them to operate on high sulfur fuel oil that is less expensive than low sulfur fuel; however, the significant drop in demand for higher sulfur fuel directly related to COVID-19 could make it more difficult to source going forward which may result in higher operating costs. As a result of changes in regulations, we consumed a larger percentage of low sulfur fuel in 2021, which will likely increase our fuel costs during our gradual resumption of guest cruise operations. Additionally, certain of our ships are designed to use LNG as their primary fuel source. At this time, the marine LNG distribution infrastructure is in the early stages of development with a limited number of suppliers. Refer to Operating Risk Factor d. for additional discussion on the impact of climate change and regulation changes on fuel costs.

i. 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.

We rely on supply chain vendors to deliver key products to the operations of our businesses around the world. Any event impacting a vendor's ability to deliver quality goods at the location and time needed could negatively impact our ability to operate our business. Events impacting our supply chain could be caused by factors beyond the control of our suppliers or us, including labor actions, increased demand, problems in production or distribution and/or disruptions in third-party logistics, information technology or transportation systems. In addition, the COVID-19 pandemic has resulted in widespread global supply chain disruptions to vendors including critical supply shortages, significant material cost inflation and extended lead times for items that are required for our operations. Any such interruptions to our supply chain could increase our costs and could limit the availability of products critical to our operations.

j. Fluctuations in foreign currency exchange rates may adversely impact our financial results.

We earn revenues, pay expenses, purchase and own assets and incur liabilities in currencies other than the U.S. dollar. Additionally, our shipbuilding contracts are typically denominated in euros. Movements in foreign currency exchange rates will affect our financial results.

k. Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options.

We may be impacted by increases in capacity in the cruise and land-based vacation industry, which may result in capacity growth beyond demand, either globally or for a region, or for a particular itinerary. We face competition from other cruise brands on the basis of overall experience, destinations, types and sizes of ships and cabins, travel agent preferences and value. We also compete with land-based vacation alternatives throughout the world on the basis of overall experience, destinations and value. In addition, certain ports and destinations have faced a surge of both cruise and non-cruise tourism and in certain destinations, countermeasures to limit the number of tourists have been contemplated and/or put into effect, including proposed limits on cruise ships and cruise passengers. Potential restrictions in ports and destinations could limit the itinerary and destination options we can offer our passengers going forward.

l. Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.

We may be impacted by unforeseen events, such as work stoppages, insolvencies, “force majeure” events or other financial difficulties experienced by shipyards, their subcontractors and our suppliers. This may result in less shipyard availability resulting in delays or preventing the delivery of our ships under construction and/or the completion of the repair, maintenance or refurbishment of our existing ships. This may lead to potential delays or cancellations of cruises. In addition, the prices of various commodities that are used in the construction of ships and for repair, maintenance and refurbishment of existing ships, such as steel, are subject to volatility.

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

Certain of the risks we are exposed to are identified in this Item 1A. “Risk Factors.” This item contains important cautionary statements and a discussion of the known factors that we consider could materially affect the accuracy of our forward-looking statements and adversely affect our business, results of operations and financial position. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, 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.

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.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

As of November 30, 2021, the Carnival Corporation and Carnival plc headquarters and our larger shoreside locations are as follows:

Location	Square Footage (in thousands)	Own/Lease	Principal Operations
Miami, FL, U.S.A.	463/61	Own/Lease	Carnival Corporation & plc and Carnival Cruise Line
Genoa, Italy	246/66	Own/Lease	Costa and AIDA
Santa Clarita, CA, U.S.A.	311	Lease	Princess Cruises, Holland America Line and Seabourn
Almere, Netherlands	253	Own	Arison Maritime Center
Rostock, Germany	224	Own	Costa and AIDA
Seattle, WA, U.S.A.	175	Lease	Princess Cruises, Holland America Line and Seabourn
Southampton, England	150	Lease	Carnival plc, P&O Cruises (UK) and Cunard
Hamburg, Germany	140	Lease	Costa and AIDA
Sydney, NSW, Australia	37	Lease	Princess Cruises and P&O Cruises (Australia)

Information about our cruise ships, including the number each of our cruise brands operate, as well as information regarding our cruise ships under construction may be found under Part I. Item 1. Business. C. “Our Global Cruise Business.” In addition, we own, lease or have controlling interests in port destinations, private islands, hotels, and lodges.

Item 3. Legal Proceedings.

The legal proceedings described in Note 7 – “Contingencies”, including those described under “COVID-19 Matters,” are shown in [Exhibit 13](#) and are incorporated by reference into this Form 10-K. Additionally, SEC rules require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that we believe will exceed \$1 million for such proceedings.

As previously disclosed, Princess Cruises entered into a plea agreement in December 2016 with the U.S. Department of Justice with respect to violations of federal laws related to illegal discharges of oily bilge water for incidents occurring in 2013 and prior, which resulted in a five-year term of probation that started in 2017 and the adoption of a court-supervised environmental compliance plan. On November 23, 2021, a petition for revocation of probation was filed by the U.S. Probation Officer, alleging a violation of probation. On January 7, 2022, the court approved a settlement pursuant to which Princess Cruises pled guilty to a violation of a condition of probation, agreed to take additional actions to enhance Carnival Corporation & plc’s environmental compliance program and pay a \$1 million criminal penalty.

Item 4. Mine Safety Disclosures.

None.

PART II

Item 5. Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

A. Market Information

The information required by Item 201(a) of Regulation S-K, Market Information, is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

B. Holders

The information required by Item 201(b) of Regulation S-K, Holders, is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

C. Dividends

On March 30, 2020, we suspended the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc.

D. Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 201(d) of Regulation S-K is incorporated by reference to Part III. Item 12 of this Form 10-K.

E. Performance Graph

The information required by Item 201(e) of Regulation S-K, Performance Graph, is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

F. Issuer Purchases of Equity Securities; Use of Proceeds from Registered Securities

I. 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 (the "Stock Swap Program"). 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 Boards of Directors authorized the sale of up to \$500 million of shares of Carnival Corporation common stock in the U.S. market and the repurchase of an equivalent number of Carnival plc ordinary shares.

We may in the future implement a program to allow us to realize 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 November 30, 2021, under the Stock Swap Program, we sold 4.3 million shares of Carnival Corporation common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$9 million which were used for general corporate purposes. Since the beginning of the Stock Swap Program, first authorized in June 2021, we have sold 8.9 million shares of Carnival Corporation's common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$19 million.

Period	Total Number of Shares of Carnival plc Ordinary Shares Purchased (a) (in millions)	Average Price Paid per Share of Carnival plc Ordinary Share	Maximum Number of Carnival plc Ordinary Shares That May Yet Be Purchased (in millions)
September 1, 2021 through September 30, 2021	—	\$ —	13.8
October 1, 2021 through October 31, 2021	2.5	\$ 15.70	11.3
November 1, 2021 through November 30, 2021	1.9	\$ 15.42	9.5
	<u>4.3</u>	<u>\$ 15.58</u>	

(a) No ordinary shares of Carnival plc were purchased outside of publicly announced plans or programs.

II. Carnival plc Shareholder Approvals

Carnival plc ordinary share repurchases under the Stock Swap Program require annual shareholder approval. The existing shareholder approval was limited to a maximum of 18.4 million ordinary shares and is valid until the earlier of the conclusion of the Carnival plc 2022 annual general meeting or October 19, 2022.

Item 6. Reserved.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The information required by Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The information required by Item 7A. Quantitative and Qualitative Disclosures About Market Risk, is shown in Management’s Discussion and Analysis of Financial Condition and Results of Operations in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

Item 8. Financial Statements and Supplementary Data.

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP (PCAOB ID 238), dated January 27, 2022, are shown in [Exhibit 13](#) and are incorporated by reference into this Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

A. Evaluation of Disclosure Controls and Procedures

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

Our President and Chief Executive Officer and our Chief Financial Officer and Chief Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of November 30, 2021, that they are effective as described above.

B. Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer and Chief Accounting Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 Internal Control – Integrated Framework (the “COSO Framework”). Based on this evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of November 30, 2021.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited our consolidated financial statements incorporated in this Form 10-K, has also audited the effectiveness of our internal control over financial reporting as of November 30, 2021 as stated in their report, which is shown in [Exhibit 13](#) and is incorporated by reference into this Form 10-K.

C. Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended November 30, 2021 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors

Information regarding our directors, as required by Item 10, is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2021 fiscal year.

Information About Our Executive Officers

The table below sets forth the name, age, years of service and title of each of our executive officers as of January 27, 2022. Titles listed relate to positions within Carnival Corporation and Carnival plc unless otherwise noted.

	Age	Years of Service (a)	Title
Peter C. Anderson	58	2	Chief Ethics and Compliance Officer
Micky Arison	72	50	Chair of the Boards of Directors
David Bernstein	64	23	Chief Financial Officer and Chief Accounting Officer
Arnold W. Donald	67	21	President and Chief Executive Officer and Chief Climate Officer and Director
Enrique Miguez	57	24	General Counsel
Michael Thamm	58	28	Group Chief Executive Officer of Costa Group and Carnival Asia

(a) Years of service with us or Carnival plc predecessor companies.

Business Experience of Executive Officers

Peter C. Anderson has been Chief Ethics and Compliance Officer since 2019. From 2012 to 2019, he was a principal at the law firm of Beveridge & Diamond, PC.

Micky Arison has been Chair of the Boards of Directors since 1990 and a Director since 1987. He was Chief Executive Officer from 1979 to 2013.

David Bernstein has been Chief Financial Officer since 2007 and Chief Accounting Officer since 2016.

Arnold W. Donald has been President and Chief Executive Officer since 2013. He has been Chief Climate Officer since January 2022 and a Director since 2001.

Enrique Miguez has been General Counsel since March 2021. He was Vice President and Deputy General Counsel from 2003 to March 2021.

Michael Thamm has been Group Chief Executive Officer of Costa Group since 2012 and of Carnival Asia since 2017.

Corporate Governance

We have adopted a Code of Business Conduct and Ethics that applies to our President and Chief Executive Officer and Chief Climate Officer and senior financial officers, including the Chief Financial Officer and Chief Accounting Officer and other persons performing similar functions. Our Code of Business Conduct and Ethics applies to all our other employees and to our directors as well. Our Code of Business Conduct and Ethics states our commitment to conduct business ethically, without the influence of bribes or acts of corruption. We are committed to complying with the laws prohibiting bribery and other corrupt practices that apply everywhere we operate. Additionally, we provide trainings on anti-corruption laws and regulations and how to identify bribery to our employees. This Code of Business Conduct and Ethics is posted on our website, which is located at www.carnivalcorp.com and www.carnivalplc.com. We intend to satisfy the disclosure requirement under Item 5.05 of the Form 8-K regarding any amendments to, or waivers from, provisions of this Code of Business Conduct and Ethics by posting such information on our website, at the addresses specified above.

The additional information required by Item 10 is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2021 fiscal year.

Item 11. Executive Compensation.

The information required by Item 11 is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2021 fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

A. Securities Authorized for Issuance under Equity Compensation Plans

I. Carnival Corporation

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival Corporation equity securities are authorized for issuance as of November 30, 2021.

Plan category	Number of securities to be issued upon exercise of warrants and rights (in millions)	Weighted-average exercise price of outstanding warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1)) (in millions)
	(1)		
Equity compensation plans approved by security holders	5.3 (a)	—	15.9 (b)
Equity compensation plans not approved by security holders	—	—	—
	<u>5.3</u>	<u>—</u>	<u>15.9</u>

- (a) Represents 5.3 million of restricted share units outstanding under the Carnival Corporation 2011 Stock Plan and Carnival Corporation 2020 Stock Plan.
- (b) Includes Carnival Corporation common stock available for issuance as of November 30, 2021 as follows: 1.6 million under the Carnival Corporation Employee Stock Purchase Plan, which includes 95,087 shares subject to purchase during the current purchase period and 14.4 million under the Carnival Corporation 2020 Stock Plan.

II. Carnival plc

Set forth below is a table that summarizes compensation plans (including individual compensation arrangements) under which Carnival plc equity securities are authorized for issuance as of November 30, 2021.

Plan category	Number of securities to be issued upon exercise of warrants and rights (in millions) (1)	Weighted-average exercise price of outstanding warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1)) (in millions)
Equity compensation plans approved by security holders	1.9 (a)	—	3.2
Equity compensation plans not approved by security holders	—	—	—
	1.9	—	3.2

- (a) Represents 1.9 million restricted share units outstanding under the Carnival plc 2014 Employee Share Plan.

The additional information required by Item 12 is incorporated herein by reference to the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2021 fiscal year.

Items 13 and 14. Certain Relationships and Related Transactions, and Director Independence and Principal Accountant Fees and Services.

The information required by Items 13 and 14 is incorporated herein by reference from the Carnival Corporation and Carnival plc joint definitive Proxy Statement to be filed with the U.S. Securities and Exchange Commission not later than 120 days after the close of the 2021 fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) Financial Statements

The financial statements shown in [Exhibit 13](#) are incorporated herein by reference into this Form 10-K.

(2) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instruction or are inapplicable and, therefore, have been omitted.

(3) Exhibits

The exhibits listed below on the Index to Exhibits are filed or incorporated by reference as part of this Form 10-K.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
Articles of incorporation and by-laws					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/03	
3.2	Third Amended and Restated By-Laws of Carnival Corporation.	8-K	3.1	4/20/09	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/20/09	
Instruments defining the rights of security holders, including indenture					
4.1	Agreement of Carnival Corporation and Carnival plc, dated January 18, 2021 to furnish certain debt instruments to the Securities and Exchange Commission.				X
4.2	Carnival Corporation Deed, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc for the benefit of the P&O Princess Cruises Shareholders.	10-Q	4.1	10/15/03	
4.3	Equalization and Governance Agreement, dated April 17, 2003, between Carnival Corporation and P&O Princess Cruises plc.	10-Q	4.2	10/15/03	
4.4	Carnival Corporation Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-4	4.3	5/30/03	
4.5	Carnival plc Deed of Guarantee, dated as of April 17, 2003, between Carnival Corporation and Carnival plc.	S-3 & F-3	4.10	6/19/03	
4.6	Specimen Carnival Corporation Common Stock Certificate.	S-3 & F-3	4.16	6/19/03	
4.7	Pairing Agreement, dated as of April 17, 2003, between Carnival Corporation, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and Computershare Investor Services (formerly SunTrust Bank), as transfer agent.	8-K	4.1	4/17/03	
4.8	Voting Trust Deed, dated as of April 17, 2003, between Carnival Corporation and The Law Debenture Trust Corporation (Cayman) Limited, as trustee.	8-K	4.2	4/17/03	
4.9	SVE Special Voting Deed, dated as of April 17, 2003, between Carnival Corporation, DLS SVC Limited, P&O Princess Cruises plc, The Law Debenture Trust Corporation (Cayman) Limited, as trustee, and The Law Debenture Trust Corporation, P.L.C.	8-K	4.3	4/17/03	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
4.10	Form of Amended and Restated Deposit Agreement and holders from time to time of receipts issued thereunder.	Post Amendment to Form F-6	99-a	4/15/03	
4.11	Specimen Carnival plc Ordinary Share Certificate.	S-3	4.1	7/2/09	
4.12	Description of Equity Securities Registered under Section 12 of the Exchange Act.	10-K	4.12	1/28/20	
4.13	Description of 1.875% Senior Notes Due 2022.	10-K	4.14	1/28/20	
4.14	Description of 1.000% Senior Notes Due 2029.	10-K	4.15	1/28/20	
Material contracts					
10.1*	Carnival Corporation Nonqualified Retirement Plan for Highly Compensated Employees.	10-Q	10.1	9/28/07	
10.2*	Form of Appointment Letter for Non-Executive Directors.	10-Q	10.1	6/27/08	
10.3*	Form of Appointment Letter for Executive Directors.	10-Q	10.2	6/27/08	
10.4	Succession Agreement, dated as of May 28, 2002, to Registration Rights Agreement, dated June 14, 1991, between Carnival Corporation and Ted Arison (incorporated by reference to Exhibit 10.2 of Carnival Corporation's Quarterly Report on Form 10-Q for the period ended May 31, 2002).	10-Q	10.2	7/12/02	
10.5*	Employment Agreement dated as of October 14, 2013 between Carnival Corporation, Carnival plc and Arnold W. Donald.	10-Q	10.2	10/3/14	
10.6*	Carnival Corporation & plc Management Incentive Plan (adopted in 2015).	10-Q	10.3	7/1/15	
10.7*	Amendment dated October 18, 2016 to Employment Agreement dated October 14, 2016 between Carnival Corporation, Carnival plc and Arnold W. Donald.	8-K	99.1	10/21/16	
10.8*	Employment Contract dated April 21, 2017 between Carnival plc and Michael Olaf Thamm.	8-K	10.1	4/27/17	
10.9*	Form of Performance-Based Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.3	4/9/19	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
10.10*	Form of Performance-Based Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.4	4/9/19	
10.11*	Form of Shareholder Equity Alignment Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.5	4/9/19	
10.12*	Amended and Restated Carnival Corporation 2011 Stock Plan.	10-Q	10.1	6/24/19	
10.13*	Amended and Restated Carnival plc 2014 Employee Share Plan.	10-Q	10.2	6/24/19	
10.14*	Form of Non-Employee Director Restricted Stock Award Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.3	6/24/19	
10.15*	Amendment and Restatement Agreement dated August 6, 2019 in respect of the Multicurrency Revolving Facilities Agreement dated May 18, 2011, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Merrill Lynch International Designated Activity Company as facilities agent and a syndicate of financial institutions.	10-Q	10.1	9/26/19	
10.16*	Form of Management Incentive Tied Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.1	4/1/20	
10.17*	Form of Management Incentive Tied Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.2	4/1/20	
10.18*	Form of Shareholder Equity Alignment Restricted Stock Unit Agreement for the Carnival Corporation 2011 Stock Plan.	10-Q	10.3	4/1/20	
10.19*	Form of Non-Employee Director Annual Restricted Stock Award Agreement for the for the Carnival Corporation 2020 Stock Plan.	10-Q	10.3	7/10/20	
10.20*	Carnival Corporation 2020 Stock Plan.	10-Q	10.5	7/10/20	
10.21***	Term Loan Agreement dated as of June 30, 2020 among Carnival Finance, LLC and Carnival Corporation, as borrowers, Carnival plc and the other Guarantors party hereto, the various financial institutions as are or shall become parties hereto, JPMorgan Chase Bank, N.A., as administrative agent for the lenders, and U.S. Bank National Association, as security agent.	10-Q	10.6	7/10/20	

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date Filed Herewith
10.22	<u>Amendment No. 1, dated as of December 3, 2020 to Term Loan Agreement dated as of June 30, 2020 among Carnival Finance, LLC and Carnival Corporation, as borrowers, Carnival plc and the other Guarantors party hereto, the various financial institutions as are or shall become parties hereto, JPMorgan Chase Bank, N.A., as administrative agent for the lenders, and U.S. Bank.</u>	10-K	10.42	1/26/21
10.23	<u>Indenture, dated as of April 6, 2020, among Carnival Corporation, as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank National Association, as trustee, relating to the 5.75% Convertible Senior Notes due 2023.</u>	10-Q	10.7	7/10/20
10.24	<u>First Supplemental Indenture dated as of June 30, 2020 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, relating to the 5.75% Convertible Senior Notes due 2023.</u>	10-Q	10.9	7/10/20
10.25	<u>Second Supplemental Indenture dated as of July 8, 2020 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, relating to the 5.75% Convertible Senior Notes due 2023.</u>	10-Q	10.1	10/8/20
10.26***	<u>Indenture dated as of July 20, 2020 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, security agent, principal paying agent, transfer agent and registrar, relating to the U.S. dollar-denominated 10.500% Second-Priority Senior Secured Notes due 2026 and the Euro-denominated 10.125% Second-Priority Senior Secured Notes due 2026.</u>	10-Q	10.2	10/8/20
10.27	<u>First Supplemental Indenture dated as of November 18, 2020 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee and security agent, relating to the U.S. dollar-denominated 10.500% Second-Priority Senior Secured Notes due 2026 and the Euro-denominated 10.125% Second-Priority Senior Secured Notes due 2026.</u>	10-K	10.49	1/26/21
10.28***	<u>Indenture dated as of August 18, 2020 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, security agent, principal paying agent, transfer agent and registrar, relating to the 9.875% Second-Priority Senior Secured Notes due 2027.</u>	10-Q	10.3	10/8/20
10.29	<u>First Supplemental Indenture dated as of November 18, 2020 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee and security agent, relating to the 9.875% Second-Priority Senior Secured Notes due 2027.</u>	10-K	10.51	1/26/21

