

June 27, 2024

**RELEASE OF CARNIVAL CORPORATION & PLC JOINT QUARTERLY REPORT ON FORM 10-Q FOR THE SECOND QUARTER OF 2024 AND CARNIVAL PLC GROUP HALF-YEARLY FINANCIAL REPORT**

Carnival Corporation & plc announced its second quarter results of operations in its earnings release issued on June 25, 2024. Carnival Corporation & plc is hereby announcing that today it has filed its joint Quarterly Report on Form 10-Q ("Form 10-Q") with the U.S. Securities and Exchange Commission ("SEC") containing the Carnival Corporation & plc unaudited consolidated financial statements as of and for the three and six months ended May 31, 2024.

In addition, the Directors are today presenting in the attached **Schedule A**, the unaudited interim condensed financial statements for the Carnival plc Group ("Interim Financial Statements") as of and for the six months ended May 31, 2024. The Interim Financial Statements exclude the consolidated results of Carnival Corporation and are prepared under UK-adopted International Financial Reporting Standards.

**Schedule B** contains the Carnival Corporation & plc Form 10-Q which includes unaudited consolidated financial statements as of and for the three and six months ended May 31, 2024, management's discussion and analysis ("MD&A") of financial conditions and results of operations, and information on Carnival Corporation and Carnival plc's sales and purchases of their equity securities and use of proceeds from such sales. The information included in the Form 10-Q (Schedule B) has been prepared in accordance with SEC rules and regulations. The Carnival Corporation & plc unaudited consolidated financial statements contained in the Form 10-Q have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

The Directors consider that within the Carnival Corporation and Carnival plc dual listed company ("DLC") arrangement, the most appropriate presentation of Carnival plc's results and financial position is by reference to the Carnival Corporation & plc U.S. GAAP unaudited consolidated financial statements ("DLC Financial Statements").

These schedules (A & B) are presented together as Carnival plc's Group half-yearly financial report ("Interim Financial Report") in accordance with the requirements of the UK Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

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The Form 10-Q is available for viewing on the SEC website at [www.sec.gov](http://www.sec.gov) under Carnival Corporation or Carnival plc or the Carnival Corporation & plc website at [www.carnivalcorp.com](http://www.carnivalcorp.com) or [www.carnivalplc.com](http://www.carnivalplc.com). A copy of the Form 10-Q and the Interim Financial Statements have been submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. Additional information can be obtained via Carnival Corporation & plc's website listed above or by writing to Carnival plc at Carnival House, 100 Harbour Parade, Southampton, SO15 1ST, United Kingdom.

Carnival Corporation & plc is the largest global cruise company, and among the largest leisure travel companies, with a portfolio of world-class cruise lines - AIDA Cruises, Carnival Cruise Line, Costa Cruises, Cunard, Holland America Line, P&O Cruises (Australia), P&O Cruises (UK), Princess Cruises, and Seabourn.

Additional information can be found on [www.carnivalcorp.com](http://www.carnivalcorp.com), [www.aida.de](http://www.aida.de), [www.carnival.com](http://www.carnival.com), [www.costacrui.se](http://www.costacrui.se), [www.cunard.com](http://www.cunard.com), [www.hollandamerica.com](http://www.hollandamerica.com), [www.pocruises.com.au](http://www.pocruises.com.au), [www.pocruises.com](http://www.pocruises.com), [www.princess.com](http://www.princess.com) and [www.seabourn.com](http://www.seabourn.com). For more information on Carnival Corporation's industry-leading sustainability initiatives, visit [www.carnivalsustainability.com](http://www.carnivalsustainability.com).

**SCHEDULE A**

**CARNIVAL PLC  
INTERIM CONDENSED GROUP STATEMENTS OF INCOME (LOSS)  
(UNAUDITED)**

(in millions, except per share data)

	Notes	Six Months Ended May 31,	
		2024	2023
<b>Revenues</b>			
Passenger ticket		\$3,227	\$2,495
Onboard and related		1,121	896
	7	<u>4,347</u>	<u>3,391</u>
<b>Operating Expenses</b>			
Commissions, transportation and related		764	604
Onboard and related		271	213
Payroll and related		521	503
Fuel		458	446
Food		265	228
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Other operating		933	863
Cruise and tour operating expenses		3,212	2,856
Selling and administrative	7	539	495
Depreciation and amortisation	7	365	367
		4,116	3,718
<b>Operating Income (Loss)</b>		232	(327)
<b>Nonoperating Income (Expense)</b>			
Interest income		29	6
Loss from investments in associates		(5)	(25)
Interest expense, net of capitalised interest		(168)	(178)
Other income (expense), net		29	(26)
		(116)	(224)
<b>Income (Loss) Before Income Taxes</b>		116	(550)
<b>Income Tax Expense, Net</b>		(1)	(12)
<b>Net Income (Loss)</b>		\$115	\$(563)
<b>Earnings (Loss) Per Share</b>			
Basic		\$0.61	\$(3.02)
Diluted		\$0.61	\$(3.02)

The accompanying notes are an integral part of these Interim Financial Statements.

These Interim Financial Statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

**CARNIVAL PLC**  
**INTERIM CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(UNAUDITED)**  
(in millions)

	<b>Six Months Ended May 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Net Income (Loss)</b>	\$115	\$(563)
<b>Other Comprehensive Income (Loss)</b>		
<b>Items that will not be reclassified through the Statements of Income (Loss)</b>		
Remeasurements of post-employment benefit obligations	(5)	(11)
<b>Items that may be reclassified through the Statements of Income (Loss)</b>		
Changes in foreign currency translation adjustment	(5)	127
<b>Other Comprehensive Income (Loss)</b>	(10)	116
<b>Total Comprehensive Income (Loss)</b>	\$104	\$(447)

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Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

**CARNIVAL PLC**  
**INTERIM CONDENSED GROUP BALANCE SHEETS**  
**(UNAUDITED)**  
(in millions)

	Notes	<b>May 31, 2024</b>	<b>November 30, 2023</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$703	\$1,363
Trade and other receivables, net		235	303
Inventories		193	241
Prepaid expenses and related		238	269
Total current assets		1,368	2,176
<b>Property and Equipment, Net</b>	3	11,148	11,480
<b>Right-of-Use Assets, Net</b>		556	623

<b>Investments in Associates</b>		80	85
<b>Other Assets</b>	4	210	324
		<u>\$13,362</u>	<u>\$14,689</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Current portion of long-term debt	5	\$1,140	\$1,040
Current portion of lease liabilities		138	134
Accounts payable		362	487
Accrued liabilities and related		624	622
Customer deposits	2	2,235	2,237
Amount owed to the Carnival Corporation group		417	2,659
Total current liabilities		<u>4,916</u>	<u>7,178</u>
<b>Long-Term Debt</b>	5	6,926	6,043
<b>Long-Term Lease Liabilities</b>		452	518
<b>Contingencies</b>	6	102	101
<b>Other Long-Term Liabilities</b>		289	280
<b>Shareholders' Equity</b>			
Share capital		361	361
Share premium		1,143	1,143
Retained earnings		1,429	1,366
Other reserves		(2,255)	(2,300)
Total shareholders' equity		<u>677</u>	<u>569</u>
		<u>\$13,362</u>	<u>\$14,689</u>

The accompanying notes are an integral part of these Interim Financial Statements.

These Interim Financial Statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

**CARNIVAL PLC**  
**INTERIM CONDENSED GROUP STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
(in millions)

	<b>Six Months Ended May 31,</b>	
	<b>2024</b>	<b>2023 Restated*</b>
<b>OPERATING ACTIVITIES</b>		
Income (Loss) before income taxes	\$116	\$(550)
Adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities		
Depreciation and amortisation	365	367
Share-based compensation	4	6
Interest expense, net	147	180
(Income) loss from investments in associates	5	25
Unrealized foreign currency exchange (gain) loss	(45)	29
Other	25	6
	<u>617</u>	<u>62</u>
Changes in operating assets and liabilities		
Receivables	48	(35)
Inventories	43	23
Prepaid expenses and other assets	(2)	79
Accounts payable	(80)	(67)
Accrued liabilities, other and contingencies	(21)	(30)
Customer deposits	53	257
Cash provided by (used in) operations before interest, debt issuance costs and income taxes	<u>659</u>	<u>290</u>
Interest received	29	6
Interest paid	(142)	(105)

Debt issuance costs paid	(53)	(34)
Income tax benefit received (paid), net	(6)	1
Net cash provided by (used in) operating activities	487	157
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(839)	(997)
Proceeds from sales of ships	-	32
Other	103	-
Net cash provided by (used in) investing activities	(736)	(965)
<b>FINANCING ACTIVITIES</b>		
Payments to the Carnival Corporation group, net	(1,533)	1,395
Principal repayments of long-term debt	(410)	(1,027)
Proceeds from issuance of long-term debt	1,581	830
Lease liabilities principal payments	(47)	(40)
Net cash provided by (used in) financing activities	(409)	1,158
Effect of exchange rate changes on cash and cash equivalents	(2)	(20)
Net increase (decrease) in cash and cash equivalents	(660)	330
Cash and cash equivalents at beginning of period	1,363	251
Cash and cash equivalents at end of period	\$703	\$582

\*The Group statement of cash flows for the six months ended May 31, 2023 was restated. Refer to Note 1 - "General" for further details.

The accompanying notes are an integral part of these Interim Financial Statements.

These Interim Financial Statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

**CARNIVAL PLC**  
**INTERIM CONDENSED GROUP STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**(UNAUDITED)**  
(in millions)

	Reserves								Total shareholders (deficit)' equity	
	Share capital	Share premium	Retained earnings	Translation reserve	Cash flow hedges	Treasury shares	Other reserves	Merger reserve		Total
<b>At November 30, 2022</b>	\$361	\$143	\$1,175	\$(2,526)	\$22	\$(1,734)	\$116	\$1,503	\$(2,619)	\$(940)
Comprehensive income (loss)										
Net income (loss)	-	-	(563)	-	-	-	-	-	-	(563)
Changes in foreign currency translation adjustment	-	-	-	127	-	-	-	-	127	127
Remeasurements of post-employment benefit obligations	-	-	(11)	-	-	-	-	-	-	(11)
Total comprehensive income	-	-	(574)	127	-	-	-	-	127	(447)
Issuance of ordinary share capital	-	1,000	-	-	-	-	-	-	-	1,000
Issuance of treasury shares for vested share-based awards	-	-	(41)	-	-	41	-	-	41	-
Other, net (a)	-	-	-	-	-	(1)	8	-	7	7
<b>At May 31, 2023</b>	\$361	\$1,143	\$560	\$(2,399)	\$22	\$(1,694)	\$124	\$1,503	\$(2,444)	\$(380)

At November 30

2023	\$361	\$1,143	\$1,366	\$(2,258)	\$21	\$(1,694)	\$128	\$1,503	\$(2,300)	\$569
Comprehensive income (loss)										
Net income (loss)	-	-	115	-	-	-	-	-	-	115
Changes in foreign currency translation adjustment	-	-	-	(5)	-	-	-	-	(5)	(5)
Remeasurements of post-employment benefit obligations	-	-	(5)	-	-	-	-	-	-	(5)
Total comprehensive income (loss)	-	-	110	(5)	-	-	-	-	(5)	104
Issuance of treasury shares for vested share-based awards	-	-	(47)	-	-	47	-	-	47	-
Other, net (a)	-	-	-	-	-	-	3	-	3	4
<b>At May 31, 2024</b>	<b>\$361</b>	<b>\$1,143</b>	<b>\$1,429</b>	<b>\$(2,263)</b>	<b>\$21</b>	<b>\$(1,647)</b>	<b>\$131</b>	<b>\$1,503</b>	<b>\$(2,255)</b>	<b>\$677</b>

(a) Includes equity settled share-based payments

The accompanying notes are an integral part of these Interim Financial Statements.

These Interim Financial Statements only present the Carnival plc consolidated IFRS Interim Financial Statements and, accordingly, do not include the consolidated IFRS results of Carnival Corporation.

Within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is considered to be by reference to the DLC Financial Statements.

**CARNIVAL PLC**  
**NOTES TO INTERIM CONDENSED GROUP FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 - General**

***Description of Business***

Carnival plc was incorporated in England and Wales in 2000 and is domiciled in the UK with its headquarters located at Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST, UK (registration number 04039524). Carnival plc and its subsidiaries and associates are referred to collectively in these Interim Financial Statements as the "Group," "our," "us" and "we".

Carnival Corporation & plc is the largest global cruise company, and among the largest leisure travel companies, with a portfolio of world-class cruise lines - AIDA Cruises, Carnival Cruise Line, Costa Cruises, Cunard, Holland America Line, P&O Cruises (Australia), P&O Cruises (UK), Princess Cruises, and Seabourn.

***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 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.

The Boards of Directors consider that, within the DLC arrangement, the most appropriate presentation of Carnival plc's results and financial position is by reference to the U.S. generally accepted accounting principles ("U.S. GAAP") DLC Financial Statements because all significant financial and operating decisions affecting the DLC companies are made on a joint basis to optimize the consolidated performance as a single economic entity. Accordingly, the DLC Financial Statements for the three and six months ended May 31, 2024 are provided to shareholders as supplementary information, which are included in Schedule B, but do not form part of these Carnival plc interim financial statements.

***Going Concern***

The assessment of liquidity, financial conditions and capital resources within Schedule B indicates that Carnival Corporation & plc has sufficient liquidity to meet its commitments and obligations for at least 12 months from the date of the report. In light of these circumstances, the Board of Directors of the Group have a reasonable expectation that Carnival Corporation & plc has adequate resources to continue its operational existence and continue to adopt the going concern basis of preparing the Carnival plc Interim Financial Statements.

### ***Basis of Preparation***

The Carnival plc Interim financial statements are presented in U.S. dollars unless otherwise noted and are prepared on the historical cost basis. These Interim Financial Statements are required to satisfy reporting requirements of the United Kingdom's Financial Conduct Authority ("FCA") and do not include the consolidated results and financial position of Carnival Corporation and its subsidiaries. These Interim Financial Statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the FCA and with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the UK ("IAS 34"). The Interim Financial Statements should be read in conjunction with the audited annual financial statements for the year ended November 30, 2023, which were prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRS").

### ***Prior Period Cash Flow Restatement***

The Group statement of cash flows for the six months ended May 31, 2023 was restated to correct the presentation of:

- Unrealized foreign currency exchange gains as an adjustment to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities.
- Debt issuance costs, which are now presented within operating activities and were previously presented as financing activities.

<i>(in millions)</i>	<b>May 31, 2023</b>			
	<b>As previously stated</b>	<b>Unrealized foreign currency exchange</b>	<b>Debt issuance costs</b>	<b>Restated</b>
<b>Operating Activities</b>				
Unrealized foreign currency exchange (gain) loss	\$-	\$29	\$-	\$29
Receivables	\$(29)	\$(6)	\$-	\$(35)
Accrued liabilities, and other contingencies	\$(29)	\$(1)	\$-	\$(30)
Customer deposits	\$251	\$6	\$-	\$257
Debt issuance costs paid	\$-	\$-	\$(34)	\$(34)
Net cash provided by (used in) operating activities	\$164	\$28	\$(34)	\$157
<b>Financing Activities</b>				
Payments to the Carnival Corporation group, net	\$1,406	\$(11)	\$-	\$1,395
Debt issuance costs	\$(34)	\$-	\$34	\$-
Net cash provided by (used in) financing activities	\$1,135	\$(11)	\$34	\$1,158
Effect of exchange rate changes on cash and cash equivalents	\$(4)	\$(16)	\$-	\$(20)

### ***Status of Financial Statements***

Our Interim Financial Statements for the six months ended May 31, 2024 have not been audited or reviewed by the auditors.

Our Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006 Act. Statutory accounts for the year ended November 30, 2023 were approved by the Boards of Directors on January 26, 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was (i) unqualified, (ii) did not contain a material uncertainty related to going concern and (iii) did not contain any statement under section 498 of the 2006 Act.

### ***Use of Estimates and Risks and Uncertainty***

The preparation of our Interim Financial Statements in conformity with IFRS as adopted in the UK requires management to make judgements, estimates and assumptions that affect the application of policies and reported and disclosed amounts in these financial statements. The estimates and underlying assumptions are based on historical experience and various other factors that we believe to be reasonable under the circumstances and form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates used in preparing these Interim Financial Statements.

Significant accounting estimates, assumptions and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. For a detailed discussion of our significant accounting estimates, assumptions and judgements refer to Note 2 - Significant Accounting Policies included in our 2023 Carnival plc Annual Report.

### ***Accounting Pronouncements***

The International Accounting Standards Board ("IASB") has issued amendments to the standard, IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*, providing a more general approach to the classification of liabilities based on the contractual agreements in place at the reporting date. These amendments are required to be adopted by us for the financial year commencing on December 1, 2024 and must be applied retrospectively. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

The IASB has issued amendments to the standards IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments*.

The FASB has issued amendments to the standards, IAS 1, *Statement of Cash Flows* and IAS 1, *Financial Instruments*, Disclosures titled *Supplier Finance Arrangements*. These amendments require that an entity disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. These amendments are required to be adopted by us for the financial year commencing on December 1, 2024. We are currently evaluating the impact of these amendments on the disclosures to our consolidated financial statements.

## NOTE 2 - Revenue and Expense Recognition

Guest cruise deposits and advance onboard purchases are initially included in customer deposits 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 related 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 related revenues and the related costs are included in onboard and related costs. The amounts collected on behalf of our onboard concessionaires, net of the amounts remitted to them, are included in onboard and related revenues as concession revenues. All of these amounts are recognized on a completed voyage or pro rata basis as discussed above.

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 had total customer deposits of \$2.4 billion as of May 31, 2024 and November 30, 2023. During the six months ended May 31, 2024 and 2023, we recognized revenues of \$1.8 billion and \$1.3 billion related to our customer deposits as of November 30, 2023 and 2022. Our customer deposits balance changes due to the seasonal nature of cash collections, which typically results from higher ticket prices and occupancy levels during the third quarter, the recognition of revenue, refunds of customer deposits and foreign currency changes.