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date Filed Herewith
10.30	Indenture dated as of November 25, 2020 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, principal paying agent, transfer agent and registrar, relating to the U.S. dollar-denominated 7.625% Senior Unsecured Notes due 2026 and the Euro-denominated 7.625% Senior Unsecured Notes due 2026.	10-K	10.52	1/26/21
10.31*	Form of Special Performance-Based Restricted Stock Unit Agreement for the Carnival Corporation 2020 Stock Plan.	10-Q	10.4	10/8/20
10.32*	Form of Special Performance-Based Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.5	10/8/20
10.33*	Form of Retention Time-Based Restricted Stock Unit Agreement for the Carnival Corporation 2020 Stock Plan.	10-Q	10.6	10/8/20
10.34*	Form of Retention Time-Based Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.7	10/8/20
10.35	Amendment Agreement dated December 31, 2020 to the Multicurrency Revolving Facilities Agreement originally dated May 18, 2011, as amended and restated on August 6, 2019, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Europe Designated Activity Company as facilities agent and a syndicate of financial institutions.	8-K	10.1	1/6/21
10.36	Indenture dated as of February 16, 2021 among Carnival Corporation as issuer, Carnival plc, the other Guarantors party thereto and U.S. Bank, National Association, as trustee, principal paying agent, transfer agent and registrar, relating to the 5.75% Senior Unsecured Notes due 2027.	10-Q	10.1	4/7/21
10.37	Form of Executive Time-Based Restricted Share Unit Agreement for the Carnival plc 2014 Employee Share Plan.	10-Q	10.2	4/7/21
10.38	Form of Executive Time-Based Restricted Stock Unit Agreement for the Carnival Corporation 2020 Stock Plan.	10-Q	10.3	4/7/21
10.39	Amendment of the Carnival Corporation 2020 Stock Plan.	10-Q	10.1	6/28/21

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
10.40	<u>Amendment Agreement dated May 11, 2021 to the Multicurrency Revolving Facilities Agreement originally dated May 18, 2011, as amended and restated on August 6, 2019 and further amended on December 31, 2020, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Europe Designated Activity Company as facilities agent and a syndicate of financial institutions.</u>	10-Q	10.2	6/28/21	
10.41	<u>Amendment Agreement dated September 30, 2021 to the Multicurrency Revolving Facilities Agreement originally dated May 18, 2011, as amended and restated on August 6, 2019, as further amended on December 31, 2020 and May 11, 2021, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Europe Designated Activity Company as facilities agent and a syndicate of financial institutions.</u>				X
10.42	<u>Amendment No. 2 to Term Loan Agreement, dated as of June 30, 2021, among Carnival Corporation and Carnival Finance, LLC, as borrowers, Carnival plc, as a guarantor, certain other subsidiary guarantors party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders.</u>	8-K	10.1	6/30/21	
10.43	<u>Indenture dated as of July 26, 2021, among Carnival Corporation, as issuer, Carnival plc, the other Guarantors party hereto and U.S. Bank National Association, as trustee, principal paying agent, transfer agent, registrar and security agent, relating to the 4.00% First-Priority Senior Secured Notes due 2028.</u>	10-Q	10.3	9/30/21	
10.44	<u>Indenture dated as of November 2, 2021, among Carnival Corporation, as issuer, Carnival plc, the other Guarantors party hereto and U.S. Bank National Association, as trustee, principal paying agent, transfer agent, registrar and security agent, relating to the 6.000% Senior Unsecured Notes due 2029.</u>	8-K	10.1	11/2/21	
10.45	<u>Amendment No. 3 to Term Loan Agreement, by and among Carnival Corporation and Carnival Finance, LLC, as borrowers, Carnival plc, as a guarantor, certain other subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent for the lenders and the lenders party thereto, dated as of October 5, 2021.</u>				X
10.46	<u>Incremental Assumption Agreement and Amendment No. 4 to Term Loan Agreement, by and among Carnival Corporation Carnival Finance, LLC, as borrowers, Carnival plc, as a guarantor, certain other subsidiary guarantors party thereto, and JPMorgan Chase Bank, N.A., as administrative agent and as incremental term lender, dated as of October 18, 2021.</u>				X

Annual report to security holders

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
13	Portions of the 2021 Annual Report.				X
Subsidiaries of the registrants					
21	Subsidiaries of Carnival Corporation and Carnival plc.				X
Consents of experts and counsel					
23	Consent of Independent Registered Public Accounting Firm.				X
Power of attorney					
24	Power of Attorney given by certain Directors of Carnival Corporation and Carnival plc to Arnold W. Donald, David Bernstein and Enrique Miguez authorizing such persons to sign this 2021 joint Annual Report on Form 10-K and any future amendments on				X
Rule 13a-14(a)/15d-14(a) certifications					
31.1	Certification of President and 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.				X
31.2	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.3	Certification of President and Chief Executive Officer 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.				X
31.4	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
Section 1350 certifications					
32.1**	Certification of President and 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.				X
32.2**	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	Filed Herewith
32.3**	<u>Certification of President and 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.</u>				X
32.4**	<u>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.</u>				X
Interactive data file					
101	The consolidated financial statements from Carnival Corporation & plc's Form 10-K for the year ended November 30, 2021, as filed with the SEC on January 27, 2022 formatted in Inline XBRL, are as follows:				
	(i) the Consolidated Statements of Income for the years ended November 30, 2021, 2020 and 2019;				X
	(ii) the Consolidated Statements of Comprehensive Income for the years ended November 30, 2021, 2020 and 2019;				X
	(iii) the Consolidated Balance Sheets at November 30, 2021 and 2020;				X
	(iv) the Consolidated Statements of Cash Flows for the years ended November 30, 2021, 2020 and 2019;				X
	(v) the Consolidated Statements of Shareholders' Equity for the years ended November 30, 2021, 2020 and 2019 and				X
	(vi) the notes to the consolidated financial statements, tagged in summary and detail.				X
104	The cover page from Carnival Corporation & plc's Form 10-K for the year ended November 30, 2021, as filed with the Securities and Exchange Commission on January 27, 2022, formatted in Inline XBRL (included as Exhibit 101)				

*Indicates a management contract or compensation plan or arrangement.

**These items are furnished and not filed.

***Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer and
Chief Climate Officer and Director

January 27, 2022

CARNIVAL PLC

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer and
Chief Climate Officer and Director

January 27, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of each of the registrants and in the capacities and on the dates indicated.

CARNIVAL CORPORATION

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer and
Chief Climate Officer and Director

January 27, 2022

CARNIVAL PLC

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer and
Chief Climate Officer and Director

January 27, 2022

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

January 27, 2022

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

January 27, 2022

/s/*Micky Arison

Micky Arison

Chair of the Board of
Directors

January 27, 2022

/s/*Micky Arison

Micky Arison

Chair of the Board of
Directors

January 27, 2022

/s/*Sir Jonathon Band

Sir Jonathon Band

Director

January 27, 2022

/s/*Sir Jonathon Band

Sir Jonathon Band

Director

January 27, 2022

/s/*Jason Glen Cahilly

Jason Glen Cahilly

Director

January 27, 2022

/s/*Jason Glen Cahilly

Jason Glen Cahilly

Director

January 27, 2022

/s/*Helen Deeble

Helen Deeble

Director

January 27, 2022

/s/*Helen Deeble

Helen Deeble

Director

January 27, 2022

/s/*Jeffrey J. Gearhart

/s/*Jeffrey J. Gearhart

Jeffrey J. Gearhart
Director
January 27, 2022

/s/*Richard J. Glasier
Richard J. Glasier
Director
January 27, 2022

/s/*Katie Lahey
Katie Lahey
Director
January 27, 2022

/s/*Sir John Parker
Sir John Parker
Director
January 27, 2022

/s/*Stuart Subotnick
Stuart Subotnick
Director
January 27, 2022

/s/*Laura Weil
Laura Weil
Director
January 27, 2022

/s/*Randall J. Weisenburger
Randall J. Weisenburger
Director
January 27, 2022

*By: /s/ Enrique Miguez
Enrique Miguez
(Attorney-in-fact)
January 27, 2022

Jeffrey J. Gearhart
Director
January 27, 2022

/s/*Richard J. Glasier
Richard J. Glasier
Director
January 27, 2022

/s/*Katie Lahey
Katie Lahey
Director
January 27, 2022

/s/*Sir John Parker
Sir John Parker
Director
January 27, 2022

/s/*Stuart Subotnick
Stuart Subotnick
Director
January 27, 2022

/s/*Laura Weil
Laura Weil
Director
January 27, 2022

/s/*Randall J. Weisenburger
Randall J. Weisenburger
Director
January 27, 2022

*By: /s/ Enrique Miguez
Enrique Miguez
(Attorney-in-fact)
January 27, 2022

January 13, 2022

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Carnival Corporation, Commission File No. 001-9610, and
Carnival plc, Commission File No. 001-15136

Ladies and Gentlemen:

Pursuant to Item 601(b) (4) (iii) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, Carnival Corporation and Carnival plc (the “Companies”) hereby agree to furnish copies of certain long-term debt instruments to the Securities and Exchange Commission upon the request of the Commission and, in accordance with such regulation, such instruments are not being filed as part of the joint Annual Report on Form 10-K of the Companies for their year ended November 30, 2021.

Very truly yours,

CARNIVAL CORPORATION AND CARNIVAL PLC

/s/ Enrique Miguez
General Counsel

**CARNIVAL CORPORATION & PLC
EXHIBIT 13 TO FORM 10-K
FOR THE YEAR ENDED NOVEMBER 30, 2021**

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CARNIVAL CORPORATION & PLC
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in millions, except per share data)

	Years Ended November 30,		
	2021	2020	2019
Revenues			
Passenger ticket	\$ 1,000	\$ 3,684	\$ 14,104
Onboard and other	908	1,910	6,721
	<u>1,908</u>	<u>5,595</u>	<u>20,825</u>
Operating Costs and Expenses			
Commissions, transportation and other	269	1,139	2,720
Onboard and other	272	605	2,101
Payroll and related	1,309	1,780	2,249
Fuel	680	823	1,562
Food	187	413	1,083
Ship and other impairments	591	1,967	26
Other operating	1,346	1,518	3,167
	<u>4,655</u>	<u>8,245</u>	<u>12,909</u>
Selling and administrative	1,885	1,878	2,480
Depreciation and amortization	2,233	2,241	2,160
Goodwill impairments	226	2,096	—
	<u>8,997</u>	<u>14,460</u>	<u>17,549</u>
Operating Income (Loss)	<u>(7,089)</u>	<u>(8,865)</u>	<u>3,276</u>
Nonoperating Income (Expense)			
Interest income	12	18	23
Interest expense, net of capitalized interest	(1,601)	(895)	(206)
Gains (losses) on debt extinguishment, net	(670)	(459)	—
Other income (expense), net	(173)	(52)	(32)
	<u>(2,433)</u>	<u>(1,388)</u>	<u>(215)</u>
Income (Loss) Before Income Taxes	<u>(9,522)</u>	<u>(10,253)</u>	<u>3,060</u>
Income Tax Benefit (Expense), Net	21	17	(71)
Net Income (Loss)	<u>\$ (9,501)</u>	<u>\$ (10,236)</u>	<u>\$ 2,990</u>
Earnings Per Share			
Basic	<u>\$ (8.46)</u>	<u>\$ (13.20)</u>	<u>\$ 4.34</u>
Diluted	<u>\$ (8.46)</u>	<u>\$ (13.20)</u>	<u>\$ 4.32</u>

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

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

	Years Ended November 30,		
	2021	2020	2019
Net Income (Loss)	\$ (9,501)	\$ (10,236)	\$ 2,990
Items Included in Other Comprehensive Income (Loss)			
Change in foreign currency translation adjustment	(118)	578	(86)
Other	53	51	(31)
Other Comprehensive Income (Loss)	(65)	630	(117)
Total Comprehensive Income (Loss)	\$ (9,567)	\$ (9,606)	\$ 2,873

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

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

	November 30,	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,939	\$ 9,513
Short-term investments	200	—
Trade and other receivables, net	246	273
Inventories	356	335
Prepaid expenses and other	392	443
Total current assets	10,133	10,563
Property and Equipment, Net	38,107	38,073
Operating Lease Right-of-Use Assets	1,333	1,370
Goodwill	579	807
Other Intangibles	1,181	1,186
Other Assets	2,011	1,594
	\$ 53,344	\$ 53,593
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ 2,790	\$ 3,084
Current portion of long-term debt	1,927	1,742
Current portion of operating lease liabilities	142	151
Accounts payable	797	624
Accrued liabilities and other	1,641	1,144
Customer deposits	3,112	1,940
Total current liabilities	10,408	8,686
Long-Term Debt	28,509	22,130
Long-Term Operating Lease Liabilities	1,239	1,273
Other Long-Term Liabilities	1,043	949
Commitments and Contingencies		
Shareholders' Equity		
Common stock of Carnival Corporation, \$0.01 par value; 1,960 shares authorized; 1,116 shares at 2021 and 1,060 shares at 2020 issued	11	11
Ordinary shares of Carnival plc, \$1.66 par value; 217 shares at 2021 and 2020 issued	361	361
Additional paid-in capital	15,292	13,948
Retained earnings	6,448	16,075
Accumulated other comprehensive income (loss) ("AOCI")	(1,501)	(1,436)
Treasury stock, 130 shares at 2021 and 2020 of Carnival Corporation and 67 shares at 2021 and 60 shares at 2020 of Carnival plc, at cost	(8,466)	(8,404)
Total shareholders' equity	12,144	20,555
	\$ 53,344	\$ 53,593

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

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

	Years Ended November 30,		
	2021	2020	2019
OPERATING ACTIVITIES			
Net income (loss)	\$ (9,501)	\$ (10,236)	\$ 2,990
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	2,233	2,241	2,160
Impairments	834	4,063	26
(Gains) losses on debt extinguishment	668	459	—
(Income) loss from equity-method investments	129	20	(15)
Share-based compensation	121	105	46
Amortization of discounts and debt issue costs	172	119	22
Noncash lease expense	140	172	—
Other, net	137	(56)	37
	<u>(5,067)</u>	<u>(3,114)</u>	<u>5,265</u>
Changes in operating assets and liabilities			
Receivables	(7)	125	(114)
Inventories	(63)	77	79
Prepaid expenses and other	(1,070)	(209)	(254)
Accounts payable	206	(165)	34
Accrued liabilities and other	601	(311)	80
Customer deposits	1,291	(2,703)	387
Net cash provided by (used in) operating activities	<u>(4,109)</u>	<u>(6,301)</u>	<u>5,475</u>
INVESTING ACTIVITIES			
Purchases of property and equipment	(3,607)	(3,620)	(5,429)
Proceeds from sales of ships and other	351	334	26
Purchase of minority interest	(90)	(81)	—
Purchases of short-term investments	(2,873)	—	—
Proceeds from maturity of short-term investments	2,673	—	—
Derivative settlements and other, net	3	127	126
Net cash provided by (used in) investing activities	<u>(3,543)</u>	<u>(3,240)</u>	<u>(5,277)</u>
FINANCING ACTIVITIES			
Proceeds from (repayments of) short-term borrowings, net	(293)	2,852	(605)
Principal repayments of long-term debt	(5,956)	(1,621)	(1,651)
Premium paid on extinguishment of debt	(545)	—	—
Proceeds from issuance of long-term debt	13,042	15,020	3,674
Dividends paid	—	(689)	(1,387)
Purchases of common stock	—	(12)	(603)
Issuance of common stock, net	1,009	3,249	4
Issuance of common stock under the Stock Swap Program	206	—	—
Purchase of treasury stock under the Stock Swap Program	(188)	—	—
Debt issue costs and other, net	(327)	(150)	(86)
Net cash provided by (used in) financing activities	<u>6,949</u>	<u>18,650</u>	<u>(655)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(13)	53	(9)
Net increase (decrease) in cash, cash equivalents and restricted cash	(715)	9,161	(465)
Cash, cash equivalents and restricted cash at beginning of year	9,692	530	996
Cash, cash equivalents and restricted cash at end of year	<u>\$ 8,976</u>	<u>\$ 9,692</u>	<u>\$ 530</u>

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

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

	Common stock	Ordinary shares	Additional paid-in capital	Retained earnings	AOCI	Treasury stock	Total shareholders' equity
At November 30, 2018	\$ 7	\$ 358	\$ 8,756	\$ 25,066	\$ (1,949)	\$ (7,795)	\$ 24,443
Change in accounting principle (a)	—	—	—	(24)	—	—	(24)
Net income (loss)	—	—	—	2,990	—	—	2,990
Other comprehensive income (loss)	—	—	—	—	(117)	—	(117)
Cash dividends declared	—	—	—	(1,379)	—	—	(1,379)
Purchases of treasury stock under the Repurchase Program and other	—	—	51	—	—	(599)	(548)
At November 30, 2019	7	358	8,807	26,653	(2,066)	(8,394)	25,365
Net income (loss)	—	—	—	(10,236)	—	—	(10,236)
Other comprehensive income (loss)	—	—	—	—	630	—	630
Cash dividends declared	—	—	—	(342)	—	—	(342)
Issuance of common stock	2	—	3,247	—	—	—	3,249
Issuance and repurchase of Convertible Notes (net settled through a registered direct offering)	2	—	1,798	—	—	—	1,799
Purchases of treasury stock under the Repurchase Program and other	—	2	97	—	—	(10)	89
At November 30, 2020	11	361	13,948	16,075	(1,436)	(8,404)	20,555
Net income (loss)	—	—	—	(9,501)	—	—	(9,501)
Other comprehensive income (loss)	—	—	—	—	(65)	—	(65)
Issuance of common stock, net	—	—	1,009	—	—	—	1,009
Conversion of Convertible Notes	—	—	15	—	—	—	15
Purchases and issuances under the Stock Swap program	—	—	206	—	—	(188)	19
Issuance of treasury shares for vested share-based awards	—	—	—	(126)	—	126	—
Share-based compensation and other	—	—	113	—	—	—	113
At November 30, 2021	<u>\$ 11</u>	<u>\$ 361</u>	<u>\$ 15,292</u>	<u>\$ 6,448</u>	<u>\$ (1,501)</u>	<u>\$ (8,466)</u>	<u>\$ 12,144</u>

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

- (a) We adopted the provisions of *Revenue from Contracts with Customers* and *Derivatives and Hedging* on December 1, 2018.

CARNIVAL CORPORATION & PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – General

Description of Business

Carnival Corporation was incorporated in Panama in 1974 and Carnival plc was incorporated in England and Wales in 2000. Together with their consolidated subsidiaries, they are referred to collectively in these consolidated financial statements and elsewhere in this 2021 Annual Report as “Carnival Corporation & plc,” “our,” “us” and “we.” The consolidated financial statements include the accounts of Carnival Corporation and Carnival plc and their respective subsidiaries.

We are a leisure travel company with a portfolio of nine of the world’s leading cruise lines. With operations in North America, Australia, Europe and Asia, our portfolio features – Carnival Cruise Line, Princess Cruises, Holland America Line, P&O Cruises (Australia), Seabourn, Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard.

DLC Arrangement

Carnival Corporation and Carnival plc operate a dual listed company (“DLC”) arrangement, whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and provisions in Carnival Corporation’s Articles of Incorporation and By-Laws and Carnival plc’s Articles of Association. The two companies operate as a single economic enterprise with a single senior executive management team and identical Boards of Directors, but each has retained its separate legal identity. Each company’s shares are publicly traded on the New York Stock Exchange (“NYSE”) for Carnival Corporation and the London Stock Exchange for Carnival plc. The Carnival plc American Depositary Shares are traded on the NYSE.

The constitutional documents of each company provide that, on most matters, the holders of the common equity of both companies effectively vote as a single body. The Equalization and Governance Agreement between Carnival Corporation and Carnival plc provides for the equalization of dividends and liquidation distributions based on an equalization ratio and contains provisions relating to the governance of the DLC arrangement. Because the equalization ratio is 1 to 1, one share of Carnival Corporation common stock and one Carnival plc ordinary share are generally entitled to the same distributions.

Under deeds of guarantee executed in connection with the DLC arrangement, as well as stand-alone guarantees executed since that time, each of Carnival Corporation and Carnival plc have effectively cross guaranteed all indebtedness and certain other monetary obligations of each other. Once the written demand is made, the holders of indebtedness or other obligations may immediately commence an action against the relevant guarantor.

Under the terms of the DLC arrangement, Carnival Corporation and Carnival plc are permitted to transfer assets between the companies, make loans to or investments in each other and otherwise enter into intercompany transactions. In addition, the cash flows and assets of one company are required to be used to pay the obligations of the other company, if necessary.

Given the DLC arrangement, we believe that providing separate financial statements for each of Carnival Corporation and Carnival plc would not present a true and fair view of the economic realities of their operations. Accordingly, separate financial statements for Carnival Corporation and Carnival plc have not been presented.

Liquidity and Management’s Plans

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of January 13, 2022, eight of our nine brands, or 67% of capacity, had resumed guest cruise operations as part of our gradual return to service. The extent of the effects of COVID-19 on our business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the company to profitability. The ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on our financial results and liquidity.

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

- Expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation for our summer season, where we historically generate the largest share of our operating income

- Expected sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue as compared to 2019
- Expected gradual increase in occupancy levels during the resumption of guest cruise operations, with the return to historical occupancy levels in 2023
- Expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to our ships
- Maintaining collateral and reserves at reasonable levels

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

We cannot make assurances that our assumptions used to estimate our liquidity requirements may not change because we have never previously experienced a complete cessation and subsequent gradual resumption of our guest cruise operations, and as a consequence, our ability to be predictive is uncertain. In addition, the magnitude and duration of the global pandemic are uncertain. We have made reasonable estimates and judgments of the impact of COVID-19 within our consolidated financial statements and there may be changes to those estimates in future periods. We have taken 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. In addition, we expect to continue to pursue refinancing opportunities to reduce interest expense and extend maturities.

Based on these actions and our assumptions regarding the impact of COVID-19, considering our \$9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility at November 30, 2021, as well as our expected continued gradual return to service, we have concluded that we have sufficient liquidity to satisfy our obligations for at least the next twelve months.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

We consolidate entities over which we have control, as typically evidenced by a voting control of greater than 50% or for which we are the primary beneficiary, whereby we have the power to direct the most significant activities and the obligation to absorb significant losses or receive significant benefits from the entity. We do not separately present our noncontrolling interests in the consolidated financial statements since the amounts are immaterial. For affiliates we do not control but where significant influence over financial and operating policies exists, as typically evidenced by a voting control of 20% to 50%, the investment is accounted for using the equity method.

For 2019, we reclassified \$390 million from tour and other revenues to onboard and other revenues as well as \$268 million from tour and other costs and expenses to other operating cost and expenses in order to conform to the current year presentation.

Preparation of Financial Statements

The preparation of our 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 in our consolidated financial statements. The full extent to which the effects of COVID-19 will directly or indirectly impact our business, operations, results of operations and financial condition, will depend on future developments that are highly uncertain including our valuation of goodwill and trademarks, impairment of ships, collectability of trade and notes receivables, amount of reserve funds related to customer deposits as well as provisions for pending litigation. We believe that we have made reasonable estimates and judgments within our financial statements and there may be changes to those estimates in future periods. Actual results may differ from the estimates used in preparing our consolidated financial statements. All material intercompany balances and transactions are eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include investments with maturities of three months or less at acquisition which are stated at cost and present insignificant risk of changes in value.

Short-term Investments

Short-term investments include investments with maturities of three to 12 months which are stated at cost and present insignificant risk of changes in value.

Inventories

Inventories consist substantially of food, beverages, hotel supplies, fuel and retail merchandise, which are all carried at the lower of cost or net realizable value. Cost is determined using the weighted-average or first-in, first-out methods.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment charges. Depreciation is computed using the straight-line method over our estimates of useful lives and residual values, as a percentage of original cost, as follows:

	Years	Residual Values
Ships	30	15%
Ship improvements	3-30	0%
Buildings and improvements	10-40	0%
Computer hardware and software	2-12	0%
Transportation equipment and other	3-20	0%
Leasehold improvements, including port facilities	Shorter of the remaining lease term or related asset life (3-30)	0%

The cost of ships under construction includes progress payments for the construction of new ships, as well as design and engineering fees, capitalized interest, construction oversight costs and various owner supplied items. We account for ship improvement costs, including replacements of certain significant components and parts, by capitalizing those costs we believe add value to our ships and have a useful life greater than one year and depreciating those improvements over their estimated remaining useful life. We have a capital program for the improvement of our ships and for asset replacements in order to enhance the effectiveness and efficiency of our operations; to comply with, or exceed, all relevant legal and statutory requirements related to health, environment, safety, security and sustainability; and to gain strategic benefits or provide improved product innovations to our guests.

We capitalize interest as part of the cost of capital projects during their construction period. The specifically identified or estimated cost and accumulated depreciation of previously capitalized ship components are written-off upon retirement, which may result in a loss on disposal that is also included in other operating expenses. Liquidated damages received from shipyards as a result of late ship delivery are recorded as reductions to the cost basis of the ship.

The costs of repairs and maintenance, including minor improvement costs and expenses related to dry-docks, are charged to expense as incurred and included in other operating expenses. Dry-dock expenses primarily represent maintenance activities that are incurred when a ship is taken out-of-service for scheduled maintenance.

We review our long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts of these assets may not be recoverable. Upon the occurrence of a triggering event, the assessment of possible impairment is based on our ability to recover the carrying value of our asset from the asset's estimated undiscounted future cash flows. If these estimated undiscounted future cash flows are less than the carrying value of the asset, an impairment charge is recognized for the excess, if any, of the asset's carrying value over its estimated fair value. The lowest level for which we maintain identifiable cash flows that are independent of the cash flows of other assets and liabilities is at the individual ship level. A significant amount of judgment is required in estimating the future cash flows and fair values of our cruise ships.

Goodwill and Other Intangibles

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business acquisition. We review our goodwill for impairment as of July 31 every year, or more frequently if events or circumstances dictate. All of our goodwill has been allocated to our reporting units. The impairment review for goodwill allows us to first assess qualitative factors to determine whether it is necessary to perform the more detailed quantitative goodwill impairment test. We would perform the quantitative test if our qualitative assessment determined it is more-likely-than-not that a reporting

unit's estimated fair value is less than its carrying amount. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test for any reporting unit. When performing the quantitative test, if the estimated fair value of the reporting unit exceeds its carrying value, no further analysis is required. However, if the estimated fair value of the reporting unit is less than the carrying value, goodwill is written down based on the difference between the reporting unit's carrying amount and its fair value, limited to the amount of goodwill allocated to the reporting unit. A significant amount of judgment is required in estimating the fair values of our reporting units.

Trademarks represent substantially all of our other intangibles. Trademarks are estimated to have an indefinite useful life and are not amortizable but are reviewed for impairment at least annually and as events or circumstances dictate. The impairment review for trademarks also allows us to first assess qualitative factors to determine whether it is necessary to perform a more detailed quantitative trademark impairment test. We would perform the quantitative test if our qualitative assessment determined it was more-likely-than-not that the trademarks are impaired. We may also elect to bypass the qualitative assessment and proceed directly to the quantitative test. Our trademarks would be considered impaired if their carrying value exceeds their estimated fair value.

Debt and Debt Issuance Costs

Debt is recorded at initial fair value, which normally reflects the proceeds received by us, net of debt issuance costs. Debt is subsequently stated at amortized cost. Debt issuance costs are generally amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the debt. Debt issue discounts and premiums are generally amortized to interest expense using the effective interest rate method over the term of the debt.

Derivatives and Other Financial Instruments

We utilize derivative and non-derivative financial instruments, such as foreign currency forwards, options and swaps, foreign currency debt obligations and foreign currency cash balances, to manage our exposure to fluctuations in certain foreign currency exchange rates. We use interest rate swaps primarily to manage our interest rate exposure to achieve a desired proportion of fixed and floating rate debt. Our policy is to not use financial instruments for trading or other speculative purposes.

All derivatives are recorded at fair value. If a derivative is designated as a cash flow hedge, then the change in the fair value of the derivative is recognized as a component of AOCI until the underlying hedged item is recognized in earnings or the forecasted transaction is no longer probable. If a derivative or a non-derivative financial instrument is designated as a hedge of our net investment in a foreign operation, then changes in the effective portion of the fair value of the financial instrument are recognized as a component of AOCI to offset the change in the translated value of the designated portion of net investment being hedged until the investment is sold or substantially liquidated, while the impact attributable to components excluded from the assessment of hedge effectiveness is recorded in interest expense, net of capitalized interest, on a systematic and rational basis. For derivatives that do not qualify for hedge accounting treatment, the change in fair value is recognized in earnings.

We classify the fair value of all our derivative contracts as either current or long-term, depending on the maturity date of the derivative contract. The cash flows from derivatives treated as cash flow hedges are classified in our Consolidated Statements of Cash Flows in the same category as the item being hedged.

Derivative valuations are based on observable inputs such as interest rates and commodity price curves, forward currency exchange rates, credit spreads, maturity dates, volatilities, and cross currency basis spreads. We use the income approach to value derivatives for foreign currency options and forwards, interest rate swaps and cross currency swaps using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated but not compelled to transact.

Foreign Currency Translation and Transactions

These financial statements are presented in U.S. dollars. Each foreign entity determines its functional currency by reference to its primary economic environment. Our most significant foreign entities utilize the U.S. dollar, Euro, Sterling or the Australian dollar as their functional currencies. We translate the assets and liabilities of our foreign entities that have functional currencies other than the U.S. dollar at exchange rates in effect at the balance sheet date. Revenues and expenses of these foreign entities are translated at the average rate for the period. Equity is translated at historical rates and the resulting foreign currency translation adjustments are included as a component of AOCI, which is a separate component of shareholders' equity. Therefore, the U.S. dollar value of the non-equity translated items in our consolidated financial statements will fluctuate from period to period, depending on the changing value of the U.S. dollar versus these currencies.

We execute transactions in a number of different currencies. At the date that the transaction is recognized, each asset, liability, revenue, expense, gain or loss arising from the transaction is measured and recorded in the functional currency of the recording entity using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in a currency other than the functional currency are adjusted using the exchange rate at the balance sheet date, with gains or losses recorded in other income or other expense, unless such monetary balances have been designated as hedges of net investments in our foreign entities. The net gains or losses resulting from foreign currency transactions were not material in 2021, 2020 and 2019. In addition, the unrealized gains or losses on our long-term intercompany receivables and payables which are denominated in a non-functional currency and which are not expected to be repaid in the foreseeable future are recorded as foreign currency translation adjustments included as a component of AOCI.

Revenue and Expense Recognition

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

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

Passenger ticket revenues include fees, taxes and charges collected by us from our guests. A portion of these fees, taxes and charges vary with guest head counts and are directly imposed on a revenue-producing arrangement. This portion of the fees, taxes and charges is expensed in commissions, transportation and other costs when the corresponding revenues are recognized. These fees, taxes and charges included in commissions, transportation and other costs were \$73 million in 2021, \$215 million in 2020 and \$659 million in 2019. 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. We have provided flexibility to guests with bookings on sailings cancelled due to itinerary disruptions by allowing guests to receive enhanced future cruise credits ("FCC") or elect to receive refunds in cash. 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 have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of cancelled cruises. The amount of cash refunds to be paid may depend on the continued level of guest acceptance of FCCs and future cruise cancellations. 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 \$3.5 billion and \$2.2 billion as of November 30, 2021 and 2020. Refunds payable to guests who have elected cash refunds are recorded in accounts payable. During 2021 and 2020, we recognized revenues of \$0.1 billion and \$3.2 billion related to our customer deposits as of November 30, 2020 and 2019. Historically, our customer deposits balance changes due to the seasonal nature of cash collections, the recognition of revenue, refunds of customer deposits and foreign currency translation.

Contract Receivables

Although we generally require full payment from our customers prior to or concurrently with their cruise, we grant credit terms to a relatively small portion of our revenue source. We also have receivables from credit card merchants for cruise ticket purchases and onboard revenue. These receivables are included within trade and other receivables, net. 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, which we record as an asset within prepaid expenses and other and which are subsequently recognized as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We have contract assets of an immaterial amount as of November 30, 2021 and 2020.

Insurance

We use a combination of insurance and self-insurance to cover a number of risks including illness and injury to crew, guest injuries, pollution, other third-party claims in connection with our cruise activities, damage to hull and machinery for each of our ships, war risks, workers' compensation, directors' and officers' liability, property damage and general liability for shoreside third-party claims. We recognize insurance recoverables from third-party insurers up to the amount of recorded losses at the time the recovery is probable and upon settlement for amounts in excess of the recorded losses. All of our insurance policies are subject to coverage limits, exclusions and deductible levels. The liabilities associated with crew illnesses and crew and guest injury claims, including all legal costs, are estimated based on the specific merits of the individual claims or actuarially estimated based on historical claims experience, loss development factors and other assumptions.

Selling and Administrative Expenses

Selling expenses include a broad range of advertising, marketing and promotional expenses. Advertising is charged to expense as incurred, except for media production costs, which are expensed upon the first airing of the advertisement. Selling expenses totaled \$340 million in 2021, \$348 million in 2020 and \$728 million in 2019. Administrative expenses represent the costs of our shoreside support, reservations and other administrative functions, and include salaries and related benefits, professional fees and building occupancy costs, which are typically expensed as incurred.

Share-Based Compensation

We recognize compensation expense for all share-based compensation awards using the fair value method. For time-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period or to the retirement eligibility date, if earlier than the vesting period. For performance-based share awards, we estimate compensation cost based on the probability of the performance condition being achieved and recognize expense ratably using the straight-line attribution method over the expected vesting period. If all or a portion of the performance condition is not expected to be met, the appropriate amount of previously recognized compensation expense is reversed and future compensation expense is adjusted accordingly. For market-based share awards, we recognize compensation cost ratably using the straight-line attribution method over the expected vesting period. If the target market conditions are not expected to be met, compensation expense will still be recognized. We account for forfeitures as they occur.

Earnings Per Share

Basic earnings per share is computed by dividing net income (loss) by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed by dividing net income (loss) by the weighted-average number of shares and common stock equivalents outstanding during each period. For earnings per share purposes, Carnival Corporation common stock and Carnival plc ordinary shares are considered a single class of shares since they have equivalent rights.

Accounting Pronouncements

The Financial Accounting Standards Board ("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. This guidance is required to be adopted by us in the first quarter of 2023 and must be applied using either a modified or full retrospective approach. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

NOTE 3 – Property and Equipment

<i>(in millions)</i>	November 30,	
	2021	2020
Ships and ship improvements	\$ 50,501	\$ 49,803
Ships under construction	1,536	1,354
Other property and equipment	3,928	3,992
Total property and equipment	55,965	55,148
Less accumulated depreciation	(17,858)	(17,075)
	<u>\$ 38,107</u>	<u>\$ 38,073</u>

Capitalized interest amounted to \$83 million in 2021, \$66 million in 2020 and \$39 million in 2019.

Sales of Ships

During 2021, we completed the sale of one NAA segment ship, which represents a passenger-capacity reduction of 670 berths for our NAA segment and one EA segment ship, which represents a passenger-capacity reduction of 1,180 berths for our EA segment.

Refer to Note 10 - “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 4 – Other Assets

We have a minority interest in Grand Bahama Shipyard Ltd. (“Grand Bahama”), a ship repair and maintenance facility. Grand Bahama provided services to us of \$11 million in 2021, \$38 million in 2020 and \$62 million in 2019. As of November 30, 2021, our investment in Grand Bahama was \$47 million, consisting of \$14 million in equity and a loan of \$33 million. As of November 30, 2020, our investment in Grand Bahama was \$55 million, consisting of \$13 million in equity and a loan of \$42 million.

We have a minority interest in the White Pass & Yukon Route (“White Pass”) that includes port, railroad and retail operations in Skagway, Alaska. White Pass provided an immaterial amount of services to us in 2021. White Pass provided no services to us in 2020. As a result of the effects of COVID-19 on the 2021 Alaska season, we evaluated whether our investment in White Pass was other than temporarily impaired and performed an impairment assessment. As a result of our assessment, we recognized an impairment charge of \$17 million for our investment in White Pass in other income (expense), net. As of November 30, 2021, our investment in White Pass was \$76 million, consisting of \$49 million in equity and a loan of \$27 million. As of November 30, 2020, our investment in White Pass was \$94 million, consisting of \$75 million in equity and a loan of \$19 million.

We have a minority interest in CSSC Carnival Cruise Shipping Limited (“CSSC-Carnival”), a China-based cruise company which will operate its own fleet designed to serve the Chinese market. As of November 30, 2021 and 2020, our investment in CSSC-Carnival was \$119 million and \$140 million. During 2020, we sold to CSSC-Carnival a controlling interest in an entity with full ownership of two EA segment ships and recognized a related gain of \$107 million, included in other operating expenses in our Consolidated Statements of Income (Loss). During 2021, we sold to CSSC-Carnival our remaining \$283 million investment in the minority interest of the same entity. During 2021 and 2020, we made capital contributions to CSSC-Carnival in the amount of \$90 million and \$81 million, respectively. For the years ending November 30, 2021 and 2020, we paid CSSC-Carnival a total of \$55 million for the lease of ships.

Refer to Note 7 - “Contingencies, Other Contingencies” for discussion regarding credit card processor reserve funds which are also included in the other assets balance on the Consolidated Balance Sheets.

NOTE 5 – Debt

<i>(in millions)</i>	Maturity	Rate (a) (c)	November 30,	
			2021	2020
Secured Debt				
Notes				
Notes	Apr 2023	11.5%	\$ —	\$ 4,000
Notes	Feb 2026	10.5%	775	775
EUR Notes	Feb 2026	10.1%	481	508
Notes	Jun 2027	7.9%	192	192
Notes	Aug 2027	9.9%	900	900
Notes	Aug 2028	4.0%	2,406	—
Loans				
EUR fixed rate	Jul 2024 - May 2025	5.5 - 6.2%	98	136
EUR floating rate	Jun 2025 - Oct 2026	EURIBOR + 2.7 - 3.8%	951	1,026
Floating rate	Jun 2025 - Oct 2028	LIBOR + 3.0 - 3.3%	4,137	1,855
Total Secured Debt			9,939	9,393
Unsecured Debt				
Revolver				
Facility	(b)	LIBOR + 0.7%	2,790	3,083
Notes				
EUR Notes	Feb 2021	1.6%	—	429
EUR Notes	Nov 2022	1.9%	622	658
Convertible Notes	Apr 2023	5.8%	522	537
Notes	Oct 2023	7.2%	125	125
Notes	Mar 2026	7.6%	1,450	1,450
EUR Notes	Mar 2026	7.6%	566	598
Notes	Mar 2027	5.8%	3,500	—
Notes	Jan 2028	6.7%	200	200
Notes	May 2029	6.0%	2,000	—
EUR Notes	Oct 2029	1.0%	679	718
Loans				
EUR fixed rate	Mar 2021 - Sep 2021	0.3 - 3.9%	—	32
Floating rate	Feb 2023 - Sep 2024	LIBOR + 3.8 - 4.5%	590	300
GBP floating rate	Feb 2025	GBP LIBOR + 0.9%	467	881
EUR floating rate	Dec 2021 - Mar 2026	EURIBOR + 0.3 - 4.8%	1,375	1,860
Export Credit Facilities				
Floating rate	Feb 2022 - Dec 2031	LIBOR + 0.5 - 1.5%	1,363	1,138
EUR floating rate	Feb 2022 - Dec 2032	EURIBOR + 0.2 - 1.6%	2,742	1,891
Fixed rate	Aug 2027 - Dec 2032	2.4 - 3.4%	3,488	3,131
EUR fixed rate	Feb 2031 - Jul 2033	1.1 - 1.6%	1,551	1,159
Total Unsecured Debt			24,031	18,188
Total Debt			33,970	27,581
Less: unamortized debt issuance costs and discounts			(744)	(624)
Total Debt, net of unamortized debt issuance costs and discounts			33,226	26,957
Less: short-term borrowings			(2,790)	(3,084)

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Less: current portion of long-term debt		(1,927)	(1,742)
Long-Term Debt		<u>\$ 28,509</u>	<u>\$ 22,130</u>

The scheduled maturities of our debt are as follows:

<i>(in millions)</i>	November 30, 2021						
	Rate (a) (c)	2022	2023	2024	2025	2026	Thereafter
Secured Debt							
Notes							
Notes	10.5%	\$ —	\$ —	\$ —	\$ —	\$ 775	\$ —
EUR Notes	10.1%	—	—	—	—	481	—
Notes	7.9%	—	—	—	—	—	192
Notes	9.9%	—	—	—	—	—	900
Notes	4.0%	—	—	—	—	—	2,406
Loans							
EUR fixed rate	5.5 - 6.2%	30	30	30	8	—	—
EUR floating rate	EURIBOR + 2.7 - 3.8%	20	20	20	878	11	—
Floating rate	LIBOR + 3.0 - 3.3%	36	42	42	1,804	23	2,191
Total Secured Debt		<u>86</u>	<u>92</u>	<u>92</u>	<u>2,690</u>	<u>1,290</u>	<u>5,688</u>
Unsecured Debt							
Revolver							
Facility	LIBOR + 0.7%	—	—	2,790	—	—	—
Notes							
EUR Notes	1.9%	622	—	—	—	—	—
Convertible Notes	5.8%	—	522	—	—	—	—
Notes	7.2%	—	125	—	—	—	—
Notes	7.6%	—	—	—	—	1,450	—
EUR Notes	7.6%	—	—	—	—	566	—
Notes	5.8%	—	—	—	—	—	3,500
Notes	6.7%	—	—	—	—	—	200
Notes	6.0%	—	—	—	—	—	2,000
EUR Notes	1.0%	—	—	—	—	—	679
Loans							
Floating rate	LIBOR + 3.8 - 4.5%	—	290	300	—	—	—
GBP floating rate	GBP LIBOR + 0.9%	—	—	93	374	—	—
EUR floating rate	EURIBOR + 0.3 - 4.8%	413	490	189	189	94	—
Export Credit Facilities							
Floating rate	LIBOR + 0.5 - 1.5%	202	246	246	186	163	406
EUR floating rate	EURIBOR + 0.2 - 1.6%	269	468	441	364	317	952
Fixed rate	2.4 - 3.4%	260	387	387	387	387	1,596
EUR fixed rate	1.1 - 1.6%	74	144	144	144	144	832
Total Unsecured Debt		<u>1,840</u>	<u>2,673</u>	<u>4,590</u>	<u>1,642</u>	<u>3,120</u>	<u>10,165</u>
Total Debt		<u>\$1,927</u>	<u>\$ 2,765</u>	<u>\$ 4,682</u>	<u>\$ 4,332</u>	<u>\$ 4,411</u>	<u>\$ 15,854</u>

- (a) Substantially all of our variable debt has a 0.0% to 0.75% floor.
- (b) Amounts outstanding under our \$1.7 billion, €1.0 billion and £0.2 billion multi-currency revolving credit facility (the “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 \$0.2 billion available for borrowing under our Revolving Facility as of November 30, 2021. 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.