### *Trade and Other Receivables*

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

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 capped reserve fund in cash.

### *Contract Costs*

We recognize incremental travel agent commissions and credit and debit card fees incurred as a result of obtaining the ticket contract as assets when paid prior to the start of a voyage. We record these amounts within prepaid expenses and related and subsequently recognize these amounts as commissions, transportation and related at the time of revenue recognition or at the time of voyage cancellation. We had incremental costs of obtaining contracts with customers recognized as assets of \$71 million and \$75 million as of May 31, 2024 and November 30, 2023.

## NOTE 3 - Property and Equipment

(in millions)

At November 30, 2023	\$11,480
Additions	796
Disposals	(701)
Depreciation	(292)
Exchange movements	(134)
At May 31, 2024	<u>\$11,148</u>

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. During the six months ended May 31, 2024, we did not identify any triggers indicating possible impairment and therefore, did not record any impairments.

Refer to Note 1 - "General, Use of Estimates and Risks and Uncertainty" for additional discussion and refer to Note 8 - "Related Party Transactions" for details on ship sales to Carnival Corporation group.

## NOTE 4 - Other Assets

(in millions)

	<u>May 31, 2024</u>	<u>November 30, 2023</u>
Long-term deposits	\$1	\$108
VAT receivables	74	68
Debt issuance costs (a)	-	35
Post-employment benefits	5	11
Other long-term assets and other receivables	130	103
	<u>\$210</u>	<u>\$324</u>

- (a) Debt issuance costs are for undrawn facilities.

## NOTE 5 - Debt and Interest Expense

### Export Credit Facility Borrowings

During the six months ended May 31, 2024, we borrowed \$1.6 billion under export credit facilities due in semi-annual installments through 2036. As of May 31, 2024, the net book value of the Carnival plc vessels subject to negative pledges was \$4.1 billion.

### Revolving Facilities

Carnival Corporation & plc had \$3.0 billion available for borrowing under its Revolving Facility as of May 31, 2024. Carnival Corporation & plc may continue to borrow or otherwise utilize available amounts under the Revolving Facility through August 2024, subject to satisfaction of the conditions in the facility.

Carnival Holdings II, a subsidiary of Carnival Corporation, has a \$2.5 billion New Revolving Facility which may be utilized from August 2024 through August 2027, replacing our Revolving Facility upon its maturity in August 2024. The New Revolving Facility was extended from 2025 to 2027 and contains an accordion feature, which Carnival Holdings II partially exercised in 2024 to increase commitments from \$2.1 billion to \$2.5 billion. The accordion feature allows for further additional commitments not to exceed the aggregate commitments under our Revolving Facility.

### Covenant Compliance

As of May 31, 2024, Carnival Corporation & plc's Revolving Facility, New Revolving Facility, unsecured loans and export credit facilities contain certain covenants listed below:

- Maintain minimum interest coverage (adjusted EBITDA to consolidated net interest charges, as defined in the agreements) (the "Interest Coverage Covenant") as follows:
  - For certain unsecured loans and the New Revolving Facility, from the end of each fiscal quarter from August 31, 2024, at a ratio of not less than 2.0 to 1.0 for each testing date occurring from August 31, 2024 until May 31, 2025, at a ratio of not less than 2.5 to 1.0 for the August 31, 2025 and November 30, 2025 testing dates, and at a ratio of not less than 3.0 to 1.0 for the February 28, 2026 testing date onwards and as applicable through their respective maturity dates.
  - For the export credit facilities, from the end of each fiscal quarter from May 31, 2024, at a ratio of not less than 2.0 to 1.0 for each testing date occurring from May 31, 2024 until May 31, 2025, at a ratio of not less than 2.5 to 1.0 for the August 31, 2025 and November 30, 2025 testing dates, and at a ratio of not less than 3.0 to 1.0 for the February 28, 2026 testing date onwards.
- For certain unsecured loans and export credit facilities, maintain minimum issued capital and consolidated reserves (as defined in the agreements) of \$5.0 billion.
- Limit its debt to capital (as defined in the agreements) percentage to a percentage not to exceed 65%.
- Maintain minimum liquidity of \$1.5 billion.
- Adhere to certain restrictive covenants through August 2027 (subject to such covenants terminating if the Company reaches an investment grade credit rating in accordance with the agreement governing the New Revolving Facility).
- Limit the amounts of our secured assets as well as secured and other indebtedness.

At May 31, 2024, Carnival Corporation & plc was in compliance with the applicable covenants under its debt agreements. Generally, if an event of default under any debt agreement occurs, then, pursuant to cross-default and/or cross-acceleration clauses therein, substantially all of its outstanding debt and derivative contract payables could become due, and its 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.

## NOTE 6 - Contingencies

### Provisions

The Group's contingencies include estimated liabilities for crew, guest and other third-party claims. 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.

The changes in our contingencies were as follows:

<i>(in millions)</i>	<b>Claims Reserves</b>	
November 30, 2023		\$137
Additional provisions		21
Paid losses		(12)
Reversals		(11)
Exchange movements		(1)
May 31, 2024		<u>\$134</u>
<i>(in millions)</i>	<b>May 31, 2024</b>	<b>November 30, 2023</b>
Provisions		
Current	\$32	\$36
Non-current	102	101
	<u>\$134</u>	<u>\$137</u>

### 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. We have insurance coverage for certain of these claims and actions, or any settlement of these claims and actions, 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 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 of May 31, 2024, two purported class actions brought against us by former guests in the Federal Court in Australia and in Italy remain pending, as previously disclosed. These actions include 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 our ships. On October 24, 2023, the court in the Australian matter held that we were liable for negligence and for breach of consumer protection warranties as it relates to the lead plaintiff. The court ruled that the lead plaintiff was not entitled to any pain and suffering or emotional distress damages on the negligence claim and awarded medical costs. In relation to the consumer protection warranties claim, the court found that distress and disappointment damages amounted to no more than the refund already provided to guests and therefore made no further award. Further proceedings will determine the applicability of this ruling to the remaining class participants. We continue to take actions to defend against the above claims. We believe the ultimate outcome of these matters will not have a material impact on our consolidated financial statements.

#### Regulatory or Governmental Inquiries and Investigations

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

We have incurred legal and other costs in connection with cyber incidents that have impacted us. The penalties and settlements paid in connection with cyber incidents over recent years were not material. While these incidents did not have a material adverse effect on our business, results of operations, financial position or liquidity, no assurances can be given about the future and we may be subject to future attacks, incidents or litigation that could have such a material adverse effect.

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

On June 20, 2022, Princess Cruise Lines, Ltd., a subsidiary of Carnival Corporation, notified the Australian Maritime Safety Authorization ("AMSA") and the flag state, Bermuda, regarding approximately six cubic meters of comminuted food waste (liquid biodigester effluent) inadvertently discharged by *Coral Princess* inside the Great Barrier Reef Marine Park. On June 23, 2022, the UK P&I Club N.V. provided a letter of undertaking for approximately \$1.9 million (being the estimated maximum combined penalty). On May 31, 2023, we received a summons from the Australia Federal Prosecution Service indicating that formal charges are being pursued against Princess Cruise Lines, Ltd. and the Captain of the vessel. We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

On February 5, 2024, P&O Cruises (Australia) notified AMSA and the UK Marine Accident Investigation Branch that a small amount of oil may have inadvertently contaminated grey water which was discharged by *Pacific Adventure* in the Great Barrier Reef Marine Park, Queensland. We are conducting an internal investigation and intend to cooperate with any inquiries from governmental authorities. We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

#### Other Contingent Obligations

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

#### NOTE 7 - Segment Information

As previously discussed, within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is by reference to the DLC Financial Statements. The chief operating decision maker ("CODM"), who is the President, Chief Executive Officer and Chief Climate Officer of Carnival Corporation and Carnival plc assesses performance and makes decisions to allocate resources for Carnival Corporation & plc based upon review of the results across all of the segments. The operating segments within each of our reportable segments have been aggregated based on the similarity of their economic and other characteristics, including geographic guest sourcing. Carnival Corporation & plc has four reportable segments comprised of (1) North America and Australia cruise operations ("NAA"), (2) Europe cruise operations ("Europe"), (3) Cruise Support and (4) Tour and Other.

The Cruise Support segment includes Carnival Corporation & plc's portfolio of leading port destinations and exclusive islands as well as other services, all of which are operated for the benefit of its cruise brands. The Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours and other operations.

	Six Months Ended May 31,				
(in millions)	Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortisation	Operating income (loss)
<b>2024</b>					
NAA	\$7,558	\$4,982	\$966	\$813	\$797
Europe	3,466	2,386	464	328	288
Cruise Support	122	75	162	94	(210)
Tour and Other	41	59	10	12	(40)
Carnival Corporation & plc - U.S. GAAP	11,187	7,502	1,603	1,247	836

Carnival Corporation - U.S. GAAP (a)	(6,840)	(4,203)	(1,059)	(917)	(661)
Carnival plc - U.S. GAAP vs IFRS differences (b)	-	(87)	(5)	36	57
Carnival plc - IFRS	\$4,347	\$3,212	\$539	\$365	\$232
<b>2023</b>					
NAA	\$6,434	\$4,471	\$875	\$738	\$351
Europe	2,759	2,179	436	338	(193)
Cruise Support	106	55	124	90	(162)
Tour and Other	44	64	14	13	(47)
Carnival Corporation & plc - U.S. GAAP	9,343	6,768	1,448	1,179	(52)
Carnival Corporation - U.S. GAAP (a)	(5,952)	(3,849)	(948)	(823)	(332)
Carnival plc - U.S. GAAP vs IFRS differences (b)	-	(63)	(5)	11	57
Carnival plc - IFRS	\$3,391	\$2,856	\$495	\$367	\$(327)

(a) Carnival Corporation consists primarily of cruise brands that do not form part of the Group; however, these brands are included in Carnival Corporation & plc and thus represent substantially all of the reconciling items.

(b) The U.S. GAAP vs IFRS accounting differences primarily relate to differences in the carrying value of ships, lease accounting, pension accounting and differences in depreciation expense due to differences in the carrying value of ships.

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

<i>(in millions)</i>	<b>Six Months Ended,</b>	
	<b>May 31, 2024</b>	<b>May 31, 2023</b>
Europe	\$2,915	\$2,358
North America	284	167
Australia	672	542
Other	477	324
	<u>\$4,347</u>	<u>\$3,391</u>

#### **NOTE 8 - Related Party Transactions**

During the six months ended May 31, 2024, we sold one ship to Carnival Corporation, which represented a passenger-capacity reduction of 4,240 berths, for \$699 million. During the six months ended May 31, 2023, we sold two ships to Carnival Holdings (Bermuda) Limited, a subsidiary of Carnival Corporation, for \$1.5 billion. These two ships were leased back to Carnival plc. Additionally in 2023, we completed the sale of one ship to Carnival Corporation, which represents a passenger-capacity reduction of 4,200 berths for \$678 million. The sales price for these transactions equaled book value. The amounts owed from the Carnival Corporation group in connection with these non-cash transactions reduced the payable owed by Carnival plc to the Carnival Corporation group.

During 2024, the Group had lease-related expenses of \$78 million (nil in 2023), in respect of ships leased from Carnival Corporation and its subsidiaries.

During the six months ended May 31, 2024 and 2023, Holland America Line and Princess Cruises purchased land tours from us totaling \$19 million and \$15 million. In addition, during the six months ended May 31, 2024 and 2023 we sold pre- and post-cruise vacations, shore excursions and transportation services to the Carnival Corporation group.

During 2024, the Group had ship charter and management agreements with Princess Cruises and Carnival Cruise Line for ships operating in Australia and Asia. The total charter and management expenses, relating to these agreements were \$293 million and \$243 million for the six months ended May 31, 2024 and 2023 and are included in other operating expenses.

During the six months ended May 31, 2024, Carnival plc continued to provide a guarantee to the Merchant Navy Officers Pension Fund for certain employees who have transferred from Carnival plc to a subsidiary of Carnival Corporation.

Carnival Corporation and its subsidiary, Carnival Investments Limited owned 42.9 million, or 19.7% at May 31, 2024 and November 30, 2023 of Carnival plc's ordinary shares, which are non-voting while they are owned by Carnival Corporation and its subsidiary.

Carnival Corporation & plc has a program that allows it 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, Carnival Corporation & plc 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.

Within the DLC arrangement, there are instances where the Group provides services to Carnival Corporation and also where Carnival Corporation provides services to the Group.

#### **NOTE 9 - Seasonality**

Our passenger ticket revenues are seasonal. 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. Our results are also impacted by ships being taken out-of-service for planned maintenance, which we schedule during non-peak seasons. In addition, substantially all of Holland America Princess Alaska Tours' revenue and operating income is generated from May through September in conjunction with Alaska's cruise season.

## NOTE 10 - Fair Value Measurements and Derivative Instruments, 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.

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. The fair value of cross guarantees within the DLC arrangement were not significant at May 31, 2024 or November 30, 2023, and are not expected to result in any material loss.

#### *Financial Instruments that are not Measured at Fair Value*

<i>(in millions)</i>	May 31, 2024		November 30, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Liabilities</b>				
Fixed rate debt (a)	\$5,813	\$4,905	\$4,497	\$3,406
Floating rate debt (a)	2,632	2,476	2,899	2,541
<b>Total</b>	<u>8,444</u>	<u>7,381</u>	<u>7,396</u>	<u>5,947</u>
Less: unamortized debt issuance costs and discounts	(385)		(322)	
Plus: debt modification loss	6		8	
<b>Total Debt</b>	<u>\$8,066</u>		<u>\$7,082</u>	

- (a) The debt amounts above do not include the impact of interest rate swaps. The fair values of our publicly-traded notes were based on their unadjusted quoted market prices. The fair values of our other debt were estimated based on current market interest rates being applied to this debt.

### NOTE 11 - Subsequent Events

In June 2024, Carnival Corporation & plc announced that it will fold the operations of P&O Cruises Australia into Carnival Cruise Line, a brand of Carnival Corporation, in March 2025.

### NOTE 12 - Principal Risks and Uncertainties

The principal risks and uncertainties affecting our business activities are included in Item 4. Risk Management and/or Mitigation of Principal and Emerging Risks within our 2023 Annual Report. There have been no changes to our identified principal or emerging risks since the issuance of our 2023 Annual Report. Our principal risks and uncertainties are summarized below. The ordering and lettering of our risks is not intended to reflect any Company indication of priority or likelihood.

#### Operational Risk Factors

- Events and conditions around the world, including geopolitical uncertainty, war and other military actions, inflation, higher fuel prices, higher interest rates and other general concerns impacting the ability or desire of people to travel have led, and may in the future lead, to a decline in demand for cruises as well as negative impacts to our operating costs and profitability.
- Pandemics have in the past and may in the future have a significant negative impact on our financial condition and operations.
- Incidents concerning our ships, guests or the cruise industry have in the past and may, in the future, negatively 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-money laundering, anti-corruption, economic sanctions, trade protection, labor and employment, and tax may be costly and 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 targets, goals, aspirations, initiatives, and our public statements and disclosures regarding them, including those that are related to sustainability matters, 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 team members, our inability to recruit or retain qualified shoreside and shipboard team members 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 may be unable to deliver on their commitments, which could negatively impact our business.

- k. Fluctuations in foreign currency exchange rates may adversely impact our financial results.
- l. Overcapacity and competition in the cruise and land-based vacation industry may negatively impact our cruise sales, pricing and destination options.
- m. Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.

#### **Financial Risk Factors**

- a. We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors, including those beyond our control, and we may not be able to generate cash required to service our debt and sustain our operations.
- b. Our substantial debt could adversely affect our financial health and operating flexibility.

#### **NOTE 13 - Responsibility Statement**

The Directors confirm that to the best of their knowledge the Interim Financial Statements included as Schedule A to this release have been prepared in accordance with IAS 34 as adopted by the UK, and that the half-yearly financial report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure Guidance and Transparency Rules of the FCA.

The Directors of Carnival plc are listed in the Carnival plc Annual Report for the year ended November 30, 2023, with the exception of the following change in the period: Nelda J. Connors was appointed on April 5, 2024. Besides the aforementioned, no new Directors have been appointed during the six months ended May 31, 2024. A list of current Directors is maintained and is available for inspection on the Group's website at [www.carnivalplc.com](http://www.carnivalplc.com).

By order of the Board

/s/ Micky Arison

Micky Arison

Chair of the Board of Directors

June 27, 2024

/s/ Josh Weinstein

Josh Weinstein

President, Chief Executive Officer, Chief Climate Officer and Director

June 27, 2024

#### **SCHEDULE B**

##### **Item 1. Financial Statements.**

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

	<b>Three Months Ended May</b>		<b>Six Months Ended</b>	
	<b>31,</b>		<b>May 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>				
Passenger ticket	\$3,754	\$3,141	\$7,370	\$6,011
Onboard and other	2,027	1,770	3,817	3,332
	<u>5,781</u>	<u>4,911</u>	<u>11,187</u>	<u>9,343</u>
<b>Operating Expenses</b>				
Commissions, transportation and other	732	619	1,552	1,274
Onboard and other	628	549	1,178	1,033
Payroll and related	614	601	1,237	1,183
Fuel	525	489	1,030	1,024
Food	360	325	706	636
Other operating	938	875	1,800	1,619
Cruise and tour operating expenses	3,798	3,457	7,502	6,768
Selling and administrative	789	736	1,603	1,448
Depreciation and amortization	634	597	1,247	1,179
	<u>5,221</u>	<u>4,791</u>	<u>10,352</u>	<u>9,394</u>
<b>Operating Income (Loss)</b>	<u>560</u>	<u>120</u>	<u>836</u>	<u>(52)</u>
<b>Nonoperating Income (Expense)</b>				
Interest income	25	69	58	124
Interest expense, net of capitalized interest	(450)	(542)	(921)	(1,082)
Debt extinguishment and modification costs	(33)	(31)	(66)	(31)
Other income (expense), net	(7)	(17)	(25)	(47)
	<u>(464)</u>	<u>(522)</u>	<u>(953)</u>	<u>(1,036)</u>
<b>Income (Loss) Before Income Taxes</b>	<u>96</u>	<u>(402)</u>	<u>(118)</u>	<u>(1,087)</u>
<b>Income Tax Benefit (Expense), Net</b>	<u>(5)</u>	<u>(5)</u>	<u>(5)</u>	<u>(13)</u>
<b>Net Income (Loss)</b>	<u>\$92</u>	<u>\$(407)</u>	<u>\$(123)</u>	<u>\$(1,100)</u>
<b>Earnings Per Share</b>				
Basic	<u>\$0.07</u>	<u>\$(0.32)</u>	<u>\$(0.10)</u>	<u>\$(0.87)</u>
Diluted	<u>\$0.07</u>	<u>\$(0.32)</u>	<u>\$(0.10)</u>	<u>\$(0.87)</u>