- (c) The above debt tables do not include the impact of our foreign currency and interest rate swaps. The interest rates on some of our debt, and in the case of our Revolving Facility, fluctuate based on the applicable rating of senior unsecured long-term securities of Carnival Corporation or Carnival plc.

Secured Debt

Our secured debt is secured on a first-priority basis by collateral, which includes vessels and material intellectual property with a net book value of approximately \$25.6 billion as of November 30, 2021 and certain other assets.

Repricing of 2025 Secured Term Loan

In June 2021, we entered into an amendment to reprice our \$2.8 billion 2025 Secured Term Loan (the “2025 Secured Term Loan”). The amended U.S. dollar tranche bears interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3%. The amended euro tranche bears interest at a rate per annum equal to EURIBOR (with a 0% floor) plus 3.75%.

2028 Senior Secured Notes

In July 2021, we issued \$2.4 billion aggregate principal amount of 4% first-priority senior secured notes due in 2028 (the “2028 Senior Secured Notes”). We used the net proceeds from the issuance to purchase \$2.0 billion aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. The 2028 Senior Secured Notes mature on August 1, 2028.

2028 Senior Secured Term Loan

In October 2021, we borrowed an aggregate principal amount of \$2.3 billion under a new term loan. We used the net proceeds from this borrowing to redeem the \$2.0 billion outstanding aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. Borrowings under the new term loan bear interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3.25% and mature on October 18, 2028.

Unsecured Debt

2027 Senior Unsecured Notes

In February 2021, we issued an aggregate principal amount of \$3.5 billion senior unsecured notes that mature on March 1, 2027 (the “2027 Senior Unsecured Notes”). The 2027 Senior Unsecured Notes bear interest at a rate of 5.75% per year.

2029 Senior Unsecured Notes

In November 2021, we issued an aggregate principal amount of \$2.0 billion senior unsecured notes that mature on May 1, 2029 (the “2029 Senior Unsecured Notes”), intended to refinance various 2022 and other debt maturities. The 2029 Senior Unsecured Notes bear interest at a rate of 6% per year and are callable beginning November 1, 2024.

Export Credit Facility Borrowing

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

In July 2021, we borrowed \$544 million under an export credit facility due in semi-annual installments through 2033.

Debt Holidays

In 2021, we amended all of our export credit facilities to defer approximately \$1.0 billion of principal payments that would otherwise have been due over a one year period commencing April 1, 2021 until March 31, 2022, with repayments to be made over the following five years. The cumulative deferred principal amount of the debt holiday amendments, inclusive of the amendments entered into in 2020, is approximately \$1.7 billion. In addition, these amendments aligned the financial covenants of all our export credit facilities with our other facilities.

Convertible Notes

In 2020, we issued \$2.0 billion aggregate principal amount of 5.75% convertible senior notes due 2023 (the “Convertible Notes”). The 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 have had repurchases and conversions of convertible debt as a result of which the principal amount of debt decreased by \$1.5 billion.

The Convertible Notes are convertible by holders, subject to the conditions described within the indenture that governs 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 is subject to certain anti-dilutive adjustments and may also increase if the Convertible Notes are converted in connection with a tax redemption or certain corporate events. As of November 30, 2021, a condition allowing holders of the Convertible Notes to convert has been met and therefore the Convertible Notes are convertible. Refer to Note 15 - “Supplemental Cash Flow Information” for additional detail on transactions related to the Convertible Notes.

We may redeem the 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 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 and was calculated by deducting the carrying value of the liability component from the initial proceeds from the Convertible Notes. The excess of the principal amount of the Convertible Notes over the carrying amount of the liability component represents a debt discount that is amortized to interest expense over the term of the Convertible Notes under the effective interest rate method using an effective annual interest rate of 12.9%. 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 net carrying value of the liability component of the Convertible Notes was as follows:

<i>(in millions)</i>	November 30,	
	2021	2020
Principal	\$ 522	\$ 537
Less: Unamortized debt discount	(45)	(76)
	<u>\$ 478</u>	<u>\$ 461</u>

The interest expense recognized related to the Convertible Notes was as follows:

<i>(in millions)</i>	November 30,	
	2021	2020
Contractual interest expense	\$ 31	\$ 58
Amortization of debt discount	29	50
	<u>\$ 60</u>	<u>\$ 109</u>

As of November 30, 2021, the if-converted value above par was \$398 million on available shares of 52 million for the Convertible Notes.

Covenant Compliance

Our Revolving Facility, unsecured loans and our export credit facilities, as of January 13, 2022, contain one or more covenants that require us to:

- Maintain minimum interest coverage (EBITDA to consolidated net interest charges (the “Interest Coverage Covenant”)) at the end of each fiscal quarter from February 28, 2023, at a ratio of not less than 2.0 to 1.0 for the February 28, 2023 and May 31, 2023 testing dates, 2.5 to 1.0 for the August 31, 2023 and November 30, 2023 testing dates, and 3.0 to 1.0 for the February 28, 2024 testing date onwards, or through their respective maturity dates
- Maintain minimum shareholders’ equity of \$5.0 billion
- From the November 30, 2021 testing date until the May 31, 2023 testing date, the Debt to Capital Covenant is not to exceed 75%, following which it will be tested at levels which decline ratably to 65% from the May 31, 2024 testing date onwards
- Maintain minimum liquidity of \$1.0 billion through February 29, 2024
- Adhere to certain restrictive covenants through November 30, 2024
- Restrict the granting of guarantees and security interests for certain of our outstanding debt through November 30, 2024
- Limit the amounts of our secured assets as well as secured and other indebtedness

At November 30, 2021, we were in compliance with the applicable covenants under our debt agreements. Generally, if an event of default under any debt agreement occurs, then, pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated. Any financial covenant amendment may lead to increased costs, increased interest rates, additional restrictive covenants and other available lender protections that would be applicable.

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

NOTE 6 – Commitments

Newbuild capital expenditures as of November 30, 2021:

(in millions)

Year		
2022	\$	4,355
2023		2,576
2024		1,641
2025		987
2026 and thereafter		—
	\$	9,560

NOTE 7 – Contingencies

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, on January 12, 2022, the court continued the trial date to May 23, 2022. Motions for summary judgment have been filed and hearings were concluded on January 18, 2022. In the matter filed by Javier Bengochea, on October 4, 2021, the U.S. Court of Appeals for the Eleventh Circuit Court heard oral arguments and 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. We continue to believe we have a meritorious defense to these actions and we believe that any liability which may arise as a result of these actions will not have a material impact on our consolidated financial statements.

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 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 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. The parties’ motions to dismiss in both actions have been granted in part and denied in part. Answers have been filed by both parties. We believe the ultimate outcome will not have a material impact on our consolidated financial statements. Additionally, on April 8, 2021, DeCurtis filed challenges to several of Carnival Corporation’s patents with the U.S. Patent and Trademark Office, seeking to invalidate certain patents on the basis of alleged prior art, overbreadth of the patents, and obviousness of the technologies. On October 12, 2021 a ruling was issued upholding Carnival Corporation’s patents, therefore bringing this separate matter to a close.

Contingent Obligations – Indemnifications

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

Other Contingencies

We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. Although the agreements vary, these requirements may generally be satisfied either through a withheld percentage of customer payments or providing cash funds directly to the credit card processor. As of November 30, 2021 and 2020, we had \$1.1 billion and \$0.4 billion, respectively, in reserve funds related to our customer deposits withheld to satisfy these requirements which are included in other assets. We continue to expect to provide reserve funds under these agreements. Additionally, as of November 30, 2021, we had \$30 million of cash collateral in escrow which is included within other assets. As of November 30, 2020, we had \$166 million of cash collateral in escrow of which \$136 million was included within prepaid expenses and other.

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

We detected ransomware attacks in August 2020 and December 2020 which resulted in unauthorized access to our information technology systems. We engaged a major cybersecurity firm to investigate these matters and notified law enforcement and regulators of these incidents. For the August 2020 event, the investigation, communication and reporting phases are complete. We determined that the unauthorized third-party gained access to certain personal information relating to some guests, employees and crew for some of our operations. For the December 2020 event, the investigation and remediation phases are in process. Regulators were notified, and several, including the primary regulatory authority in the European Union, have closed their files on this matter.

We have been contacted by various regulatory agencies regarding these and other cyber incidents. The New York Department of Financial Services (“NY DFS”) has notified us of their intent to commence proceedings seeking penalties if settlement cannot be reached in advance of litigation. To date, we have not been able to reach an agreement with NY DFS. In addition,

State Attorneys General from a number of states have completed their investigation of a data security event announced in March 2020, and the Company is currently negotiating a settlement with the relevant State Attorneys General.

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

We are subject to a court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, which is operative until April 2022 and subjects our operations to additional review and other obligations. Failure to comply with the requirements of this environmental compliance plan or other special conditions of probation could result in fines, which the court has imposed in the past, and restrictions on our operations.

COVID-19 Matters

Private Actions

We have been named in a number of individual actions related to COVID-19. Private parties have brought approximately 82 lawsuits as of January 13, 2022 in several U.S. federal and state courts as well as in France, Italy and Brazil. These actions include tort claims based on a variety of theories, including negligence and failure to warn. The plaintiffs in these actions allege a variety of injuries: some plaintiffs confined their claim to emotional distress, while others allege injuries arising from testing positive for COVID-19. A smaller number of actions include wrongful death claims. As of January 13, 2022, eight of these individual actions have now been dismissed or settled. These actions were settled for immaterial amounts.

Additionally, as of January 13, 2022, ten purported class actions have been brought by former guests from *Ruby Princess*, *Diamond Princess*, *Grand Princess*, *Coral Princess*, *Costa Luminosa* or *Zaandam* in several U.S. federal courts and in the Federal Court of Australia. These actions include tort claims based on a variety of theories, including negligence, gross negligence and failure to warn, physical injuries and severe emotional distress associated with being exposed to and/or contracting COVID-19 onboard. As of January 13, 2022, five of these class actions have either been settled individually or had their class allegations dismissed by the courts. These actions were settled for immaterial amounts.

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

As previously disclosed, on December 15, 2020, a consolidated class action with lead plaintiffs, the New England Carpenters Pension and Guaranteed Annuity Fund and the Massachusetts Laborers' Pension and Annuity Fund was filed in the U.S. District Court for the Southern District of Florida, alleging violations of Sections 10(b) and 20(a) of the U.S. Securities and Exchange Act of 1934 by making misrepresentations and omissions related to Carnival Corporation's COVID-19 knowledge and response. Plaintiffs seek to recover unspecified damages and equitable relief for the alleged misstatements and omissions. The plaintiffs filed a second amended complaint on July 2, 2021 and on August 6, 2021, we filed a motion to dismiss, which has now been fully briefed.

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.

As previously disclosed, the investigation in New Zealand related to incidents of COVID-19 on the *Ruby Princess* has now been closed, concluding we are not in breach of any rules or regulations.

NOTE 8 – Taxation

A summary of our principal taxes and exemptions in the jurisdictions where our significant operations are located is as follows:

U.S. Income Tax

We are primarily foreign corporations engaged in the business of operating cruise ships in international transportation. We also own and operate, among other businesses, the U.S. hotel and transportation business of Holland America Princess Alaska Tours through U.S. corporations.

Our North American cruise ship businesses and certain ship-owning subsidiaries are engaged in a trade or business within the U.S. Depending on its itinerary, any particular ship may generate income from sources within the U.S. We believe that our U.S. source income and the income of our ship-owning subsidiaries, to the extent derived from, or incidental to, the international operation of a ship or ships, is currently exempt from U.S. federal income and branch profit taxes.

Our domestic U.S. operations, principally the hotel and transportation business of Holland America Princess Alaska Tours, are subject to federal and state income taxation in the U.S.

In general, under Section 883 of the Internal Revenue Code, certain non-U.S. corporations (such as our North American cruise ship businesses) are not subject to U.S. federal income tax or branch profits tax on U.S. source income derived from, or incidental to, the international operation of a ship or ships. Applicable U.S. Treasury regulations provide in general that a foreign corporation will qualify for the benefits of Section 883 if, in relevant part, (i) the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. in respect of each category of shipping income for which an exemption is being claimed under Section 883 (an “equivalent exemption jurisdiction”) and (ii) the foreign corporation meets a defined publicly-traded corporation stock ownership test (the “publicly-traded test”). Subsidiaries of foreign corporations that are organized in an equivalent exemption jurisdiction and meet the publicly-traded test also benefit from Section 883. We believe that Panama is an equivalent exemption jurisdiction and that Carnival Corporation currently satisfies the publicly-traded test under the regulations. Accordingly, substantially all of Carnival Corporation’s income is exempt from U.S. federal income and branch profit taxes.

Regulations under Section 883 list certain activities that the IRS does not consider to be incidental to the international operation of ships and, therefore, the income attributable to such activities, to the extent such income is U.S. source, does not qualify for the Section 883 exemption. Among the activities identified as not incidental are income from the sale of air transportation, transfers, shore excursions and pre- and post-cruise land packages to the extent earned from sources within the U.S.

We believe that the U.S. source transportation income earned by Carnival plc and its subsidiaries currently qualifies for exemption from U.S. federal income tax under applicable bilateral U.S. income tax treaties.

Carnival Corporation, Carnival plc and certain subsidiaries are subject to various U.S. state income taxes generally imposed on each state’s portion of the U.S. source income subject to U.S. federal income taxes. However, the state of Alaska imposes an income tax on its allocated portion of the total income of our companies doing business in Alaska and certain of their subsidiaries.

UK and Australian Income Tax

Cunard, P&O Cruises (UK) and P&O Cruises (Australia) are divisions of Carnival plc and have elected to enter UK tonnage tax under a rolling ten-year term and, accordingly, reapply every year. Companies to which the tonnage tax regime applies pay corporation taxes on profits calculated by reference to the net tonnage of qualifying ships. UK corporation tax is not chargeable under the normal UK tax rules on these brands’ relevant shipping income. Relevant shipping income includes income from the operation of qualifying ships and from shipping related activities.

For a company to be eligible for the regime, it must be subject to UK corporation tax and, among other matters, operate qualifying ships that are strategically and commercially managed in the UK. Companies within UK tonnage tax are also subject to a seafarer training requirement.

Our UK non-shipping activities that do not qualify under the UK tonnage tax regime remain subject to normal UK corporation tax.

P&O Cruises (Australia) and all of the other cruise ships operated internationally by Carnival plc for the cruise segment of the Australian vacation region are exempt from Australian corporation tax by virtue of the UK/Australian income tax treaty.

Italian and German Income Tax

In 2015, Costa and AIDA re-elected to enter the Italian tonnage tax regime through 2024 and can reapply for an additional ten-year period beginning in early 2025. Companies to which the tonnage tax regime applies pay corporation taxes on shipping profits calculated by reference to the net tonnage of qualifying ships.

Most of Costa’s and AIDA’s earnings that are not eligible for taxation under the Italian tonnage tax regime will be taxed at an effective tax rate of 4.8% in 2021 and 2020.

Substantially all of AIDA’s earnings are exempt from German income taxes by virtue of the Germany/Italy income tax treaty.

Asian Countries Income Taxes

Substantially all of our brands’ income from their international operations in Asian countries is exempt from income tax by virtue of relevant income tax treaties.

Other

We recognize income tax provisions for uncertain tax positions, based solely on their technical merits, when it is more likely than not to be sustained upon examination by the relevant tax authority. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution. Based on all known facts and circumstances and current tax law, we believe that the total amount of our uncertain income tax position liabilities and related accrued interest are not material to our financial position. All interest expense related to income tax liabilities is included in income tax expense.

In addition to or in place of income taxes, virtually all jurisdictions where our ships call impose taxes, fees and other charges based on guest counts, ship tonnage, passenger capacity or some other measure, and these taxes, fees and other charges are included in commissions, transportation and other costs and other operating expenses.

NOTE 9 – Shareholders’ Equity

Share Repurchase Program

Under a share repurchase program effective 2004, we had been authorized to repurchase Carnival Corporation common stock and Carnival plc ordinary shares (the “Repurchase Program”). On June 15, 2020, to enhance our liquidity and comply with restrictions in our recent financing transactions, the Boards of Directors terminated the Repurchase Program.

<i>(in millions)</i>	Carnival Corporation		Carnival plc	
	Number of Shares Repurchased	Dollar Amount Paid for Shares Repurchased	Number of Shares Repurchased	Dollar Amount Paid for Shares Repurchased
2020	—	\$ —	0.2	\$ 10
2019	0.6	\$ 26	12.2	\$ 569

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 (the “Stock Swap Program”).

During 2021, under the Stock Swap Program, we sold 8.9 million shares of Carnival Corporation’s common stock and repurchased the same amount of Carnival plc ordinary shares resulting in net proceeds of \$19 million, which were used for general corporate purposes. During 2020 and 2019, there were no sales or repurchases under the Stock Swap Program.

<i>(in millions, except per share data)</i>	Total Number of Shares of Carnival plc Ordinary Shares Purchased (a)	Average Price Paid per Share of Carnival plc Ordinary Share	Maximum Number of Carnival plc Ordinary Shares That May Yet Be Purchased Under the Carnival Corporation Stock Swap Program
2021	8.9	\$ 20.99	9.5

(a) No ordinary shares of Carnival plc were purchased outside of publicly announced plans or programs.

Accumulated Other Comprehensive Income (Loss)

<i>(in millions)</i>	AOCI		
	November 30,		
	2021	2020	2019
Cumulative foreign currency translation adjustments, net	\$ (1,501)	\$ (1,382)	\$ (1,961)
Unrecognized pension expenses	(45)	(95)	(88)
Net gains (losses) on cash flow derivative hedges	44	41	(18)
	<u>\$ (1,501)</u>	<u>\$ (1,436)</u>	<u>\$ (2,066)</u>

During 2021, 2020 and 2019, there were \$7 million, \$3 million and \$5 million of unrecognized pension expenses that were reclassified out of accumulated other comprehensive loss and were included within payroll and related expenses and selling and administrative expenses.

Dividends

To enhance our liquidity, as well as comply with the dividend restrictions contained in our debt agreements, in 2020 we suspended the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc. We declared quarterly cash dividends on all of our common stock and ordinary shares as follows:

<i>(in millions, except per share data)</i>	Quarters Ended			
	February 28/29	May 31	August 31	November 30
2020				
Dividends declared per share	\$ 0.50	\$ —	\$ —	\$ —
Dividends declared	\$ 342	\$ —	\$ —	\$ —
2019				
Dividends declared per share	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Dividends declared	\$ 345	\$ 346	\$ 342	\$ 346

Carnival Corporation’s Articles of Incorporation authorize its Boards of Directors, at its discretion, to issue up to 40 million shares of preferred stock. At November 30, 2021 and 2020, no Carnival Corporation preferred stock or Carnival plc preference shares had been issued.

Public Equity Offerings

In April 2020, we completed a public offering of 71.9 million shares of Carnival Corporation’s common stock at a price per share of \$8.00, resulting in net proceeds of \$556 million.

In October 2020, we completed our \$1.0 billion “at-the-market” (“ATM”) equity offering program that was announced on September 15, 2020, pursuant to which we sold 67.1 million shares of Carnival Corporation common stock.

In November 2020, we completed our \$1.5 billion ATM equity offering program that was announced on November 10, 2020, pursuant to which we sold 94.5 million shares of Carnival Corporation common stock.

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

Since June 2021, we have sold 0.6 million shares of Carnival Corporation common stock at an average price per share of \$21.32, resulting in net proceeds of \$13 million.

NOTE 10 – 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>	November 30, 2021				November 30, 2020			
	Carrying Value	Fair Value			Carrying Value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Liabilities								
Fixed rate debt (a)	\$ 19,555	\$ —	\$ 19,013	\$ —	\$ 15,547	\$ —	\$ 16,258	\$ —
Floating rate debt (a)	14,415	—	13,451	—	12,034	—	11,412	—
Total	<u>\$ 33,970</u>	<u>\$ —</u>	<u>\$ 32,463</u>	<u>\$ —</u>	<u>\$ 27,581</u>	<u>\$ —</u>	<u>\$ 27,670</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>	November 30, 2021			November 30, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash and cash equivalents	\$ 8,939	\$ —	\$ —	\$ 9,513	\$ —	\$ —
Restricted cash	38	—	—	179	—	—
Short-term investments (a)	200	—	—	—	—	—
Derivative financial instruments	—	1	—	—	—	—
Total	<u>\$ 9,177</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 9,692</u>	<u>\$ —</u>	<u>\$ —</u>
Liabilities						
Derivative financial instruments	\$ —	\$ 13	\$ —	\$ —	\$ 10	\$ —
Total	<u>\$ —</u>	<u>\$ 13</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10</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 a result of the gradual resumption of guest cruise operations and its effect on our expected future operating cash flows, we performed interim discounted cash flow analyses for certain reporting units with goodwill as of May 31, 2021 and determined there was no impairment. As of July 31, 2021, we performed our annual goodwill and trademark impairments reviews and we determined there was no impairment for goodwill and trademarks at our annual test date.