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

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

	Three Months Ended May 31,		Six Months Ended May 31,	
	2024	2023	2024	2023
<b>Net Income (Loss)</b>	\$92	\$(407)	\$(123)	\$(1,100)
<b>Items Included in Other Comprehensive Income (Loss)</b>				
Change in foreign currency translation adjustment	7	102	7	99
Other	11	(33)	12	(19)
<b>Other Comprehensive Income (Loss)</b>	18	69	19	79
<b>Total Comprehensive Income (Loss)</b>	\$110	\$(338)	\$(104)	\$(1,021)

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

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

	May 31, 2024	November 30, 2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$1,646	\$2,415
Trade and other receivables, net	494	556
Inventories	509	528
Prepaid expenses and other	1,118	1,767
Total current assets	3,768	5,266
<b>Property and Equipment, Net</b>	42,105	40,116
<b>Operating Lease Right-of-Use Assets, Net</b>	1,282	1,265
<b>Goodwill</b>	579	579
<b>Other Intangibles</b>	1,167	1,169
<b>Other Assets</b>	702	725
	\$49,603	\$49,120
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$2,181	\$2,089
Current portion of operating lease liabilities	144	149
Accounts payable	1,063	1,168
Accrued liabilities and other	2,114	2,003
Customer deposits	7,883	6,072
Total current liabilities	13,385	11,481
<b>Long-Term Debt</b>	27,154	28,483
<b>Long-Term Operating Lease Liabilities</b>	1,174	1,170
<b>Other Long-Term Liabilities</b>	1,075	1,105
<b>Contingencies and Commitments</b>		
<b>Shareholders' Equity</b>		
Carnival Corporation common stock, \$0.01 par value; 1,960 shares authorized; 1,253 shares issued at 2024 and 1,250 shares issued at 2023	13	12
Carnival plc ordinary shares, \$1.66 par value; 217 shares issued at 2024 and 2023	361	361
Additional paid-in capital	16,701	16,712
Retained earnings	62	185
Accumulated other comprehensive income (loss) ("AOCI")	(1,919)	(1,939)
Treasury stock, 130 shares at 2024 and 2023 of Carnival Corporation and 73 shares at 2024 and 2023 of Carnival plc, at cost	(8,404)	(8,449)
Total shareholders' equity	6,814	6,882
	\$49,603	\$49,120

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

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

	<b>Six Months Ended May</b>	
	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$(123)	\$(1,100)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	1,247	1,179
(Gain) loss on debt extinguishment	63	31
(Income) loss from equity-method investments	7	27
Share-based compensation	30	31
Amortization of discounts and debt issue costs	72	85
Noncash lease expense	67	72
Other	55	(9)
	<u>1,417</u>	<u>316</u>
Changes in operating assets and liabilities		
Receivables	38	(55)
Inventories	14	(6)
Prepaid expenses and other assets	449	(805)
Accounts payable	(52)	(23)
Accrued liabilities and other	(30)	69
Customer deposits	1,971	2,029
Net cash provided by (used in) operating activities	<u>3,807</u>	<u>1,525</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(3,457)	(1,772)
Proceeds from sales of ships	-	255
Other	72	8
Net cash provided by (used in) investing activities	<u>(3,384)</u>	<u>(1,509)</u>
<b>FINANCING ACTIVITIES</b>		
Repayments of short-term borrowings	-	(200)
Principal repayments of long-term debt	(4,072)	(2,294)
Debt issuance costs	(117)	(94)
Debt extinguishment costs	(41)	-
Proceeds from issuance of long-term debt	3,048	1,016
Proceeds from issuance of common stock	-	5
Proceeds from issuance of common stock under the Stock Swap Program	-	22
Purchase of treasury stock under the Stock Swap Program	-	(20)
Other	(1)	13
Net cash provided by (used in) financing activities	<u>(1,183)</u>	<u>(1,552)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(6)	6
Net increase (decrease) in cash, cash equivalents and restricted cash	(767)	(1,530)
Cash, cash equivalents and restricted cash at beginning of period	2,436	6,037
Cash, cash equivalents and restricted cash at end of period	<u>\$1,669</u>	<u>\$4,507</u>

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

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

	<b>Three Months Ended</b>						
	<b>Common stock</b>	<b>Ordinary shares</b>	<b>Additional paid-in capital</b>	<b>Retained earnings (accumulated deficit)</b>	<b>AOCI</b>	<b>Treasury stock</b>	<b>Total shareholders' equity</b>
<b>At February 29, 2024</b>	\$13	\$361	\$16,679	\$(29)	\$(1,938)	\$(8,404)	\$6,682
Net income (loss)	-	-	-	92	-	-	92
Other comprehensive income							

(loss)	-	-	-	-	18	-	18
Share-based compensation and other	-	-	22	-	-	-	22
<b>At May 31, 2024</b>	<b>\$13</b>	<b>\$361</b>	<b>\$16,701</b>	<b>\$62</b>	<b>\$(1,919)</b>	<b>\$(8,404)</b>	<b>\$6,814</b>
<b>At February 28, 2023</b>	<b>\$12</b>	<b>\$361</b>	<b>\$16,635</b>	<b>\$(434)</b>	<b>\$(1,972)</b>	<b>\$(8,433)</b>	<b>\$6,170</b>
Net income (loss)	-	-	-	(407)	-	-	(407)
Other comprehensive income (loss)	-	-	-	-	69	-	69
Issuances of common stock, net	-	-	5	-	-	-	5
Conversion of Convertible Notes	-	-	3	-	-	-	3
Purchases and issuances under the Stock Swap program, net	-	-	22	-	-	(20)	2
Issuance of treasury shares for vested share-based awards	-	-	(5)	-	-	5	-
Share-based compensation and other	-	-	24	-	-	(1)	23
<b>At May 31, 2023</b>	<b>\$12</b>	<b>\$361</b>	<b>\$16,684</b>	<b>\$(841)</b>	<b>\$(1,903)</b>	<b>\$(8,449)</b>	<b>\$5,865</b>

**Six Months Ended**

	<b>Common stock</b>	<b>Ordinary shares</b>	<b>Additional paid-in capital</b>	<b>Retained earnings (accumulated deficit)</b>	<b>AOCI</b>	<b>Treasury stock</b>	<b>Total shareholders' equity</b>
<b>At November 30, 2023</b>	\$12	\$361	\$16,712	\$185	\$(1,939)	\$(8,449)	\$6,882
Net income (loss)	-	-	-	(123)	-	-	(123)
Other comprehensive income (loss)	-	-	-	-	19	-	19
Issuance of treasury shares for vested share-based awards	-	-	(47)	-	-	47	-
Share-based compensation and other	-	-	36	-	-	(2)	35
<b>At May 31, 2024</b>	<b>\$13</b>	<b>\$361</b>	<b>\$16,701</b>	<b>\$62</b>	<b>\$(1,919)</b>	<b>\$(8,404)</b>	<b>\$6,814</b>
<b>At November 30, 2022</b>	<b>\$12</b>	<b>\$361</b>	<b>\$16,872</b>	<b>\$269</b>	<b>\$(1,982)</b>	<b>\$(8,468)</b>	<b>\$7,065</b>
Change in accounting principle (a)	-	-	(229)	(10)	-	-	(239)
Net income (loss)	-	-	-	(1,100)	-	-	(1,100)
Other comprehensive income (loss)	-	-	-	-	79	-	79
Issuances of common stock, net	-	-	5	-	-	-	5
Conversion of Convertible Notes	-	-	3	-	-	-	3
Purchases and issuances under the Stock Swap program, net	-	-	22	-	-	(20)	2
Issuance of treasury shares for vested share-based awards	-	-	(41)	-	-	41	-
Share-based compensation and other	-	-	52	-	-	(2)	50
<b>At May 31, 2023</b>	<b>\$12</b>	<b>\$361</b>	<b>\$16,684</b>	<b>\$(841)</b>	<b>\$(1,903)</b>	<b>\$(8,449)</b>	<b>\$5,865</b>

(a) We adopted the provisions of *Debt - Debt with Conversion and Other Options and Derivative and Hedging - Contracts in Entity's Own Equity* on December 1, 2022.