As of November 30, 2021, as a result of the continued gradual resumption of guest cruise operations, ongoing impacts of COVID-19 and its effect on our expected future operating cash flows, including changes in estimates related to the timing of our full return to guest cruise operations and improved profitability, we performed interim discounted cash flow analyses for our EA segment reporting units and determined their estimated fair values no longer exceeded their carrying values. As a result, we recognized goodwill impairment charges of \$226 million and accordingly have no remaining goodwill for those reporting units.

During 2020, we performed interim discounted cash flow analyses for certain reporting units with goodwill as of February 29, 2020 and for all reporting units with goodwill or trademarks as of May 31, 2020 and recognized goodwill impairment charges of \$2.1 billion.

As of July 31, 2020 and 2019, we performed our annual goodwill and trademark impairment reviews and we determined there was no incremental impairment for goodwill or trademarks.

The determination of the fair value of our reporting units' goodwill and trademarks includes numerous estimates and underlying assumptions that are subject to various risks and uncertainties. The effect of COVID-19 and the gradual resumption of guest cruise operations have created additional uncertainty in forecasting the operating results and future cash flows used in our impairment analyses. We believe that we have made reasonable estimates and judgments. The assumptions, all of which are considered Level 3 inputs, used in our cash flow analyses consisted of:

- The timing and pace of our full return to guest cruise operations
- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate ("WACC")

The estimated fair value of the reporting unit with remaining goodwill and of our trademarks significantly exceeded their carrying value as of the date of the most recent impairment test. Refer to Note 2 - "Summary of Significant Accounting Policies, Preparation of Financial Statements" for additional discussion.

<i>(in millions)</i>	Goodwill		
	NAA Segment	EA Segment	Total
At November 30, 2019	\$ 1,898	\$ 1,014	\$ 2,912
Impairment charge	(1,319)	(777)	(2,096)
Exchange movements	—	(9)	(9)
At November 30, 2020	579	228	807
Impairment charges	—	(226)	(226)
Exchange movements	—	(2)	(2)
At November 30, 2021	<u>\$ 579</u>	<u>\$ —</u>	<u>\$ 579</u>

<i>(in millions)</i>	Trademarks		
	NAA Segment	EA Segment	Total
At November 30, 2019	\$ 927	\$ 240	\$ 1,167
Exchange movements	—	13	13
At November 30, 2020	927	253	1,180
Exchange movements	—	(5)	(5)
At November 30, 2021	<u>\$ 927</u>	<u>\$ 248</u>	<u>\$ 1,175</u>

Impairments of Ships

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. As a result of the continued effect of COVID-19 on our business and our updated expectations for certain of our ships, we determined that these ships had net carrying values that exceeded their respective estimated undiscounted future cash flows during 2021. We then estimated the fair value of these ships based on their respective estimated selling values. We then compared these estimated fair values to the net carrying values and, as a result, we recognized ship impairment charges as summarized in the table below. We believe we have made reasonable estimates and judgments as part of our assessments. A change in the principal assumptions, which influences the determination of fair value, may result in a need to perform additional impairment reviews. We performed undiscounted cash flow analyses on certain ships in our fleet throughout 2020 and determined that certain ships had net carrying values that exceeded their estimated undiscounted future cash flows. The table below summarizes the impairment charges recognized during 2021 and 2020. We did not recognize ship impairment charges during 2019. The principal assumption, considered a level 3 input, used in our impairment analyses consisted of the timing of the sale of ships and estimated proceeds.

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>	November 30,	
	2021	2020
NAA Segment	\$ 273	\$ 1,474
EA Segment	318	319
Total ship impairments	<u>\$ 591</u>	<u>\$ 1,794</u>

Refer to Note 2 - “Summary of Significant Accounting Policies, Preparation of Financial Statements” for additional discussion.

Derivative Instruments and Hedging Activities

<i>(in millions)</i>	Balance Sheet Location	November 30,	
		2021	2020
Derivative assets			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Prepaid expenses and other	\$ 1	\$ —
Total derivative assets		<u>\$ 1</u>	<u>\$ —</u>
Derivative liabilities			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Other long-term liabilities	\$ 8	\$ —
Interest rate swaps (b)	Accrued liabilities and other	3	5
	Other long-term liabilities	2	5
Total derivative liabilities		<u>\$ 13</u>	<u>\$ 10</u>

- (a) At November 30, 2021, we had a cross currency swap totaling \$201 million that is designated as a hedge of our net investment in foreign operations with a euro-denominated functional currency. At November 30, 2021, this cross currency swap settles through 2028. At November 30, 2020, we had no cross currency swaps.

- (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 \$160 million at November 30, 2021 and \$248 million at November 30, 2020 of EURIBOR-based floating rate euro debt to fixed rate euro debt. At November 30, 2021, these interest rate swaps settle through 2025.

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

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

November 30, 2020						
<i>(in millions)</i>	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts	
Assets	\$ —	\$ —	\$ —	\$ —	\$ —	
Liabilities	\$ 10	\$ —	\$ 10	\$ —	\$ 10	

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

<i>(in millions)</i>	November 30,		
	2021	2020	2019
Gains (losses) recognized in AOCI:			
Cross currency swaps – net investment hedges - included component	\$ (1)	\$ 131	\$ 43
Cross currency swaps – net investment hedges - excluded component	\$ (6)	\$ (1)	\$ 1
Foreign currency zero cost collars – cash flow hedges	\$ —	\$ 1	\$ (1)
Foreign currency forwards - cash flow hedges	\$ —	\$ 53	\$ —
Interest rate swaps – cash flow hedges	\$ 5	\$ 6	\$ 3
Gains (losses) reclassified from AOCI – cash flow hedges:			
Interest rate swaps – Interest expense, net of capitalized interest	\$ (5)	\$ (6)	\$ (7)
Foreign currency zero cost collars - Depreciation and amortization	\$ 2	\$ 1	\$ 1
Gains (losses) recognized on derivative instruments (amount excluded from effectiveness testing – net investment hedges)			
Cross currency swaps – Interest expense, net of capitalized interest	\$ —	\$ 12	\$ 23

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 Risk

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 the hedging instruments we do employ generally offset the changes in the underlying exposures being hedged.

Operational Currency Risks

Our operations primarily utilize the U.S. dollar, 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 November 30, 2021, we have designated \$467 million of our sterling-denominated debt as non-derivative hedges of our net investments in foreign operations. In 2021, we recognized \$21 million of losses on these non-derivative net investment hedges in the cumulative translation adjustment section of other comprehensive income (loss). We also have euro-denominated debt, including the effect of cross currency swaps, which provides an economic offset for our operations with euro functional currency.

Newbuild Currency Risks

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

At November 30, 2021, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments to non-euro functional currency brands, which represent a total unhedged commitment of \$6.8 billion for newbuilds scheduled to be delivered through 2025.

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

Interest Rate Risks

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

Concentrations of Credit Risk

As part of our ongoing control procedures, we monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. We seek to manage these credit risk exposures, including counterparty nonperformance primarily associated with our cash equivalents, investments, notes receivables, 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 November 30, 2021, our exposures under derivative instruments were not material. We also monitor the creditworthiness of travel agencies and tour operators in Asia, Australia and Europe, which includes charter-hire agreements in Asia and credit and debit card providers to which we extend credit in the normal course of our business. Concentrations of credit risk associated with trade receivables and other receivables, charter-hire agreements and contingent obligations are not considered to be material, principally due to the large number of unrelated accounts, the nature of these contingent obligations and their short maturities. Normally, we have not required collateral or other security to support normal credit sales. Historically, we have not experienced significant credit losses, including counterparty nonperformance; however, because of the impact COVID-19 is having on economies, we have experienced, and may continue to experience, an increase in credit losses.

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

NOTE 11 – Leases

On December 1, 2019, the Company adopted the FASB issued guidance, *Leases* using the modified retrospective approach. Substantially all of our leases for which we are the lessee are operating leases of port facilities and real estate and are included within operating lease right-of-use assets, long-term operating lease liabilities and current portion of operating lease liabilities in our Consolidated Balance Sheet as of November 30, 2021.

We have port facilities and real estate lease agreements with lease and non-lease components, and in such cases, we account for the components as a single lease component.

We do not recognize lease assets and lease liabilities for any leases with an original term of less than one year. For some of our port facilities and real estate lease agreements, we have the option to extend our current lease term by 1 to 10 years. Generally, we do not include renewal options as a component of our present value calculation as we are not reasonably certain that we will exercise the options.

As most of our leases do not have a readily determinable implicit rate, we estimate the incremental borrowing rate (“IBR”) to determine the present value of lease payments. We apply judgment in estimating the IBR including considering the term of the lease, the currency in which the lease is denominated, and the impact of collateral and our credit risk on the rate.

We amortize our lease assets on a straight-line basis over the lease term. The components of expense were as follows:

<i>(in millions)</i>	November 30,	
	2021	2020
Operating lease expense	\$ 203	\$ 203
Variable lease expense (a) (b)	\$ (100)	\$ (61)

- (a) Variable lease expense represents costs associated with our multi-year preferential berthing agreements which vary based on the number of passengers. These costs are recorded within commission, transportation and other in our Consolidated Statements of Income (Loss). Variable and short-term lease costs related to operating leases, other than the port facilities, were not material to our consolidated financial statements.
- (b) Several of our preferential berthing agreements have force majeure provisions. We have treated the concessions granted under such provisions as variable payment adjustments. If our interpretation of the force majeure provisions is disputed, we could be required to record and make additional guarantee payments.

The cash outflow for leases was materially consistent with the lease expense recognized during 2021.

We have multiple agreements, with a total undiscounted minimum commitment of approximately \$321 million, that have been executed but the lease term has not commenced as of November 30, 2021. These are substantially all related to our rights to use certain port facilities. The leases are expected to commence in 2022.

During 2021, we obtained \$114 million of right-of-use assets in exchange for new operating lease liabilities.

Weighted average of the remaining lease terms and weighted average discount rates are as follows:

	November 30, 2021	November 30, 2020
Weighted average remaining lease term - operating leases (in years)	12	13
Weighted average discount rate - operating leases	3.8 %	3.4 %

As of November 30, 2021, maturities of operating lease liabilities were as follows:

(in millions)

Year		
2022	\$	202
2023		186
2024		167
2025		158
2026		145
Thereafter		880
Total lease payments		1,739
Less: Present value discount		(358)
Present value of lease liabilities	\$	<u>1,381</u>

For time charter arrangements where we are the lessor and for transactions with cruise guests related to the use of cabins, we do not separate lease and non-lease components. As the non-lease components are the predominant components in the agreements, we account for these transactions under the Revenue Recognition guidance.

NOTE 12 – Segment Information

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

The operating segments within each of our NAA and EA reportable segments have been aggregated based on the similarity of their economic and other characteristics. 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.

As of and for the years ended November 30,

<i>(in millions)</i>	Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)	Capital expenditures	Total assets
2021							
NAA	\$ 1,108	\$ 2,730	\$ 953	\$ 1,352	\$ (3,928)	\$ 2,397	\$ 25,606
EA	712	1,807	568	728	(2,617) (a)	515	16,088
Cruise Support	42	55	335	129	(477)	660	11,014
Tour and Other	46	63	27	23	(67)	35	637
	<u>\$ 1,908</u>	<u>\$ 4,655</u>	<u>\$ 1,885</u>	<u>\$ 2,233</u>	<u>\$ (7,089)</u>	<u>\$ 3,607</u>	<u>\$ 53,344</u>
2020							
NAA	\$ 3,627	\$ 5,623	\$ 1,066	\$ 1,413	\$ (5,794) (b)	\$ 1,430	\$ 25,257
EA	1,790	2,548	523	672	(2,729) (c)	2,036	16,505
Cruise Support	68	(10)	262	128	(313)	144	11,135
Tour and Other	110	84	27	28	(29)	11	696
	<u>\$ 5,595</u>	<u>\$ 8,245</u>	<u>\$ 1,878</u>	<u>\$ 2,241</u>	<u>\$ (8,865)</u>	<u>\$ 3,620</u>	<u>\$ 53,593</u>
2019							
NAA	\$ 13,612	\$ 8,370	\$ 1,427	\$ 1,364	\$ 2,451	\$ 2,781	\$ 27,102
EA	6,650	4,146	744	645	1,115	2,462	15,473
Cruise Support	173	125	281	115	(347)	143	1,861
Tour and Other	390	268	28	36	56	43	623
	<u>\$ 20,825</u>	<u>\$ 12,909</u>	<u>\$ 2,480</u>	<u>\$ 2,160</u>	<u>\$ 3,276</u>	<u>\$ 5,429</u>	<u>\$ 45,058</u>

(a) Includes \$226 million of goodwill impairment charges.

(b) Includes \$1.3 billion of goodwill impairment charges.

(c) Includes \$777 million of goodwill impairment charges.

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

<i>(in millions)</i>	Years Ended November 30,		
	2021	2020	2019
North America	\$ 1,066	\$ 3,084	\$ 11,502
Europe	811	1,643	6,318
Australia and Asia	18	687	2,632
Other	14	180	373
	<u>\$ 1,908</u>	<u>\$ 5,595</u>	<u>\$ 20,825</u>

Substantially all of our long-lived assets consist of our ships and move between geographic areas.

NOTE 13 – Compensation Plans and Post-Employment Benefits

Equity Plans

We issue our share-based compensation awards, which at November 30, 2021 included time-based share awards (restricted stock awards and restricted stock units), performance-based share awards and market-based share awards (collectively “equity awards”), under the Carnival Corporation and Carnival plc stock plans. Equity awards are principally granted to management level employees and members of our Boards of Directors. The plans are administered by the Compensation Committee which is made up of independent directors who determine which employees are eligible to participate, the monetary value or number of shares for which equity awards are to be granted and the amounts that may be exercised or sold within a specified term. We had an aggregate of 17.6 million shares available for future grant at November 30, 2021. We fulfill our equity award obligations using shares purchased in the open market or with unissued or treasury shares. Our equity awards generally vest over a three-year period, subject to earlier vesting under certain conditions.

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at November 30, 2018	2,280,517	\$ 61.57
Granted	1,357,177	\$ 52.17
Vested	(960,693)	\$ 53.49
Forfeited	(185,625)	\$ 56.13
Outstanding at November 30, 2019	2,491,376	\$ 59.97
Granted	9,971,331	\$ 20.72
Vested	(1,641,570)	\$ 30.68
Forfeited	(480,361)	\$ 50.96
Outstanding at November 30, 2020	10,340,776	\$ 26.61
Granted	4,453,572	\$ 20.65
Vested	(6,618,083)	\$ 21.31
Forfeited	(729,073)	\$ 35.81
Outstanding at November 30, 2021	<u>7,447,192</u>	\$ 26.85

As of November 30, 2021, there was \$80 million of total unrecognized compensation cost related to equity awards, which is expected to be recognized over a weighted-average period of 1.3 years.

Single-employer Defined Benefit Pension Plans

We maintain several single-employer defined benefit pension plans, which cover certain of our shipboard and shoreside employees. The U.S. and UK shoreside employee plans are closed to new membership and are funded at or above the level required by U.S. or UK regulations. The remaining defined benefit plans are primarily unfunded. These plans provide pension benefits primarily based on employee compensation and years of service.

<i>(in millions)</i>	UK Plan (a)		All Other Plans	
	2021	2020	2021	2020
Change in projected benefit obligation:				
Projected benefit obligation as of December 1	\$ 303	\$ 299	\$ 280	\$ 259
Past service cost	—	—	10	20
Interest cost	4	5	4	6
Benefits paid	(10)	(16)	(5)	(14)
Actuarial (gain) loss on plans' liabilities	(7)	14	(8)	13
Plan curtailments, settlements and other	7	—	(19)	(4)
Projected benefit obligation as of November 30	298	303	263	280
Change in plan assets:				
Fair value of plan assets as of December 1	325	312	17	18
Return on plans' assets	31	23	—	1
Employer contributions	1	6	17	14
Benefits paid	(10)	(16)	(5)	(14)
Plan settlements	—	—	(17)	(2)
Administrative expenses	8	(1)	—	—
Fair value of plan assets as of November 30	355	325	12	17
Funded status as of November 30	\$ 56	\$ 22	\$ (250)	\$ (263)

(a) The P&O Princess Cruises (UK) Pension Scheme ("UK Plan")

The amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

<i>(in millions)</i>	UK Plan		All Other Plans	
	November 30,		November 30,	
	2021	2020	2021	2020
Other assets	\$ 56	\$ 22	\$ —	\$ —
Accrued liabilities and other	\$ —	\$ —	\$ 23	\$ 32
Other long-term liabilities	\$ —	\$ —	\$ 227	\$ 231

The accumulated benefit obligation for all defined benefit pension plans was \$553 million and \$584 million at November 30, 2021 and 2020, respectively.

Amounts for pension plans with accumulated benefit obligations in excess of fair value of plan assets are as follows:

<i>(in millions)</i>	November 30,	
	2021	2020
Projected benefit obligation	\$ 263	\$ 280
Accumulated benefit obligation	\$ 254	\$ 272
Fair value of plan assets	\$ 12	\$ 17

The net benefit cost recognized in the Consolidated Statements of Income (Loss) were as follows:

<i>(in millions)</i>	UK Plan			All Other Plans		
	November 30,			November 30,		
	2021	2020	2019	2021	2020	2019
Service cost	\$ —	\$ —	\$ —	\$ 10	\$ 20	\$ 17
Interest cost	4	5	7	4	6	8
Expected return on plan assets	(6)	(8)	(11)	—	(1)	(1)
Amortization of net loss (gain)	—	—	—	4	4	3
Settlement loss recognized	—	—	—	5	1	—
Net periodic benefit cost	\$ (1)	\$ (3)	\$ (3)	\$ 22	\$ 32	\$ 28

The components of net periodic benefit cost other than the service cost component are included in other income (expense), net in the Consolidated Statements of Income (Loss).

Weighted average assumptions used to determine the projected benefit obligation are as follows:

	UK Plan		All Other Plans	
	2021	2020	2021	2020
Discount rate	1.6 %	1.6 %	2.6 %	2.2 %
Rate of compensation increase	2.7 %	2.3 %	3.0 %	2.8 %

Weighted average assumptions used to determine net pension income are as follows:

	UK Plan			All Other Plans		
	2021	2020	2019	2021	2020	2019
Discount rate	1.6 %	1.9 %	3.0 %	2.3 %	2.9 %	3.5 %
Expected return on assets	1.9 %	3.0 %	4.2 %	2.3 %	3.0 %	3.0 %
Rate of compensation increase	2.3 %	2.9 %	3.4 %	3.0 %	2.7 %	3.0 %

The discount rate used to determine the UK Plan's projected benefit obligation was determined as the single equivalent rate based on applying a yield curve determined from AA credit rated bonds at the balance sheet date to the cash flows making up the pension plan's obligations. The discount rate used to determine the UK Plan's future net periodic benefit cost was determined as the equivalent rate based on applying each individual spot rate from a yield curve determined from AA credit rated bonds at the balance sheet date for each year's cash flow. The UK Plan's expected long-term return on plan assets is consistent with the long-term investment return target provided to the UK Plan's fiduciary manager (U.K. government fixed interest bonds (gilts) plus 1.0%) and was 1.8% per annum as of November 30, 2021.

Amounts recognized in AOCI are as follows:

	UK Plan		All Other Plans	
	November 30,		November 30,	
	2021	2020	2021	2020
Actuarial losses (gains) recognized in the current year	\$ —	\$ 1	\$ (7)	\$ 13
Amortization and settlements included in net periodic benefit cost	\$ —	\$ —	\$ (12)	\$ (8)

We anticipate making contributions of \$25 million to the plans during 2022. Estimated future benefit payments to be made during each of the next five fiscal years and in the aggregate during the succeeding five fiscal years are as follows:

<i>(in millions)</i>	UK Plan	All Other Plans
2022	\$ 7	\$ 24
2023	7	22

2024	7	24
2025	7	27
2026	8	26
2027-2031	41	146
	\$ 77	\$ 269

Our investment strategy for our pension plan assets is to maintain a diversified portfolio of asset classes to produce a sufficient level of diversification and investment return over the long term. The investment policy for each plan specifies the type of investment vehicles appropriate for the plan, asset allocation guidelines, criteria for selection of investment managers and procedures to monitor overall investment performance, as well as investment manager performance. As of November 30, 2021 and 2020, respectively, the All Other Plans were substantially all unfunded.

The fair values of the plan assets of the UK Plan by investment class are as follows:

	November 30,	
	2021	2020
Equities	\$ 62	\$ 55
U.K. government fixed interest bonds (gilts)	283	270

Multiemployer Defined Benefit Pension Plans

We participate in two multiemployer defined benefit pension plans in the UK, the British Merchant Navy Officers Pension Fund (registration number 10005645) (“MNOFP”), which is divided into two sections, the “New Section” and the “Old Section” and the British Merchant Navy Ratings Pension Fund (registration number 10005646) (“MNRPF”). Collectively, we refer to these as “the multiemployer plans.” The multiemployer plans are maintained for the benefit of the employees of the participating employers who make contributions to the plans. The risks of participating in these multiemployer plans are different from single-employer plans, including:

- Contributions made by employers, including us, may be used to provide benefits to employees of other participating employers
- If any of the participating employers were to withdraw from the multiemployer plans or fail to make their required contributions, any unfunded obligations would be the responsibility of the remaining participating employers.

We are contractually obligated to make all required contributions as determined by the plans’ trustees. All of our multiemployer plans are closed to new membership and future benefit accrual. The MNOFP Old Section is fully funded.

We expense our portion of the MNOFP New Section deficit as amounts are invoiced by, and become due and payable to, the trustees. We accrue and expense our portion of the MNRPF deficit based on our estimated probable obligation from the most recent actuarial review. Total expense for the multiemployer plans was \$28 million in 2021, \$2 million in 2020 and \$6 million in 2019.

Based on the most recent valuation at March 31, 2018 of the MNOFP New Section, it was determined that this plan was 98% funded. In 2021, 2020 and 2019, our contributions to the MNOFP New Section did not exceed 5% of total contributions to the fund. Based on the most recent valuation at March 31, 2020 of the MNRPF, it was determined that this plan was 93% funded. In 2021, 2020 and 2019, our contributions to the MNRPF did not exceed 5% of total contributions to the fund. It is possible that we will be required to fund and expense additional amounts for the multiemployer plans in the future; however, such amounts are not expected to be material to our consolidated financial statements.

Defined Contribution Plans

We have several defined contribution plans available to most of our employees. We contribute to these plans based on employee contributions, salary levels and length of service. Total expense for these plans was \$35 million in 2021, \$24 million in 2020 and \$41 million in 2019.

NOTE 14 – Earnings Per Share

	Years Ended November 30,		
	2021	2020	2019
<i>(in millions, except per share data)</i>			
Net income (loss) for basic and diluted earnings per share	\$ (9,501)	\$ (10,236)	\$ 2,990
Weighted-average shares outstanding	1,123	775	690
Dilutive effect of equity plans	—	—	2
Diluted weighted-average shares outstanding	1,123	775	692
Basic earnings per share	\$ (8.46)	\$ (13.20)	\$ 4.34
Diluted earnings per share	\$ (8.46)	\$ (13.20)	\$ 4.32

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

	November 30,	
	2021	2020
<i>(in millions)</i>		
Equity awards	3	1
Convertible Notes	53	103
Total antidilutive securities	56	104

There were no antidilutive shares excluded from our 2019 diluted earnings per share computations.

NOTE 15 – Supplemental Cash Flow Information

	November 30,	
	2021	2020
<i>(in millions)</i>		
Cash and cash equivalents (Consolidated Balance Sheets)	\$ 8,939	\$ 9,513
Restricted cash included in prepaid expenses and other and other assets	38	179
Total cash, cash equivalents and restricted cash (Consolidated Statements of Cash Flows)	\$ 8,976	\$ 9,692

Cash paid for interest, net of capitalized interest, was \$1.3 billion in 2021, \$610 million in 2020 and \$171 million in 2019. In addition, cash paid for income taxes, net was not material in 2021 and 2020 and \$46 million in 2019.

In connection with the repurchase of the Convertible Notes as part of registered direct offerings of Carnival Corporation common stock used to repurchase a portion of the Convertible Notes in August and November 2020, as an administrative convenience, we permitted the purchasers of 151.2 million of Carnival Corporation common stock to offset the purchase price payable to us against our obligation to pay the purchase price for \$1.3 billion aggregate principal amount of the Convertible Notes held by them, which is reflected as a non-cash transaction for the year ended November 30, 2020.

For the years ended November 30, 2021 and 2019, we did not have borrowings or repayments of commercial paper with original maturities greater than three months. For the year ended November 30, 2020, we had borrowings of \$525 million and repayments of \$526 million of commercial paper with original maturities greater than three months.

Report of Independent Registered Public Accounting Firm

To the Boards of Directors and Shareholders of Carnival Corporation and Carnival plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Carnival Corporation & plc (comprising Carnival Corporation and Carnival plc and their respective subsidiaries, the “Company”) as of November 30, 2021 and 2020, and the related consolidated statements of income (loss), of comprehensive income (loss), of shareholders’ equity and of cash flows for each of the three years in the period ended November 30, 2021, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of November 30, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of November 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of November 30, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 11 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2020.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on the Company’s financial results and liquidity. Management’s evaluation of these events and conditions and management’s plans to mitigate these matters are also described in Note 1.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Liquidity - Impact of COVID-19

As described in Note 1 to the consolidated financial statements, the extent of the effects of COVID-19 on the business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the Company to profitability. Management believes that the ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on the Company's financial results and liquidity. Management has taken actions to improve the Company's liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions, and accelerating the removal of certain ships from the Company's fleet, with the addition of pursuing refinancing opportunities to reduce interest expense and extend maturities. The principal assumptions used in management's estimate of future liquidity requirements consisted of (i) the expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation; (ii) the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue; (iii) the expected gradual increase in occupancy levels during the resumption of guest cruise operations with the return to historical occupancy levels in 2023; (iv) the expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships; and (v) maintaining collateral and reserves at reasonable levels. Based on these actions and assumptions regarding the impact of COVID-19, and considering the Company's available liquidity including cash, short-term investments and borrowings available under the Company's revolving facility at November 30, 2021, as well as management's expected continued gradual return to service, management concluded there is sufficient liquidity to satisfy the Company's obligations for at least the next twelve months from the issuance of the financial statements.

The principal considerations for our determination that performing procedures relating to the impact of COVID-19 on the Company's liquidity is a critical audit matter are the significant judgment by management when developing the estimate of future liquidity requirements; this in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's estimate of future liquidity requirements, and assumptions related to (i) the expected continued gradual resumption of guest cruise operations; (ii) the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue; (iii) the expected gradual increase in occupancy levels during the resumption of guest cruise operations; (iv) the expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships; and (v) maintaining collateral and reserves at reasonable levels.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of future liquidity requirements. These procedures also included, among others, (i) testing management's process for estimating future liquidity requirements for the twelve months after the date the financial statements are issued; (ii) testing the completeness and accuracy of underlying data used in the estimate; (iii) evaluating the reasonableness of the significant assumptions used by management related to the expected continued gradual resumption of guest cruise operations, the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue, the expected gradual increase in occupancy levels during the resumption of guest cruise operations, the

expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships, and maintaining collateral and reserves at reasonable levels; and (iv) evaluating management's estimate of future liquidity requirements and their disclosure in the consolidated financial statements regarding having sufficient liquidity to satisfy the Company's obligations for at least the next twelve months from the issuance of the financial statements. Evaluating management's assumptions related to the expected continued gradual resumption of guest cruise operations, the expected, sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue, the expected gradual increase in occupancy levels during the resumption of guest cruise operations, the expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to its ships, and maintaining collateral and reserves at reasonable levels, involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the Company; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/PricewaterhouseCoopers LLP
Hallandale Beach, Florida
January 27, 2022

We have served as the Company's auditors since 2003. Prior to that, we served as Carnival Corporation's auditors since at least 1986. We have not been able to determine the specific year we began serving as auditor of Carnival Corporation.

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 amplified by and will continue to be amplified by, or in the future may 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.*
- *World events impacting the ability or desire of people to travel have and may continue to lead to a decline in demand for cruises.*
- *Incidents concerning our ships, guests or the cruise vacation industry 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.

2021 Executive Overview

During 2021, the Company focused on resuming operations as quickly as practical in a way that served the best interests of public health, while at the same time demonstrating prudent stewardship of capital. In addition, we believe that we have positioned the Company well on the path to profitability and established effective protocols for COVID-19. We achieved all of this while reinforcing our commitment to compliance, environmental protection and the health, safety and well-being of our guests, the people in the communities we touch and serve, and our shipboard and shoreside employees.

In 2021, we achieved key milestones related to our return to service including:

- Ending the year with 50 ships in guest cruise operations compared to one ship in 2020
- Returning over 65,000 crew members to our ships
- Carrying over 1.2 million guests indicating fundamental strength in demand for cruise vacations
- Delivering an exceptional guest experience with historically high net promoter scores

We ended the year with \$9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving credit facility, and \$3.5 billion of customer deposits, an increase of \$1.3 billion from 2020. To date, through our debt management efforts, we refinanced over \$9 billion, reducing our future annual interest by approximately \$400 million per year and extending maturities, optimizing our debt maturity profile.

As of January 13, 2022, eight of our nine cruise brands, or 67% of capacity, had resumed guest cruise operations. We expect to have our full fleet back in operation for our summer season where we historically generate the largest share of our operating income.

The Company achieved important milestones during our return to service and broadened our commitment to Environmental, Social and Governance (“ESG”) goals with the introduction of our 2030 sustainability goals and 2050 aspirations. We also achieved many operational milestones:

- Reopened our eight owned and operated private destinations and port facilities which have been visited by over half of our guests since the restart:
 - Princess Cay
 - Half Moon Cay
 - Grand Turk
 - Mahogany Bay
 - Amber Cove
 - Cozumel
 - Santa Cruz De Tenerife
 - Barcelona
- Welcomed seven new more efficient ships across our brands:
 - Carnival Cruise Line’s *Mardi Gras*, powered by LNG
 - P&O UK’s *Iona*, powered by LNG
 - *Costa Toscana*, powered by LNG
 - *AIDAcosma*, powered by LNG
 - Holland America Line’s *Rotterdam*
 - *Costa Firenze*
 - *Enchanted Princess*

Our decision to accelerate the exit of 19 ships as part of our fleet optimization strategy resulted in a more efficient fleet overall and lowered our planned capacity growth to approximately 2.5% compounded annually from 2019 through 2025, down from 4.5%

annually pre-COVID-19. We achieved a unit cost benefit from the removal of these less efficient ships from our fleet which will grow from the delivery of the larger and more efficient ships.

Upon returning to full operations, nearly 15% of our capacity will consist of these recently delivered, larger and more efficient ships which we believe will expedite our return to profitability and improve our return on invested capital. In addition, this roster of new ships is expected to drive additional enthusiasm around our restart plans.

As of January 13, 2022, we are operating the only six cruise ships in the world currently powered by LNG, which are 20% more carbon efficient. Upon returning to full cruise operations, our LNG efforts, our fleet optimization strategy and other innovative efforts to drive energy efficiency, are forecasted to deliver a 10% reduction in unit fuel consumption on an annualized basis compared to 2019, a significant achievement on our path to decarbonization.

Furthermore, the Company is focused on advancing its six critical sustainability focus areas – climate action; circular economy; good health and well-being; sustainable tourism; biodiversity and conservation; and diversity, equity and inclusion. Among these priorities, the Company is committed to continuing its reduction of carbon emissions and aspires to achieve net carbon-neutral ship operations by 2050, while minimizing the use of carbon offsets. While there is currently no clear path to zero carbon emissions in our industry, we are working to be part of the solution. To achieve the aspiration of net zero carbon emissions, the Company is partnering with key organizations to help identify and scale new technologies. We have and expect to continue to demonstrate leadership in executing carbon reduction strategies. The Company believes its scale will support its effort to lead the industry in climate action. The Company's carbon emissions reduction efforts include improvements in energy efficiency, integrating alternative fuels and investing in new technologies such as batteries and fuel cells.

Throughout the pause and the gradual resumption of guest cruise operations, we have been proactively managing to resume guest cruise operations as an even stronger and more efficient operating company to maximize cash generation and to deliver strong returns on invested capital. Once we return to full guest operations, our cash flow will be the primary driver to our return to an investment grade credit rating over time, creating greater shareholder value.

New Accounting Pronouncements

Refer to our consolidated financial statements for further information on *Accounting Pronouncements*.

Critical Accounting Estimates

Our critical accounting estimates are those we believe require our most significant judgments about the effect of matters that are inherently uncertain. A discussion of our critical accounting estimates, the underlying judgments and uncertainties used to make them and the likelihood that materially different estimates would be reported under different conditions or using different assumptions is as follows:

Liquidity and COVID-19

We make several critical accounting estimates with respect to our liquidity.

The effects of COVID-19 have had a significant impact on our operations and liquidity. Significant events affecting travel, including COVID-19 and our gradual resumption of guest cruise operations, have had and continue to have an impact on booking patterns. The extent of the effects of COVID-19 on our business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the company to profitability. The ongoing effects of COVID-19 have had, and will continue to have, a material negative impact on our financial results and liquidity.

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

- Expected continued gradual resumption of guest cruise operations, with the full fleet expected to be back in operation for our summer season, where we historically generate the largest share of our operating income
- Expected sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue as compared to 2019
- Expected gradual increase in occupancy levels during the resumption of guest cruise operations, with the return to historical occupancy levels in 2023
- Expected continued spend to maintain enhanced health and safety protocols and to support the resumption of guest cruise operations, including completing the return of crew members to our ships
- Maintaining collateral and reserves at reasonable levels

We cannot make assurances that our assumptions used to estimate liquidity requirements may not change because we have never previously experienced a complete cessation and subsequent gradual resumption of guest cruise operations, and as a consequence, our ability to be predictive is uncertain. In addition, the magnitude and duration of the global pandemic are uncertain. We have made reasonable estimates and judgments of the impact of COVID-19 within our consolidated financial statements and there may be changes to those estimates in future periods. We expect a net loss on both a U.S. GAAP and adjusted basis for the first half of 2022 and a profit for the second half of 2022. We have taken 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. In addition, we expect to continue to pursue refinancing opportunities to reduce interest expense and extend maturities.

Ship Accounting

We make several critical accounting estimates with respect to our ship accounting.

We account for ship improvement costs, including replacements of certain significant components and parts, by capitalizing those costs we believe add value to our ships and have a useful life greater than one year and depreciating those improvements over their estimated remaining useful life. The costs of repairs and maintenance, including minor improvement costs and expenses related to dry-docks, are charged to expense as incurred. If we change our assumptions in making our determinations as to whether improvements to a ship add value, the amounts we expense each year as repair and maintenance expense could increase, which would be partially offset by a decrease in depreciation expense, resulting from a reduction in capitalized costs.

In order to compute our ships' depreciation expense, we apply judgment to determine their useful lives as well as their residual values. We estimate the useful life of our ships and ship improvements based on the expected period over which the assets will be of economic benefit to us, including the impact of marketing and technical obsolescence, competition, physical deterioration, historical useful lives of similarly-built ships, regulatory constraints and maintenance requirements. In addition, we consider estimates of the weighted-average useful lives of the ships' major component systems, such as the hull, cabins, main electric, superstructure and engines. Taking all of this into consideration, we have estimated our new ships' useful lives at 30 years.

We determine the residual value of our ships based on our long-term estimates of their resale value at the end of their useful life to us but before the end of their physical and economic lives to others, historical resale values of our and other cruise ships and viability of the secondary cruise ship market. We have estimated our residual values at 15% of our original ship cost.

Given the large size and complexity of our ships, ship accounting estimates require considerable judgment and are inherently uncertain. We do not have cost segregation studies performed to specifically componentize our ships. In addition, since we do not separately componentize our ships, we do not identify and track depreciation of original ship components. Therefore, we typically have to estimate the net book value of components that are retired, based primarily upon their replacement cost, their age and their original estimated useful lives.

If materially different conditions existed, or if we materially changed our assumptions of ship useful lives and residual values, our depreciation expense, loss on retirement of ship components and net book value of our ships would be materially different. Our 2021 ship depreciation expense would have increased by approximately \$45 million assuming we had reduced our estimated 30-year ship useful life estimate by one year at the time we took delivery or acquired each of our ships. In addition, our 2021 ship depreciation expense would have increased by approximately \$228 million assuming we had estimated our ships to have no residual value.

We believe that the estimates we made for ship accounting purposes are reasonable and our methods are consistently applied in all material respects and result in depreciation expense that is based on a rational and systematic method to equitably allocate the costs of our ships to the periods during which we use them.

Valuation of Ships

Impairment reviews of our ships require us to make significant estimates.

We evaluate ship asset impairments at the individual ship level which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. We review our ships for impairment whenever events or circumstances indicate that the carrying value of a ship may not be recoverable. If estimated future cash flows are less than the carrying value of a ship, an impairment charge is recognized to the extent its carrying value exceeds fair value.

The estimation of a ship's fair value includes numerous assumptions that are subject to various risks and uncertainties. The principal assumption used in our ship impairment reviews consist of the timing of the sale of ships and estimated proceeds.

We determined the fair value of these ships based on their estimated selling value. Refer to our consolidated financial statements for additional discussion of our property and equipment policy, ship impairment reviews and ship impairment charges recognized during 2021.

We believe that we have made reasonable estimates.

Valuation of Goodwill

Impairment reviews of our goodwill require us to make significant estimates.

We review our goodwill for impairment at the reporting unit level as of July 31 every year, or more frequently if events or circumstances dictate. If the estimated fair value of any of our reporting units is less than the reporting unit's carrying value, goodwill is written down based on the difference between the reporting unit's carrying amount and its estimated fair value, limited to the amount of goodwill allocated to the reporting unit.

The estimation of our reporting unit fair value includes numerous assumptions that are subject to various risks and uncertainties. Our pause in guest cruise operations and the possibility of further extensions created some uncertainty in forecasting the operating results and future cash flows used in our impairment analyses. The principal assumptions used in our goodwill impairment reviews consist of:

- The timing and pace of our full return to guest cruise operations
- Weighted-average cost of capital of market participants, adjusted for the risk attributable to the geographic regions in which these cruise brands operate ("WACC")

The estimated fair value of the reporting unit with remaining goodwill significantly exceeded its carrying value as of the date of its most recent quantitative test. Refer to our consolidated financial statements for additional discussion of our goodwill accounting policy and impairment reviews.

We believe that we have made reasonable estimates and judgments.

Contingencies

We periodically assess the potential liabilities related to any lawsuits or claims brought against us, as well as for other known unasserted claims, including environmental, legal, regulatory and guest and crew matters. While it is typically very difficult to determine the timing and ultimate outcome of these matters, we use our best judgment to determine the appropriate amounts to record in our consolidated financial statements.

We accrue a liability and establish a reserve when we believe a loss is probable and the amount of the loss can be reasonably estimated. In assessing probable losses, we make estimates of the amount of probable insurance recoveries, if any, which are recorded as assets where appropriate. Such accruals and reserves are typically based on developments to date, management's estimates of the outcomes of these matters, our experience in contesting, litigating and settling other similar matters, historical claims experience, actuarially determined estimates of liabilities and any related insurance coverage.

Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that we may have made. In addition, as new information becomes available, we may need to reassess the amount of asset or liability that needs to be accrued related to our contingencies. All such changes in our estimates could materially impact our results of operations and financial position.

Refer to our consolidated financial statements for additional discussion of contingencies.

Results of Operations

We have historically earned substantially all of our cruise revenues from the following:

- Sales of passenger cruise tickets and, in some cases, the sale of air and other transportation to and from airports near our ships' home ports and cancellation fees. We also collect fees, taxes and other charges from our guests. The cruise ticket price typically includes the following:
 - Accommodations
 - Most meals, including snacks at numerous venues
 - Access to amenities such as swimming pools, water slides, water parks, whirlpools, a health club and sun decks
 - Supervised youth programs
 - Entertainment, such as theatrical and comedy shows, live music and nightclubs
 - Visits to multiple destinations
- Sales of onboard goods and services not included in the cruise ticket price. This generally includes the following:
 - Beverage sales
 - Casino gaming
 - Shore excursions
 - Retail sales
 - Photo sales
 - Internet and communication services
 - Full service spas
 - Specialty restaurants
 - Art sales
 - Laundry and dry cleaning services

These goods and services are provided either directly by us or by independent concessionaires, from which we receive either a percentage of their revenues or a fee. Concession revenues do not have direct expenses because the costs and services incurred for concession revenues are borne by our concessionaires. In 2021, we earned 45% of our cruise revenues from onboard and other revenue goods and services. In 2019, our most recent full year of guest cruise operations, we earned 30% of our cruise revenues from onboard and other revenues.

We earn our tour and other revenues from our hotel and transportation operations and other revenues.

We incur cruise operating costs and expenses for the following:

- The costs of passenger cruise bookings, which include travel agent commissions, cost of air and other transportation, port fees, taxes, and charges that directly vary with guest head counts and credit and debit card fees
- Onboard and other cruise costs, which include the costs of beverage sales, costs of shore excursions, costs of retail sales, internet and communication costs, credit and debit card fees, other onboard costs, costs of cruise vacation protection programs and pre- and post-cruise land packages
- Payroll and related costs, which include the costs of officers and crew in bridge, engineering and hotel operations. Substantially all costs associated with our shoreside personnel are included in selling and administrative expenses
- Fuel costs, which include fuel delivery costs
- Food costs, which include both our guest and crew food costs
- Other ship operating expenses, which include port costs that do not vary with guest head counts; repairs and maintenance, including minor improvements and dry-dock expenses; hotel costs; entertainment; gains and losses on ship sales; ship impairments; freight and logistics; insurance premiums and all other ship operating expenses

We incur tour and other costs and expenses for our hotel and transportation operations and other expenses.