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

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

**NOTE 1 - General**

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

***Basis of Presentation***

The accompanying consolidated financial statements are unaudited and, in the opinion of our management, contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted as permitted by such Securities and Exchange Commission rules and regulations. The preparation of our unaudited consolidated financial statements is our responsibility.

Commission rules and regulations. The preparation of our interim consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported and disclosed. We have made reasonable estimates and judgments of such items within our financial statements and there may be changes to those estimates in future periods. Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire year.

Our interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Carnival Corporation & plc 2023 joint Annual Report on Form 10-K ("Form 10-K") filed with the U.S. Securities and Exchange Commission ("SEC") on January 26, 2024.

For 2023, we reclassified \$11 million from restricted cash to prepaid expenses and other in the Consolidated Balance Sheets and \$94 million from other financing activities to debt issuance costs in the Consolidated Statements of Cash Flows to conform to the current year presentation.

### ***Accounting Pronouncements***

In September 2022, the Financial Accounting Standards Board ("FASB") issued guidance, *Liabilities-Supplier Finance Programs - Disclosure of Supplier Finance Program Obligations*. This guidance requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. On December 1, 2023, we adopted this guidance using the retrospective method for each period presented. The adoption of this guidance had no impact on our consolidated financial statements and disclosures.

In November 2023, the FASB issued guidance, *Improvements to Reportable Segment Disclosures*. This guidance requires annual and interim disclosure of significant segment expenses that are provided to the chief operating decision maker ("CODM") as well as interim disclosures for all reportable segments' profit or loss and assets. This guidance also requires disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measures of segment profit or loss in assessing segment performance and deciding how to allocate resources. This guidance is required to be adopted by us in 2025. We are currently evaluating the impact this guidance will have on our consolidated financial statements and disclosures.

In December 2023, the FASB issued guidance, *Improvements to Income Tax Disclosures*. This guidance requires disaggregation of rate reconciliation categories and income taxes paid by jurisdiction, as well as other amendments relating to income tax disclosures. This guidance is required to be adopted by us in 2026. We are currently evaluating the impact this guidance will have on our consolidated financial statements and disclosures.

### ***Regulatory Updates***

We became subject to the EU Emissions Trading Scheme ("ETS") on January 1, 2024, which includes a three-year phase-in period. The ETS regulates emissions through a "cap and trade" principle, where a cap is set on the total amount of certain emissions that can be emitted and requires us to procure emission allowances for certain emissions inside EU waters (as defined in the ETS). We record emission allowances at cost within prepaid expenses and other or other assets, based on the timing of when they are required to be surrendered. We record expense for emissions inside EU waters within fuel expense in the period incurred. As of May 31, 2024, the cost of allowances purchased was \$49 million. For the three and six months ended May 31, 2024, expense for ETS emissions were not material.

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

Guest cruise deposits and advance onboard purchases are initially included in customer deposits 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 these services are included in prepaid expenses and other when paid prior to the start of a voyage and are subsequently recognized in transportation costs at the time of revenue recognition. The cost of prepaid air and other transportation costs at May 31, 2024 and November 30, 2023 were \$282 million and \$253 million. The proceeds that we collect from the sales of third-party shore excursions are included in onboard and other revenues and the related costs are included in onboard and other costs. The amounts collected on behalf of our onboard concessionaires, net of the amounts remitted to them, are included in onboard and other revenues as concession revenues. All of these amounts are recognized on a completed voyage or pro rata basis as discussed above.

Passenger ticket revenues include fees, taxes and charges collected by us from our guests. The fees, taxes and charges that vary with guest head counts are expensed in commissions, transportation and other costs when the corresponding revenues are recognized. The remaining portion of fees, taxes and charges are generally expensed in other operating expenses when the corresponding revenues are recognized.

Revenues and expenses from our hotel and transportation operations, which are included in our Tour and Other segment, are recognized at the time the services are performed.

### ***Customer Deposits***

Our payment terms generally require an initial deposit to confirm a reservation, with the balance due prior to the voyage. Cash received from guests in advance of the cruise is recorded in customer deposits and in other long-term liabilities on our Consolidated Balance Sheets. These amounts include refundable deposits. In certain situations, we have provided flexibility to guests by allowing guests to rebook at a future date, receive future cruise credits ("FCCs") or elect to receive refunds in cash. We record a liability for FCCs to the extent we have received and not refunded cash from guests for cancelled bookings. We had total customer deposits of \$8.3 billion as of May 31, 2024 and \$6.4 billion as of November 30, 2023, which includes approximately \$60 million of unredeemed FCCs as of May 31, 2024, of which approximately \$36 million are refundable. At November 30, 2023, we had approximately \$134 million of unredeemed FCCs, of which \$111 million were refundable. During the six months ended May 31, 2024 and 2023, we recognized revenues of \$4.7 billion and \$3.6 billion related to our customer deposits as of November 30, 2023 and 2022. Our customer deposits balance changes due to the seasonal nature of cash collections, which typically results from higher ticket prices and occupancy levels during the third quarter, the recognition of revenue, refunds of customer deposits and foreign currency changes.

### ***Trade and Other Receivables***



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

### Contract Costs

We recognize incremental travel agent commissions and credit and debit card fees incurred as a result of obtaining the ticket contract as assets when paid prior to the start of a voyage. We record these amounts within prepaid expenses and other and subsequently recognize these amounts as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We had incremental costs of obtaining contracts with customers recognized as assets of \$434 million as of May 31, 2024 and \$294 million as of November 30, 2023.

### NOTE3 - Debt

<i>(in millions)</i>	<b>Maturity</b>	<b>Rate (a) (b)</b>	<b>May 31, 2024</b>	<b>November 30, 2023</b>
<b>Secured Subsidiary Guaranteed</b>				
<b>Notes</b>				
Notes	Jun 2027	7.9%	\$192	\$192
Notes (c)	Aug 2027	9.9%	-	623
Notes	Aug 2028	4.0%	2,406	2,406
Notes	Aug 2029	7.0%	500	500
<b>Loans</b>				
EUR floating rate (c)	Jun 2025	EURIBOR + 3.8%	-	851
Floating rate	Aug 2027 - Oct 2028	SOFR + 2.8% (d)	2,749	3,567
<b>Total Secured Subsidiary Guaranteed</b>			<b>5,847</b>	<b>8,138</b>
<b>Senior Priority Subsidiary Guaranteed</b>				
Notes	May 2028	10.4%	2,030	2,030
<b>Unsecured Subsidiary Guaranteed</b>				
<b>Notes</b>				
Convertible Notes	Oct 2024	5.8%	426	426
Notes	Mar 2026	7.6%	1,351	1,351
EUR Notes (c)	Mar 2026	7.6%	-	550
Notes (c)	Mar 2027	5.8%	2,725	3,100
Convertible Notes	Dec 2027	5.8%	1,131	1,131
Notes	May 2029	6.0%	2,000	2,000
EUR Notes	Jan 2030	5.8%	540	-
Notes	Jun 2030	10.5%	1,000	1,000
<b>Loans</b>				
EUR floating rate (e)	Apr 2025 - Mar 2026	EURIBOR + 2.4 - 3.3%	576	678
<b>Export Credit Facilities</b>				
Floating rate	Dec 2031	SOFR + 1.2% (f)	549	583
Fixed rate	Aug 2027 - Dec 2032	2.4 - 3.4%	2,563	2,756
EUR floating rate	Mar 2025 - Nov 2034	EURIBOR + 0.2 - 0.8%	2,835	3,086
EUR fixed rate	Feb 2031 - Jul 2037	1.1 - 4.0%	5,734	3,652
<b>Total Unsecured Subsidiary Guaranteed</b>			<b>21,429</b>	<b>20,312</b>
<b>Unsecured Notes (No Subsidiary Guarantee)</b>				
Notes	Jan 2028	6.7%	200	200
EUR Notes	Oct 2029	1.0%	648	659
<b>Total Unsecured Notes (No Subsidiary Guarantee)</b>			<b>848</b>	<b>859</b>
<b>Total Debt</b>			<b>30,154</b>	<b>31,339</b>
Less: unamortized debt issuance costs and discounts			(820)	(768)
<b>Total Debt, net of unamortized debt issuance costs and discounts</b>			<b>29,334</b>	<b>30,572</b>
Less: current portion of long-term debt			(2,181)	(2,089)
<b>Long-Term Debt</b>			<b>\$27,154</b>	<b>\$28,483</b>

- (a) The reference rates, together with any applicable credit adjustment spread, for substantially all of our variable debt have 0.0% to 0.75% floors.
- (b) The above debt table excludes the impact of any outstanding derivative contracts.
- (c) See "Debt Prepayments" below.
- (d) As part of the repricing of our senior secured term loans, we amended the loans' margin from 3.0% - 3.4% (inclusive of credit adjustment spread) to 2.8%. See "Repricing of senior secured term loans" below.
- (e) The maturity of the principal amount of \$216 million was extended from April 2024 to April 2025.
- (f) Includes applicable credit adjustment spread.

Carnival Corporation and/or Carnival plc is the primary obligor of all our outstanding debt excluding the following:

- \$2.0 billion of senior priority notes (the "2028 Senior Priority Notes"), issued by Carnival Holdings (Bermuda) Limited

- ("Carnival Holdings"), a subsidiary of Carnival Corporation
- \$0.4 billion under a term loan facility of Costa Crociere S.p.A. ("Costa"), a subsidiary of Carnival plc
- \$0.9 billion under an export credit facility of Sun Princess Limited, a subsidiary of Carnival Corporation
- \$0.1 billion under an export credit facility of Sun Princess II Limited, a subsidiary of Carnival Corporation

In addition, Carnival Holdings (Bermuda) II Limited ("Carnival Holdings II") will be the primary obligor under a \$2.5 billion multi-currency revolving facility ("New Revolving Facility") when the New Revolving Facility replaces our Revolving Facility upon its maturity in August 2024. See "Revolving Facilities."

All of our outstanding debt is issued or guaranteed by substantially the same entities with the exception of the following:

- Up to \$250 million of the Costa term loan facility, which is guaranteed by certain subsidiaries of Carnival plc and Costa that do not guarantee our other outstanding debt
- Our 2028 Senior Priority Notes, issued by Carnival Holdings, which does not guarantee our other outstanding debt
- The export credit facilities of Sun Princess Limited and Sun Princess II Limited, which do not guarantee our other outstanding debt

As of May 31, 2024, the scheduled maturities of our debt are as follows:

(in millions)

Year	<u>Principal Payments</u>
Remainder of 2024	\$1,195
2025	1,744
2026	2,790
2027	5,212
2028	8,741
Thereafter	10,472
Total	<u>\$30,154</u>

### ***Revolving Facilities***

We had \$3.0 billion available for borrowing under our Revolving Facility as of May 31, 2024. We may continue to borrow or otherwise utilize available amounts under the Revolving Facility through August 2024, subject to satisfaction of the conditions in the facility.

Carnival Holdings II has a \$2.5 billion New Revolving Facility which may be utilized from August 2024 through August 2027, replacing our Revolving Facility upon its maturity in August 2024. The New Revolving Facility was extended from 2025 to 2027 and contains an accordion feature, which Carnival Holdings II partially exercised in 2024 to increase commitments from \$2.1 billion to \$2.5 billion. The accordion feature allows for further additional commitments not to exceed the aggregate commitments under our Revolving Facility.

### ***Repricing of Senior Secured Term Loans***

In April 2024, we entered into amendments with the lender syndicate to reprice \$1.7 billion of our first-priority senior secured term loan facility maturing in 2028 and \$1.0 billion of our senior secured term loan facility maturing in 2027, which are included within the total Secured Subsidiary Guaranteed Loans balance in the debt table above.

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

In April 2024, we issued \$535 million aggregate principal amount of 5.8% senior unsecured notes due 2030. We used the net proceeds from the issuance, together with cash on hand, to redeem the outstanding principal amount of the 7.6% senior unsecured notes due 2026.

### ***Debt Prepayments***

During the six months ended May 31, 2024, we made prepayments for the following debt instruments:

- Euro-denominated tranche of our first-priority senior secured term loan facility maturing in 2025
- First-priority senior secured term loan facilities maturing in 2027 and 2028
- 9.9% second-priority secured notes due 2027
- 7.6% senior unsecured notes due 2026
- 5.8% senior unsecured notes due 2027

The aggregate amount of these prepayments was \$3.2 billion.

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

During the six months ended May 31, 2024, we borrowed \$2.3 billion under export credit facilities due in semi-annual installments through 2036. As of May 31, 2024, the net book value of the vessels subject to negative pledges was \$18.8 billion.

### ***Collateral and Priority Pool***

As of May 31, 2024, the net book value of our ships and ship improvements, excluding ships under construction, is \$40.0 billion. Our secured debt is secured on a first-priority basis by certain collateral, which includes vessels and certain assets related to those vessels and material intellectual property (combined net book value of approximately \$22.8 billion, including \$21.1 billion related to vessels and certain assets related to those vessels) as of May 31, 2024 and certain other assets.

As of May 31, 2024, \$8.1 billion in net book value of our ships and ship improvements relate to the priority pool vessels included in the priority pool of 12 unencumbered vessels (the "Senior Priority Notes Subject Vessels") for our 2028 Senior Priority Notes and \$2.9 billion in net book value of our ship and ship improvements relate to the priority pool vessels included in the priority pool of three unencumbered vessels (the "New Revolving Facility Subject Vessels") for our New Revolving Facility. As of May 31, 2024, there was no change in the identity of the Senior Priority Notes Subject Vessels or the New Revolving Facility Subject Vessels.

### ***Covenant Compliance***

As of May 31, 2024, our Revolving Facility, New Revolving Facility, unsecured loans and export credit facilities contain certain



percentage of customer payments or providing cash funds directly to the credit card processor.

As of May 31, 2024 and November 30, 2023, we had \$25 million and \$844 million in reserve funds. Additionally, as of May 31, 2024 and November 30, 2023, we had \$51 million and \$158 million in compensating deposits we are required to maintain. These balances are included within other assets as of May 31, 2024.

### Ship Commitments

As of May 31, 2024, our new ship growth capital commitments were \$0.1 billion for the remainder of 2024 and \$0.9 billion, \$0.3 billion, \$1.2 billion and \$1.0 billion for the years ending November 30, 2025, 2026, 2027 and 2028.

## NOTE 5 - Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risks

### Fair Value Measurements

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

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

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

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

(in millions)	May 31, 2024			November 30, 2023			
	Carrying Value	Fair Value		Carrying Value	Fair Value		
		Level 1	Level 2		Level 3	Level 1	Level 2
Liabilities							
Fixed rate debt (a)	\$23,445	\$-	\$22,919	\$-	\$22,575	\$21,503	\$-
Floating rate debt (a)	6,709	-	6,516	-	8,764	8,225	-
Total	\$30,154	\$-	\$29,435	\$-	\$31,339	\$29,728	\$-

- (a) The debt amounts above do not include the impact of interest rate swaps or debt issuance costs and discounts. 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

(in millions)	May 31, 2024			November 30, 2023			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
Assets							
Cash equivalents (a)		\$769	\$-	\$-	\$1,021	\$-	\$-
Derivative financial instruments		-	24	-	-	22	-
Total		\$769	\$24	\$-	\$1,021	\$22	\$-
Liabilities							
Derivative financial instruments		\$-	\$-	\$-	\$28	\$-	\$-
Total		\$-	\$-	\$-	\$28	\$-	\$-

- (a) Consists of money market funds and cash investments with original maturities of less than 90 days.

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

##### Valuation of Goodwill and Trademarks

As of May 31, 2024 and November 30, 2023, goodwill for our North America and Australia ("NAA") segment was \$579 million.

(in millions)	Trademarks		
	NAA Segment	Europe Segment	Total
November 30, 2023	\$927	\$237	\$1,164
Exchange movements	-	(1)	(1)
May 31, 2024	\$927	\$236	\$1,163

### Derivative Instruments and Hedging Activities

(in millions)	Balance Sheet Location	May 31, 2024	November 30, 2023
<b>Derivative assets</b>			

Derivative designated as hedging instruments

Derivatives designated as hedging instruments			
Interest rate swaps (a)	Prepaid expenses and other	\$19	\$-
	Other assets	4	22
Derivatives not designated as hedging instruments			
Interest rate swaps (a)	Prepaid expenses and other	-	1
Total derivative assets		<u>\$24</u>	<u>\$22</u>
<b><u>Derivative liabilities</u></b>			
Derivatives designated as hedging instruments			
Cross currency swaps (b)	Other long-term liabilities	\$-	\$12
Interest rate swaps (a)	Other long-term liabilities	-	16
Total derivative liabilities		<u>\$-</u>	<u>\$28</u>

- (a) We have interest rate swaps whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. These interest rate swap agreements effectively changed \$22 million at May 31, 2024 and \$46 million at November 30, 2023 of EURIBOR-based floating rate euro debt to fixed rate euro debt, and \$2.0 billion at May 31, 2024 of SOFR-based variable rate debt to fixed rate debt. As of May 31, 2024 and November 30, 2023, the EURIBOR-based interest rate swaps settle through 2025 and were not designated as cash flow hedges; the SOFR-based interest rate swaps settle through 2027 and were designated as cash flow hedges.
- (b) At November 30, 2023, we had a cross currency swap with a notional amount of \$670 million that was designated as a hedge of our net investment in foreign operations with euro-denominated functional currencies. This cross currency swap was terminated in January 2024.

Our derivative contracts include rights of offset with our counterparties. As of May 31, 2024 and November 30, 2023, there was no netting for our derivative assets and liabilities. The amounts that were not offset in the balance sheet were not material.