Statistical Information

	Years Ended November 30,		
	2021	2020	2019
Passenger Cruise Days (“PCD”) (a)	8,179	26,478	93,397
Available Lower Berth Days (“ALBDs”) (in thousands) (b)	14,603	26,117	87,424
Occupancy percentage (c)	56.0 %	101.0 %	106.8 %
Passengers carried (in thousands)	1,223	3,499	12,866
Fuel consumption in metric tons (in thousands)	1,336	1,915	3,312
Fuel cost per metric ton consumed	\$ 515	\$ 430	\$ 472
Currencies (USD to 1)			
AUD	\$ 0.75	\$ 0.68	\$ 0.70
CAD	\$ 0.80	\$ 0.74	\$ 0.75
EUR	\$ 1.19	\$ 1.13	\$ 1.12
GBP	\$ 1.38	\$ 1.28	\$ 1.27
RMB	\$ 0.15	\$ 0.14	\$ 0.14

We paused our guest cruise operations in mid-March 2020 and were in a pause for a majority of 2020. In 2021, we began the gradual resumption of guest cruise operations which is continuing to have a material impact on all aspects of our business, including the above statistical information.

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 by using a numerator of PCDs and a 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.

2021 Compared to 2020

Results of Operations

Consolidated

<i>(in millions)</i>	Years Ended November 30,		Change	% increase (decrease)
	2021	2020		
Revenues				
Passenger ticket	\$ 1,000	\$ 3,684	\$ (2,684)	(73)%
Onboard and other	908	1,910	(1,003)	(52)%
	<u>1,908</u>	<u>5,595</u>	<u>(3,687)</u>	<u>(66)%</u>
Operating Costs and Expenses				
Commissions, transportation and other	269	1,139	(870)	(76)%
Onboard and other	272	605	(334)	(55)%
Payroll and related	1,309	1,780	(471)	(26)%
Fuel	680	823	(142)	(17)%
Food	187	413	(226)	(55)%
Ship and other impairments	591	1,967	(1,376)	(70)%
Other operating	1,346	1,518	(172)	(11)%
	<u>4,655</u>	<u>8,245</u>	<u>(3,590)</u>	<u>(44)%</u>
Selling and administrative	1,885	1,878	6	— %
Depreciation and amortization	2,233	2,241	(8)	— %
Goodwill impairment	226	2,096	(1,870)	(89)%
	<u>8,997</u>	<u>14,460</u>	<u>(5,462)</u>	<u>(38)%</u>
Operating Income (Loss)	<u>\$ (7,089)</u>	<u>\$ (8,865)</u>	<u>\$ 1,776</u>	<u>(20)%</u>

NAA

<i>(in millions)</i>	Years Ended November 30,		Change	% increase (decrease)
	2021	2020		
Revenues				
Passenger ticket	\$ 555	\$ 2,334	\$ (1,779)	(76)%
Onboard and other	553	1,293	(740)	(57)%
	<u>1,108</u>	<u>3,627</u>	<u>(2,519)</u>	<u>(69)%</u>
Operating Costs and Expenses				
Operating Costs and Expenses	2,730	5,623	(2,893)	(51)%
Selling and administrative	953	1,066	(113)	(11)%
Depreciation and amortization	1,352	1,413	(60)	(4)%
Goodwill impairment	—	1,319	(1,319)	100 %
	<u>5,036</u>	<u>9,422</u>	<u>(4,386)</u>	<u>(47)%</u>
Operating Income (Loss)	<u>\$ (3,928)</u>	<u>\$ (5,794)</u>	<u>\$ 1,867</u>	<u>(32)%</u>

EA

<i>(in millions)</i>	Years Ended November 30,		Change	% increase (decrease)
	2021	2020		
Revenues				
Passenger ticket	\$ 491	\$ 1,388	\$ (897)	(65)%
Onboard and other	221	402	(181)	(45)%
	<u>712</u>	<u>1,790</u>	<u>(1,078)</u>	<u>(60)%</u>
Operating Costs and Expenses	1,807	2,548	(741)	(29)%
Selling and administrative	568	523	46	9 %
Depreciation and amortization	728	672	56	8 %
Goodwill impairment	226	777	(551)	(71)%
	<u>3,329</u>	<u>4,519</u>	<u>(1,190)</u>	<u>(26)%</u>
Operating Income (Loss)	<u>\$ (2,617)</u>	<u>\$ (2,729)</u>	<u>\$ 112</u>	<u>(4)%</u>

We paused our guest cruise operations in March 2020 with minimal cruise related revenue recognized during the remainder of 2020. In addition, we incurred incremental COVID-19 related costs associated with repatriating guests and crew members, enhancing health protocols and sanitizing our ships, restructuring costs and defending lawsuits. As of November 30, 2021, eight of our nine brands had resumed guest cruise operations as part of our gradual return to service. The gradual resumption of guest cruise operations is continuing to have a material impact on all aspects of our business, including our liquidity, financial position and results of operations. The full extent of the impact will be determined by our gradual return to service and the length of time COVID-19 influences travel decisions.

As of November 30, 2021, 61% of our capacity was operating with guests on board, which is an increase from November 30, 2020 where we had one ship in service. Revenues for the year ended November 30, 2021 decreased \$3.7 billion, or 66%, to \$1.9 billion from \$5.6 billion in 2020 as a result of the pause in guest cruise operations beginning March 2020 and the gradual resumption in guest cruise operations in 2021. Occupancy for 2021 was 56%, compared to 101% in 2020, due to the gradual resumption of guest cruise operations.

During 2021 we incurred, and we expect to continue incurring, incremental restart-related spend including the cost of returning ships to guest cruise operations and returning crew members to our ships as well as the incremental costs of maintaining enhanced health and safety protocols as we continue our gradual return to service. During 2020, while maintaining compliance, environmental protection and safety, we significantly reduced ship operating expenses, including cruise payroll and related expenses, food, fuel, insurance and port charges by transitioning ships into paused status, either at anchor or in port, and staffed at a safe manning level.

We recognized goodwill impairment charges of \$0.2 billion and \$2.1 billion for the years ended November 30, 2021 and 2020.

We recognized ship impairment charges of \$0.6 billion and \$1.8 billion as of November 30, 2021 and 2020.

We believe the increasing cost of fuel, LNG and other related costs, inclusive of costs related to any potential future carbon emission related regulations, are reasonably likely to impact our profitability in both the short and long-term.

In addition, the increasing global focus on climate change, including the reduction of carbon emissions and new and evolving regulatory requirements, is reasonably likely to impact our future costs, capital expenditures and revenues and/or the relationship between them. The full impact of the focus on climate change is not yet known.

Nonoperating Income (Expense)

Interest expense, net of capitalized interest, increased by \$0.7 billion to \$1.6 billion in 2021 from \$0.9 billion in 2020. The increase was caused by our higher average debt balance in 2021 compared to 2020.

Loss on debt extinguishment increased by \$212 million to \$670 million in 2021 from \$459 million in 2020. The increase was caused by the repurchase of \$4.0 billion of the aggregate principal of the 2023 Senior Secured Notes.

Key Performance Non-GAAP Financial Indicators

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

<i>(dollars in millions, except per share data)</i>	Years Ended November 30,		
	2021	2020	2019
Net income (loss)			
U.S. GAAP net income (loss)	\$ (9,501)	\$ (10,236)	\$ 2,990
(Gains) losses on ship sales and impairments	802	3,934	(6)
(Gains) losses on debt extinguishment, net	670	459	—
Restructuring expenses	13	47	10
Other	86	3	47
Adjusted net income (loss)	\$ (7,931)	\$ (5,793)	\$ 3,041
Interest expense, net of capitalized interest	1,601	895	206
Interest income	(12)	(18)	(23)
Income tax expense, net	(21)	(17)	71
Depreciation and amortization	2,233	2,241	2,160
Adjusted EBITDA	\$ (4,129)	\$ (2,692)	\$ 5,455
Weighted-average shares outstanding	1,123	775	692
Earnings per share			
U.S. GAAP earnings per share	\$ (8.46)	\$ (13.20)	\$ 4.32
(Gains) losses on ship sales and impairments	0.71	5.08	(0.01)
(Gains) losses on debt extinguishment, net	0.60	0.59	—
Restructuring expenses	0.01	0.06	0.01
Other	0.08	—	0.07
Adjusted earnings per share	\$ (7.06)	\$ (7.47)	\$ 4.40

Explanations of Non-GAAP Financial Measures

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

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

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

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

2020 Compared to 2019

Results of Operations

Consolidated

<i>(in millions)</i>	Years Ended November 30,		Change	% increase (decrease)
	2020	2019		
Revenues				
Passenger ticket	\$ 3,684	\$ 14,104	\$ (10,420)	(74)%
Onboard and other	1,910	6,721	(4,810)	(72)%
	<u>5,595</u>	<u>20,825</u>	<u>(15,230)</u>	<u>(73)%</u>
Operating Costs and Expenses				
Commissions, transportation and other	1,139	2,720	(1,582)	(58)%
Onboard and other	605	2,101	(1,496)	(71)%
Payroll and related	1,780	2,249	(469)	(21)%
Fuel	823	1,562	(739)	(47)%
Food	413	1,083	(671)	(62)%
Ship and other impairments	1,967	26	1,941	7542 %
Other operating	1,518	3,167	(1,649)	(52)%
	<u>8,245</u>	<u>12,909</u>	<u>(4,664)</u>	<u>(36)%</u>
Selling and administrative	1,878	2,480	(601)	(24)%
Depreciation and amortization	2,241	2,160	81	4 %
Goodwill impairment	2,096	—	2,096	100 %
	<u>14,460</u>	<u>17,549</u>	<u>(3,089)</u>	<u>(18)%</u>
Operating Income (Loss)	<u>\$ (8,865)</u>	<u>\$ 3,276</u>	<u>\$ (12,141)</u>	<u>(371)%</u>

NAA

<i>(in millions)</i>	Years Ended November 30,		Change	% increase (decrease)
	2020	2019		
Revenues				
Passenger ticket	\$ 2,334	\$ 8,992	\$ (6,658)	(74)%
Onboard and other	1,293	4,620	(3,327)	(72)%
	<u>3,627</u>	<u>13,612</u>	<u>(9,985)</u>	<u>(73)%</u>
Operating Costs and Expenses	5,623	8,370	(2,747)	(33)%
Selling and administrative	1,066	1,427	(361)	(25)%
Depreciation and amortization	1,413	1,364	49	4 %
Goodwill impairment	1,319	—	1,319	100 %
	<u>9,422</u>	<u>11,161</u>	<u>(1,739)</u>	<u>(16)%</u>
Operating Income (Loss)	<u>\$ (5,794)</u>	<u>\$ 2,451</u>	<u>\$ (8,246)</u>	<u>(336)%</u>

EA

<i>(in millions)</i>	Years Ended November 30,		Change	% increase (decrease)
	2020	2019		
Revenues				
Passenger ticket	\$ 1,388	\$ 5,207	\$ (3,820)	(73)%
Onboard and other	402	1,442	(1,040)	(72)%
	<u>1,790</u>	<u>6,650</u>	<u>(4,860)</u>	<u>(73)%</u>
Operating Costs and Expenses	2,548	4,146	(1,599)	(39)%
Selling and administrative	523	744	(221)	(30)%
Depreciation and amortization	672	645	27	4 %
Goodwill impairment	777	—	777	100 %
	<u>4,519</u>	<u>5,534</u>	<u>(1,016)</u>	<u>(18)%</u>
Operating Income (Loss)	<u>\$ (2,729)</u>	<u>\$ 1,115</u>	<u>\$ (3,845)</u>	<u>(345)%</u>

We paused our guest operations in mid-March 2020. We resumed guest cruise operations in September 2020 as part of our gradual return to service.

During 2020, as a result of the pause in our guest cruise operations, we experienced meaningfully lower revenues compared to the prior year. This has resulted in an operating loss for the current period.

While maintaining compliance, environmental protection and safety, we significantly reduced ship operating expenses, including cruise payroll and related expenses, food, fuel, insurance and port charges by transitioning ships into paused status, either at anchor or in port and staffed at a safe manning level.

In addition, during the year we incurred incremental COVID-19 related costs associated with repatriating guests and crew members, enhancing health protocols and sanitizing our ships, restructuring costs and defending lawsuits.

As a result of the effects of COVID-19 on our expected future operating cash flows, we recognized goodwill impairment charges of \$2.1 billion and ship impairment charges of \$1.8 billion during 2020.

Liquidity, Financial Condition and Capital Resources

As of November 30, 2021, we had \$9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. Through our debt management efforts, we have refinanced over \$9 billion to date, reducing our future annual interest expense by approximately \$400 million per year and extending maturities, optimizing our debt maturity profile. During 2022, we will continue to be focused on pursuing refinancing opportunities to reduce interest rates and extend maturities. Since December 2020, we have completed the following:

- In December 2020, we borrowed \$1.5 billion under export credit facilities due in semi-annual installments through 2033.
- In February 2021, we issued an aggregate principal amount of \$3.5 billion senior unsecured notes that mature on March 1, 2027. The 2027 Senior Unsecured Notes bear interest at a rate of 5.75% per year.
- In February 2021, we completed a public offering of 40.5 million shares of Carnival Corporation's common stock at a price per share of \$25.10, resulting in net proceeds of \$996 million.
- In June 2021, we entered into an amendment to reprice our \$2.8 billion 2025 Secured Term Loan (the "2025 Secured Term Loan"). The amended U.S. dollar tranche bears interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3%. The amended euro tranche bears interest at a rate per annum equal to EURIBOR (with a 0% floor) plus 3.75%.
- In July 2021, we issued \$2.4 billion aggregate principal amount of 4% first-priority senior secured notes due in 2028 (the "2028 Senior Secured Notes"). We used the net proceeds from the issuance to purchase \$2.0 billion aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. The 2028 Senior Secured Notes mature on August 1, 2028.
- In July 2021, we borrowed \$544 million under an export credit facility due in semi-annual installments through 2033.
- We amended our export credit facilities to defer approximately \$1.0 billion of principal payments that would otherwise have been due over a one year period commencing April 1, 2021 until March 31, 2022, with repayments to be made over the following five years.
- In October 2021, we borrowed an aggregate principal amount of \$2.3 billion under a new term loan. We used the net proceeds from this borrowing to redeem \$2.0 billion outstanding aggregate principal amount of the 2023 Senior Secured Notes and to pay accrued interest on such notes and related fees and expenses. Borrowings under the new term loan bear interest at a rate per annum equal to LIBOR (with a 0.75% floor) plus 3.25% and will mature on October 18, 2028.
- In November 2021, we issued an aggregate principal amount of \$2.0 billion senior unsecured notes that mature on May 1, 2029 (the "2029 Senior Unsecured Notes"), intended to refinance various 2022 maturities. The 2029 Senior Unsecured Notes bear interest at a rate of 6% per year and are callable beginning November 1, 2024.
- We extended loan maturities totaling approximately \$650 million originally due in 2022 and 2023, to various dates in 2023 through 2026.

We have entered into amendments aligning the financial covenants of all our export credit facilities with our other facilities. Refer to Note 5 - "Debt" of the consolidated financial statements and "Funding Sources" below for additional details.

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

We had a working capital deficit of \$0.3 billion as of November 30, 2021 compared to a working capital surplus of \$1.9 billion as of November 30, 2020. The decrease in working capital was driven by an increase in customer deposits and a decrease in cash. Historically we have operated 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 \$3.1 billion and \$1.9 billion of customer deposits as of November 30, 2021 and 2020, respectively. We have paid and expect to continue to pay cash refunds of customer deposits with respect to a portion of cancelled cruises. The amount of cash refunds to be paid may depend on the level of guest acceptance of FCCs and future cruise cancellations. We record a liability for FCCs only to the extent we have received cash from guests with bookings on cancelled sailings. 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. We expect that we will have greater working capital deficits in the future once we return to full guest cruise operations.

Sources and Uses of Cash

Operating Activities

Our business used \$4.1 billion of net cash flows in operating activities during 2021, a decrease of \$2.2 billion, compared to \$6.3 billion used in 2020. This decrease was due to the reduction in cash outflows for refunds of customer deposits and credit card processor reserve funds provided. During 2020, our business used \$6.3 billion of net cash from operations, a decrease of \$11.8 billion, compared to \$5.5 billion provided in 2019.

Investing Activities

During 2021, net cash used in investing activities was \$3.5 billion. This was caused by:

- Capital expenditures of \$3.0 billion for our ongoing new shipbuilding program
- Capital expenditures of \$602 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships and other of \$351 million
- Purchases of short-term investments of \$2.9 billion
- Proceeds from maturity of short-term investments of \$2.7 billion

During 2020, net cash used in investing activities was \$3.2 billion. This was caused by:

- Capital expenditures of \$2.8 billion for our ongoing new shipbuilding program
- Capital expenditures of \$868 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of \$334 million
- Proceeds of \$220 million from the settlement of outstanding derivatives

During 2019, net cash used in investing activities was \$5.3 billion. This was caused by:

- Capital expenditures of \$3.8 billion for our ongoing new shipbuilding program
- Capital expenditures of \$1.7 billion for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sales of ships of \$26 million

Financing Activities

During 2021, net cash provided by financing activities of \$6.9 billion was caused by the following:

- Issuances of \$13.0 billion of long-term debt
- Repayments of \$6.0 billion of long-term debt
- Premium payments of \$545 million related to the extinguishment of debt
- Net proceeds of \$1.0 billion from Carnival Corporation common stock
- Purchases of \$188 million of Carnival plc ordinary shares and issuances of \$206 million of Carnival Corporation common stock under our Stock Swap Program
- Payments of \$319 million related to debt issuance costs

During 2020, net cash provided by financing activities of \$18.6 billion was caused by the following:

- Net proceeds from short-term borrowings of \$2.9 billion in connection with our availability of, and needs for, cash at various times throughout the period, including proceeds of \$3.1 billion from the Revolving Facility
- Repayments of \$1.6 billion of long-term debt
- Issuances of \$15.0 billion of long-term debt
- Payments of cash dividends of \$689 million
- Net proceeds of \$3.0 billion from our public offerings of Carnival Corporation common stock
- Net proceeds of \$222 million from a registered direct offering of Carnival Corporation common stock used to repurchase a portion of the Convertible Notes

During 2019, net cash used in financing activities of \$655 million was substantially all due to the following:

- Net proceeds of short-term borrowings of \$605 million in connection with our availability of, and needs for, cash at various times throughout the period
- Repayments of \$1.7 billion of long-term debt
- Issuances of \$3.7 billion of long-term debt
- Payments of cash dividends of \$1.4 billion

- Purchases of \$603 million of Carnival Corporation common stock and Carnival plc ordinary shares in open market transactions under our Repurchase Program

Material Cash Requirements

<i>(in millions)</i>	Payments Due by					Total
	2022	2023	2024	2025	2026	
Debt (a)	\$ 3,251	\$ 4,035	\$ 5,922 (c)	\$ 5,472	\$ 5,293	\$ 23,973
Newbuild capital expenditures (b)	4,355	2,576	1,641	987	—	9,560
Total	\$ 7,606	\$ 6,611	\$ 7,564	\$ 6,459	\$ 5,293	\$ 33,533

- (a) Includes principal as well as estimated interest payments and does not include the impact of any future possible refinancings. Excludes undrawn export credits.
- (b) As of November 30, 2021, we have committed undrawn export credit facilities of \$5.6 billion which fund a portion of our Newbuild contractual commitments.
- (c) Includes borrowings under the Revolving Facility. As of November 30, 2021, borrowings under the Revolving Facility were \$2.8 billion, which mature in 2024.

Funding Sources

As of November 30, 2021, we had \$9.4 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. In addition, we had \$5.6 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>	2022	2023	2024
Future export credit facilities at November 30, 2021	\$ 3.2	\$ 1.8	\$ 0.6

Our export credit facilities contain various financial covenants as described in Note 5 - “Debt”. At November 30, 2021, we were in compliance with the applicable covenants under our debt agreements.

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 (the “Stock Swap Program”). 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.

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 2021, under the Stock Swap Program, we sold 8.9 million shares of Carnival Corporation’s common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$19 million which were used for general corporate purposes. During 2020 and 2019, there were no sales or repurchases under the Stock Swap Program.

Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our hedging strategies and market risks, see the discussion below and the consolidated financial statements.

Fuel Price Risks

Substantially all our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We have installed Advanced Air Quality Systems on most of our ships, which has aided in the mitigation of the financial impact from the ECAs and global 0.5% sulfur requirements.

Foreign Currency Exchange Rate Risks

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 will affect our financial statements.

Investment Currency Risks

The foreign currency exchange rates were as follows:

USD to 1:	November 30,	
	2021	2020
AUD	\$ 0.71	\$ 0.74
CAD	\$ 0.78	\$ 0.77
EUR	\$ 1.13	\$ 1.20
GBP	\$ 1.33	\$ 1.33
RMB	\$ 0.16	\$ 0.15

If the November 30, 2020 currency exchange rates had been used to translate our November 30, 2021 non-U.S. dollar functional currency operations' assets and liabilities (instead of the November 30, 2021 U.S. dollar exchange rates), our total assets would have been higher by \$667 million and our total liabilities would have been higher by \$359 million.

As of November 30, 2021, we had a cross currency swap totaling of \$201 million which settles through 2028. This cross currency swap is designated as a hedge of our net investments in foreign operations, which has a euro-denominated functional currency, thus partially offsetting the foreign currency exchange rate risk. Based on a 10% change in the U.S. dollar to euro exchange rate as of November 30, 2021, we estimate that the fair value of this cross currency swap and offsetting change in U.S. dollar value of our net investments would change by \$22 million.