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

	Three Months Ended May 31,		Six Months Ended May 31,	
	2024	2023	2024	2023
<i>(in millions)</i>				
Gains (losses) recognized in AOCI:				
Cross currency swaps - net investment hedges - included component	\$-	\$(5)	\$-	\$9
Cross currency swaps - net investment hedges - excluded component	\$-	\$-	\$-	\$(4)
Interest rate swaps - cash flow hedges	\$20	\$(33)	\$33	\$(19)
(Gains) losses reclassified from AOCI - cash flow hedges:				
Interest rate swaps - Interest expense, net of capitalized interest	\$(8)	\$(9)	\$(20)	\$(10)
Foreign currency zero cost collars - Depreciation and amortization	\$-	\$-	\$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	\$-	\$3	\$2	\$4

The amount of gains and losses on derivatives not designated as hedging instruments recognized in earnings during the three and six months ended May 31, 2024 and estimated cash flow hedges' unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months are not material.

## Financial Risks

### Fuel Price Risks

We manage our exposure to fuel price risk by managing our consumption of fuel. Substantially all of our exposure to market risk for changes in fuel prices relates to the consumption of fuel on our ships. We manage fuel consumption through fleet optimization, energy efficiency, itinerary efficiency and new technologies and alternative fuels.

### Foreign Currency Exchange Rate Risks

#### Overall Strategy

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

#### Operational Currency Risks

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

#### Investment Currency Risks

We consider our investments in foreign operations to be denominated in stable currencies and of a long-term nature. We have euro-denominated debt which provides an economic offset for our operations with euro functional currency. In addition, we have in the past and may in the future utilize derivative financial instruments, such as cross currency swaps, to manage our exposure to investment currency risks.

#### Newbuild Currency Risks

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

At May 31, 2024, our remaining newbuild currency exchange rate risk relates to euro-denominated newbuild contract payments for non-euro functional currency brands, which represent a total unhedged commitment of \$2.1 billion for newbuilds scheduled to be delivered through 2027.

The cost of shipbuilding orders that we may place in the future that are denominated in a different currency than our cruise brands' functional currency 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 and cash equivalents, investments, notes receivables, reserve funds related to customer deposits, future financing facilities, contingent obligations, derivative instruments, insurance contracts 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 and new ship progress payments to shipyards

We also monitor the creditworthiness of travel agencies and tour operators in Australia and Europe and credit and debit card providers to which we extend credit in the normal course of our business. 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.

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 and have not experienced significant credit losses.

#### **NOTE 6 - Segment Information**

The chief operating decision maker, who is the President, Chief Executive Officer and Chief Climate Officer of Carnival Corporation and Carnival plc assesses performance and makes decisions to allocate resources for Carnival Corporation & plc based upon review of the results across all of our segments. The operating segments within each of our reportable segments have been aggregated based on the similarity of their economic and other characteristics, including geographic guest sourcing. Our four reportable segments are comprised of (1) NAA cruise operations, (2) Europe cruise operations ("Europe"), (3) Cruise Support and (4) Tour and Other.

Our Cruise Support segment includes our portfolio of leading port destinations and exclusive islands as well as other services, all of which are operated for the benefit of our cruise brands. Our Tour and Other segment represents the hotel and transportation operations of Holland America Princess Alaska Tours and other operations.

#### **Three Months Ended May 31,**

<i>(in millions)</i>	<b>Revenues</b>	<b>Operating costs and expenses</b>	<b>Selling and administrative</b>	<b>Depreciation and amortization</b>	<b>Operating income (loss)</b>
<b>2024</b>					
NAA	\$3,984	\$2,580	\$464	\$414	\$525
Europe	1,697	1,135	230	164	168
Cruise Support	63	39	90	49	(114)
Tour and Other	37	44	6	6	(19)
	<u>\$5,781</u>	<u>\$3,798</u>	<u>\$789</u>	<u>\$634</u>	<u>\$560</u>
<b>2023</b>					
NAA	\$3,355	\$2,282	\$435	\$374	\$265
Europe	1,465	1,101	222	169	(27)
Cruise Support	55	29	71	48	(93)
Tour and Other	35	45	8	7	(25)
	<u>\$4,911</u>	<u>\$3,457</u>	<u>\$736</u>	<u>\$597</u>	<u>\$120</u>

#### **Six Months Ended May 31,**

<i>(in millions)</i>	<b>Revenues</b>	<b>Operating costs and expenses</b>	<b>Selling and administrative</b>	<b>Depreciation and amortization</b>	<b>Operating income (loss)</b>
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<i>(in millions)</i>	REVENUES	EXPENSES	ADMINISTRATIVE	AMBITIALIZATION	INCOME (LOSS)
<b>2024</b>					
NAA	\$7,558	\$4,982	\$966	\$813	\$797
Europe	3,466	2,386	464	328	288
Cruise Support	122	75	162	94	(210)
Tour and Other	41	59	10	12	(40)
	<u>\$11,187</u>	<u>\$7,502</u>	<u>\$1,603</u>	<u>\$1,247</u>	<u>\$836</u>
<b>2023</b>					
NAA	\$6,434	\$4,471	\$875	\$738	\$351
Europe	2,759	2,179	436	338	(193)
Cruise Support	106	55	124	90	(162)
Tour and Other	44	64	14	13	(47)
	<u>\$9,343</u>	<u>\$6,768</u>	<u>\$1,448</u>	<u>\$1,179</u>	<u>\$(52)</u>

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

<i>(in millions)</i>	Three Months Ended		Six Months Ended	
	May 31,		May 31,	
	2024	2023	2024	2023
North America	\$3,542	\$2,988	\$6,663	\$5,684
Europe	1,631	1,446	3,199	2,633
Australia	355	307	781	645
Other	252	169	545	380
	<u>\$5,781</u>	<u>\$4,911</u>	<u>\$11,187</u>	<u>\$9,343</u>

#### NOTE 7 - Earnings Per Share

<i>(in millions, except per share data)</i>	Three Months Ended		Six Months Ended	
	May 31,		May 31,	
	2024	2023	2024	2023
Net income (loss) for basic and diluted earnings per share	\$92	\$(407)	\$(123)	\$(1,100)
Weighted-average shares outstanding	1,267	1,263	1,265	1,261
Dilutive effect of equity awards	4	-	-	-
Diluted weighted-average shares outstanding	<u>1,271</u>	<u>1,263</u>	<u>1,265</u>	<u>1,261</u>
Basic earnings per share	<u>\$0.07</u>	<u>\$(0.32)</u>	<u>\$(0.10)</u>	<u>\$(0.87)</u>
Diluted earnings per share	<u>\$0.07</u>	<u>\$(0.32)</u>	<u>\$(0.10)</u>	<u>\$(0.87)</u>

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

<i>(in millions)</i>	Three Months Ended		Six Months Ended	
	May 31,		May 31,	
	2024	2023	2024	2023
Equity awards	-	1	5	1
Convertible Notes	127	130	127	134
Total antidilutive securities	<u>127</u>	<u>131</u>	<u>132</u>	<u>134</u>

#### NOTE 8 - Supplemental Cash Flow Information

<i>(in millions)</i>	May 31, 2024	November 30, 2023
Cash and cash equivalents (Consolidated Balance Sheets)	\$1,646	\$2,415
Restricted cash (included in prepaid expenses and other and other assets)	23	21
Total cash, cash equivalents and restricted cash (Consolidated Statements of Cash Flows)	<u>\$1,669</u>	<u>\$2,436</u>

#### NOTE 9 - Subsequent Events

In June 2024, we announced that we will fold the operations of P&O Cruises Australia into Carnival Cruise Line in March 2025. We do not anticipate this realignment to have a material impact on our consolidated financial statements.

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

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

Some of the statements, estimates or projections contained in this Quarterly Report on Form 10-Q 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.

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. These factors include, but are not limited to, the following:

- Events and conditions around the world, including geopolitical uncertainty, war and other military actions, inflation, higher fuel prices, higher interest rates and other general concerns impacting the ability or desire of people to travel have led, and may in the future lead, to a decline in demand for cruises as well as negative impacts to our operating costs and profitability.
- Pandemics have in the past and may in the future have a significant negative impact on our financial condition and operations.
- Incidents concerning our ships, guests or the cruise industry have in the past and may, in the future, negatively 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-money laundering, anti-corruption, economic sanctions, trade protection, labor and employment, and tax may be costly and 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 targets, goals, aspirations, initiatives, and our public statements and disclosures regarding them, including those that are related to sustainability matters, 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 team members, our inability to recruit or retain qualified shoreside and shipboard team members 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 may be unable to deliver on their commitments, which could negatively 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 negatively impact 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.
- We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors, including those beyond our control, and we may not be able to generate cash required to service our debt and sustain our operations.
- Our substantial debt could adversely affect our financial health and operating flexibility.

The ordering of the risk factors set forth above is not intended to reflect our indication of priority or likelihood. Additionally, many of these risks and uncertainties are currently, and in the future may continue to be, amplified by our substantial debt balance incurred during the pause of our guest cruise operations. 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- and climate-related statements may be based on standards and tools for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions and predictions that are subject to change in the future and may not be generally shared.

#### **New Accounting Pronouncements**

Refer to Note 1