Newbuild Currency Risks

At November 30, 2021, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments, which represent a total unhedged commitment of \$6.8 billion and relate to newbuilds scheduled to be delivered from 2021 through 2025 to non-euro functional currency brands. The functional currency cost of each of these ships will increase or decrease based on changes in the exchange rates until the unhedged payments are made under the shipbuilding contract. We may enter into additional foreign currency derivatives to mitigate some of this foreign currency exchange rate risk. Based on a 10% change in euro to U.S. dollar exchange rates as of November 30, 2021, the remaining unhedged cost of these ships would have a corresponding change of \$675 million.

Interest Rate Risks

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

	November 30, 2021
Fixed rate	45 %
EUR fixed rate	13 %
Floating rate	26 %
EUR floating rate	14 %
GBP floating rate	1 %

At November 30, 2021, we had interest rate swaps that have effectively changed \$160 million of EURIBOR-based floating rate euro debt to fixed rate euro debt. Based on a 10% change in the November 30, 2021 market interest rates, our 2021 interest expense on floating rate debt, including the effect of our interest rate swaps, would have changed by an insignificant amount.

COMMON STOCK AND ORDINARY SHARES

Carnival Corporation's common stock, together with paired trust shares of beneficial interest in the P&O Princess Special Voting Trust, which holds a Special Voting Share of Carnival plc, is traded on the NYSE under the symbol "CCL." Carnival plc's ordinary shares trade on the London Stock Exchange under the symbol "CCL." Carnival plc's American Depositary Shares ("ADSs"), each one of which represents one Carnival plc ordinary share, are traded on the NYSE under the symbol "CUK." The depositary for the ADSs is JPMorgan Chase Bank, N.A.

As of January 13, 2022, there were 2,962 holders of record of Carnival Corporation common stock and 29,720 holders of record of Carnival plc ordinary shares and 406 holders of record of Carnival plc ADSs. The past performance of our share prices cannot be relied on as a guide to their future performance.

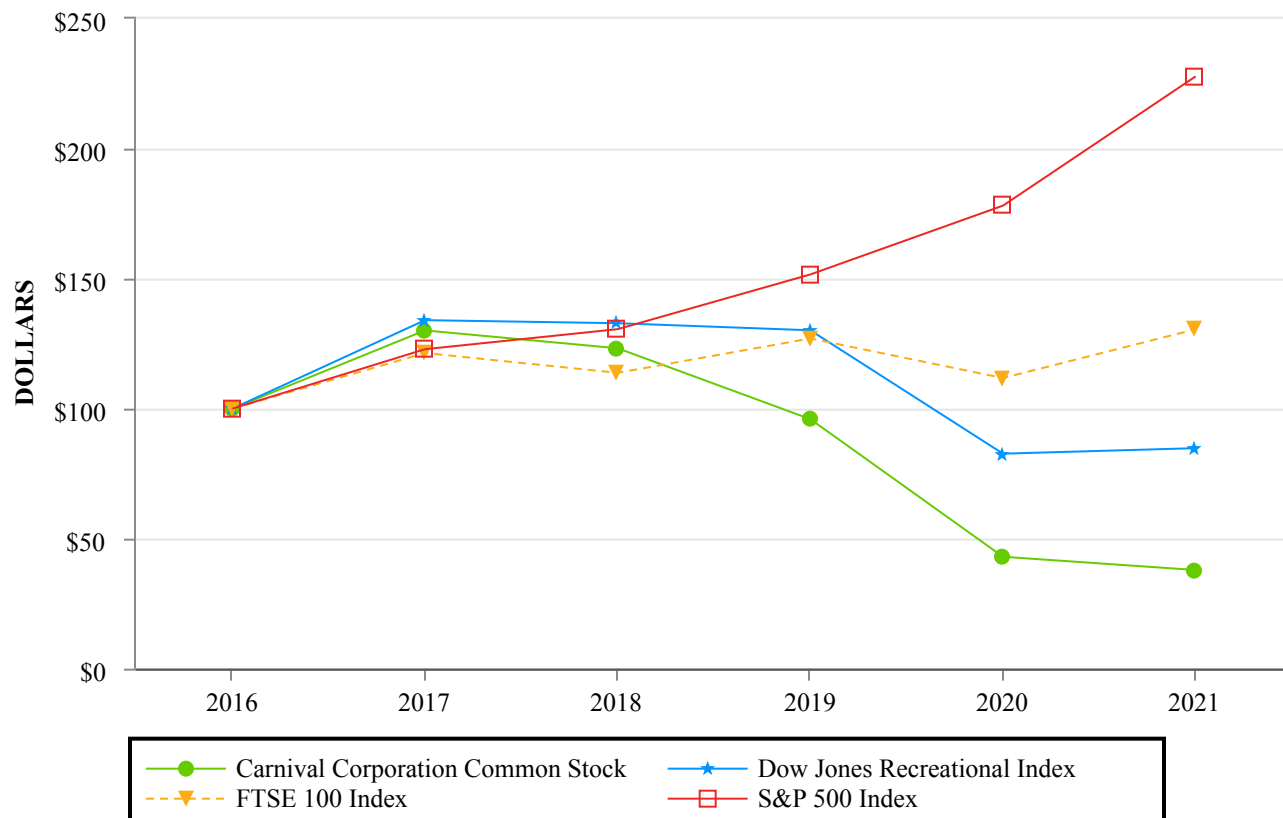
On March 30, 2020, we suspended the payment of dividends on the common stock of Carnival Corporation and the ordinary shares of Carnival plc.

STOCK PERFORMANCE GRAPHS

Carnival Corporation

The following graph compares the Price Performance of \$100 if invested in Carnival Corporation common stock with the Price Performance of \$100 if invested in each of the Dow Jones U.S. Recreational Services Index (the “Dow Jones Recreational Index”), the FTSE 100 Index and the S&P 500 Index. The Price Performance, as used in the Performance Graph, is calculated by assuming \$100 is invested at the beginning of the period in Carnival Corporation common stock at a price equal to the market value. At the end of each year, the total value of the investment is computed by taking the number of shares owned, assuming Carnival Corporation dividends are reinvested, multiplied by the market price of the shares.

5-Year Cumulative Total Returns



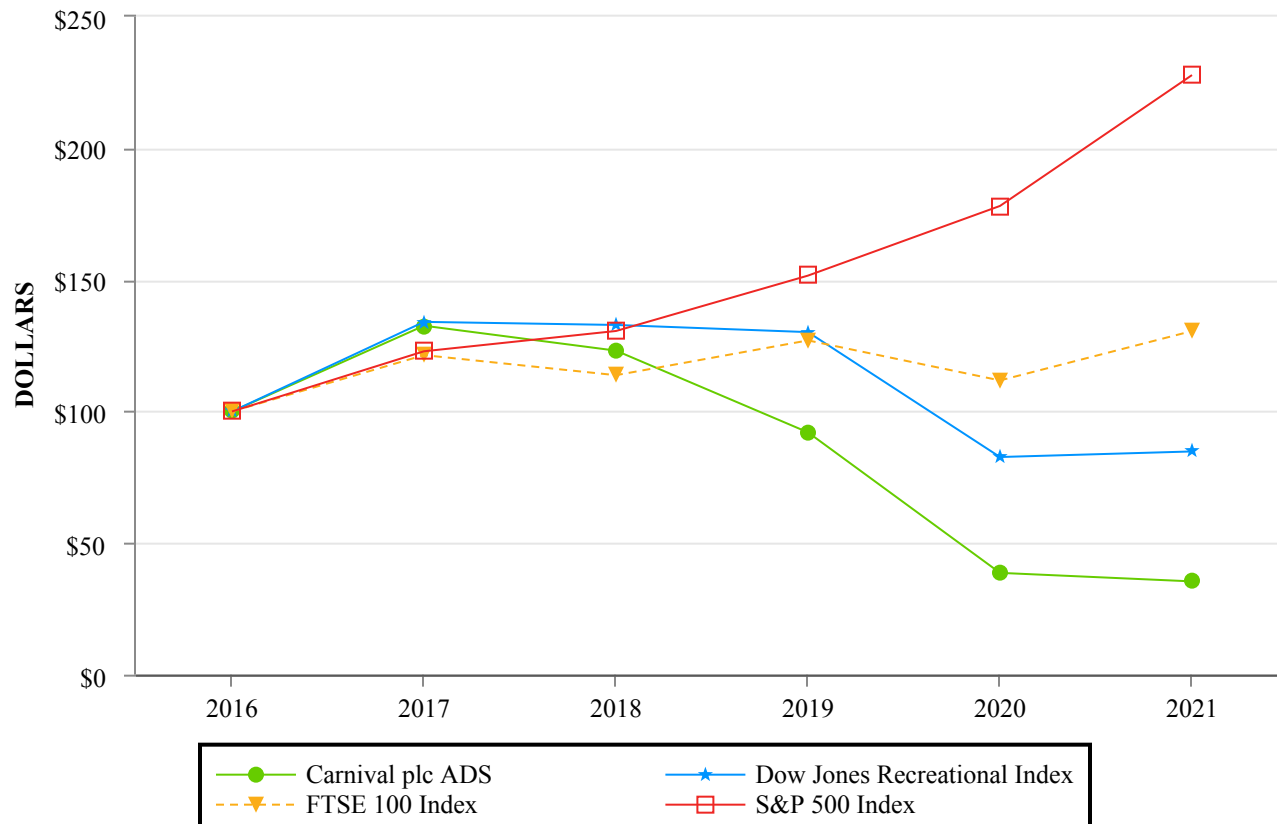
**Assumes \$100 Invested on November 30, 2016
Assumes Dividends Reinvested
Years Ended November 30,**

	2016	2017	2018	2019	2020	2021
Carnival Corporation Common Stock	\$ 100	\$ 130	\$ 123	\$ 96	\$ 43	\$ 38
Dow Jones Recreational Index	\$ 100	\$ 134	\$ 133	\$ 130	\$ 83	\$ 85
FTSE 100 Index	\$ 100	\$ 121	\$ 114	\$ 127	\$ 112	\$ 131
S&P 500 Index	\$ 100	\$ 123	\$ 131	\$ 152	\$ 178	\$ 228

Carnival plc

The following graph compares the Price Performance of \$100 invested in Carnival plc ADSs, each representing one ordinary share of Carnival plc, with the Price Performance of \$100 invested in each of the indexes noted below. The Price Performance is calculated in the same manner as previously discussed.

5-Year Cumulative Total Returns



**Assumes \$100 Invested on November 30, 2016
Assumes Dividends Reinvested
Years Ended November 30,**

	2016	2017	2018	2019	2020	2021
Carnival plc ADS	\$ 100	\$ 133	\$ 123	\$ 92	\$ 39	\$ 35
Dow Jones Recreational Index	\$ 100	\$ 134	\$ 133	\$ 130	\$ 83	\$ 85
FTSE 100 Index	\$ 100	\$ 121	\$ 114	\$ 127	\$ 112	\$ 131
S&P 500 Index	\$ 100	\$ 123	\$ 131	\$ 152	\$ 178	\$ 228

SUBSIDIARIES OF CARNIVAL CORPORATION AND CARNIVAL PLC

The following is a list of all of our subsidiaries, their jurisdiction of incorporation and the names under which they do business.

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
1972 Productions, Inc.	Florida
6348 Equipment LLC	Florida
A.C.N. 098 290 834 Pty. Ltd.	Australia
A.J. Juneau Dock, LLC	Alaska
Adventure Island Ltd.	Bahamas
AIDA Kundencenter GmbH	Germany
AIDAradio GmbH	Germany
Air-Sea Holiday GmbH	Switzerland
Alaska Hotel Properties LLC	Delaware
Barcelona Cruise Terminal SLU	Spain
Bay Island Cruise Port, S.A.	Honduras
Belize Cruise Terminal Limited	Belize
Carnival (UK) Limited	UK
Carnival Bahamas FC Limited	Bahamas
Carnival Bahamas Holdings Limited	Bahamas
Carnival Corporation & plc Asia Pte. Ltd.	Singapore
Carnival Corporation Hong Kong Limited	Hong Kong
Carnival Corporation Korea Ltd.	Korea
Carnival Corporation Ports Group Japan KK	Japan
Carnival Finance, LLC	Delaware
Carnival Grand Bahama Investment Limited	Bahamas
Carnival Investments Limited	Bahamas
Carnival Japan, Inc.	Japan
Carnival License Holdings Limited	Bahamas
Carnival Maritime GmbH	Germany
Carnival North America LLC	Florida
Carnival Port Holdings Limited	UK
Carnival Ports Inc.	Florida
Carnival Support Services India Private Limited	India
Carnival Technical Services (UK) Limited	UK
Carnival Technical Services Finland Limited	Finland
Carnival Technical Services GmbH	Germany
Carnival Vanuatu Limited	Vanuatu
CC U.S. Ventures, Inc.	Delaware
CCL Gifts, LLC	Florida
Costa Crociere PTE Ltd.	Singapore
Costa Crociere S.p.A.	Italy
Costa Cruceros S.A.	Argentina

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
Costa Cruise Lines Inc.	Florida
Costa Cruise Lines UK Limited	UK
Costa Cruises Customer Center S.L.U.	Spain
Costa Cruises Shipping Services (Shanghai) Company Limited	China
Costa Cruises Travel Agency (Shanghai) Co., Ltd.	China
Costa Cruises Turkey Turizm Gelisim A.S.	Turkey
Costa Cruzeiros Agencia Maritima e Turismo Ltda.	Brazil
Costa International B.V.	Netherlands
Costa Kreuzfahrten GmbH	Switzerland
Cozumel Cruise Terminal S.A. de C.V.	Mexico
Cruise Ships Catering & Services International N.V.	Curacao
Cruise Terminal Services, S.A. de C.V.	Mexico
Cruiseport Curacao C.V.	Curacao
CSMART Real Estate B.V.	Netherlands
CSMART Real Estate C.V.	Netherlands
CSSC Carnival (Shanghai) Cruise Shipping Limited	China
CSSC Carnival Italy Cruise Investment S.r.L	Italy
D.R. Cruise Port, Ltd.	Bahamas
F.P.M. SAS	French Polynesia
F.P.P. SAS	French Polynesia
Fleet Maritime Services (Bermuda) Limited	Bermuda
Fleet Maritime Services Holdings (Bermuda) Limited	Bermuda
Fleet Maritime Services International Limited	Bermuda
Gibs, Inc.	Delaware
Global Experience Innovators, Inc.	Florida
Global Fine Arts, Inc.	Florida
Global Shipping Service (Shanghai) Co., Ltd.	China
Grand Cruise Shipping Unipessoal Lda	Portugal (Madeira)
Grand Turk Cruise Center Ltd.	Turks & Caicos
GXI, LLC	Delaware
HAL Antillen N.V.	Curacao
HAL Beheer B.V.	Netherlands
HAL Maritime Ltd.	British Virgin Islands
HAL Nederland N.V.	Curacao
HAL Properties Limited	Bahamas
HAL Services B.V.	Netherlands
Holding Division Iberocruceiros SLU	Spain
Holland America Line Inc.	Washington
Holland America Line N.V.	Curacao
Holland America Line Paymaster of Washington LLC	Washington
Holland America Line U.S.A., Inc.	Delaware
HSE Hamburg School of Entertainment GmbH	Germany
Ibero Cruzeiros Ltda.	Brazil

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
Iberocruceros SLU	Spain
Information Assistance Corporation	Bermuda
International Cruise Services, S.A. de C.V.	Mexico
International Leisure Travel Inc.	Panama
International Maritime Recruitment Agency, S.A. de C.V.	Mexico
Milestone N.V.	Curacao
Navitrans S.R.L.	Italy
Ocean Bahamas Innovation Ltd.	Bahamas
Ocean Medallion Fulfillment, Ltd.	Bahamas
Odds On Gaming Corporation	Delaware
Operadora Catalina S.r.L.	Dominican Republic
P&O Princess American Holdings	UK
P&O Princess Cruises International Limited	UK
P&O Princess Cruises Pension Trustee Limited	UK
P&O Properties (California), Inc.	California
P&O Travel Limited	UK
Piccapietra Finance S.r.l.	Italy
Prestige Cruises Management S.A.M.	Monaco
Prestige Cruises N.V.	Curacao
Princess Bermuda Holdings, Ltd.	Bermuda
Princess Cays Ltd.	Bahamas
Princess Cruise Corporation Inc.	Panama
Princess Cruise Lines, Ltd.	Bermuda
Princess Cruises and Tours, Inc.	Delaware
Princess U.S. Holdings, Inc.	California
RCT Maintenance & Related Services S.A.	Honduras
RCT Pilots & Related Services, S.A.	Honduras
RCT Security & Related Services S.A.	Honduras
Roatan Cruise Terminal S.A. de C.V.	Honduras
Royal Hyway Tours, Inc.	Alaska
Santa Cruz Terminal, S.L.	Spain
Seabourn Cruise Line Limited	Bermuda
SeaVacations Limited	UK
SeaVacations UK Limited	UK
Shanghai Coast Cruise Consulting Co. Lda	China
Ship Care (Bahamas) Limited	Bahamas
Sitmar Cruises Inc.	Panama
Spanish Cruise Services N.V.	Curacao
Sunshine Shipping Corporation Ltd.	Bermuda
T&T International, Inc.	Texas
Tour Alaska, LLC	Delaware
Transnational Services Corporation	Panama
Trident Insurance Company Ltd.	Bermuda

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
Welcome Travel Group S.p.A.	Italy
West Sicily Gate S.r.L.	Italy
Westmark Hotels of Canada, Ltd.	Canada
Westmark Hotels, Inc.	Alaska
Westours Motor Coaches, LLC	Alaska
World Leading Cruise Management (Shanghai) Co., Ltd.	China

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the joint Registration Statements on Form S-3 (File Nos. 333-106553, 333-106553-01, 333-223555 and 333-223555-01) of Carnival Corporation and Carnival plc, the joint Registration Statements on Form S-8 (File Nos. 333-173465, 333-173465-01, 333-237616 and 333-237616-01) of Carnival Corporation and Carnival plc, the Registration Statement on Form S-3 (File No. 033-63563) of Carnival Corporation, the Registration Statements on Form S-8 (File Nos. 333-105672, 333-43885 and 33-51195) of Carnival Corporation and the Registration Statements on Form S-8 (File Nos. 333-124640 and 333-104609) of Carnival plc, of our report dated January 27, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in the 2020 Annual Report to Shareholders, which is incorporated by reference in this joint Annual Report on Form 10-K.

/s/PricewaterhouseCoopers LLP

Miami, Florida

January 27, 2022

POWER OF ATTORNEY

The undersigned directors of Carnival Corporation, a company incorporated under the laws of the Republic of Panama, and Carnival plc, a company organized and existing under the laws of England and Wales, do and each of them does, hereby constitute and appoint Arnold W. Donald, David Bernstein and Enrique Miguez, his or her true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for him or her and in his or her name, place and stead, to sign the Carnival Corporation and Carnival plc joint Annual Report on Form 10-K (“Form 10-K”) for the year ended November 30, 2021 and any and all future amendments thereto; and to file said Form 10-K and any such amendments with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals on this 5th day of October, 2021.

CARNIVAL CORPORATION

/s/ Micky Arison

Micky Arison
Chairman of the Board of Directors

/s/ Sir Jonathon Band

Sir Jonathon Band
Director

/s/ Jason Glen Cahilly

Jason Glen Cahilly
Director

/s/ Helen Deeble

Helen Deeble
Director

/s/ Jeffrey J. Gearhart

Jeffrey J. Gearhart
Director

/s/ Richard J. Glasier

Richard J. Glasier
Director

/s/ Katie Lahey

Katie Lahey
Director

/s/ Sir John Parker

Sir John Parker
Director

/s/ Stuart Subotnick

Stuart Subotnick
Director

/s/ Laura Weil

Laura Weil
Director

/s/ Randall J. Weisenburger

Randall J. Weisenburger
Director

CARNIVAL PLC

/s/ Micky Arison

Micky Arison
Chairman of the Board of Directors

/s/ Sir Jonathon Band

Sir Jonathon Band
Director

/s/ Jason Glen Cahilly

Jason Glen Cahilly
Director

/s/ Helen Deeble

Helen Deeble
Director

/s/ Jeffrey J. Gearhart

Jeffrey J. Gearhart
Director

/s/ Richard J. Glasier

Richard J. Glasier
Director

/s/ Katie Lahey

Katie Lahey
Director

/s/ Sir John Parker

Sir John Parker
Director

/s/ Stuart Subotnick

Stuart Subotnick
Director

/s/ Laura Weil

Laura Weil
Director

/s/ Randall J. Weisenburger

Randall J. Weisenburger
Director

I, Arnold W. Donald, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: January 27, 2022

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

I, David Bernstein, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: January 27, 2022

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

I, Arnold W. Donald, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: January 27, 2022

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

I, David Bernstein, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: January 27, 2022

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2021 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: January 27, 2022

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2021 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival Corporation.

Date: January 27, 2022

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2021 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: January 27, 2022

/s/ Arnold W. Donald

Arnold W. Donald

President and Chief Executive Officer

In connection with the Annual Report on Form 10-K for the year ended November 30, 2021 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Carnival plc.

Date: January 27, 2022

/s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer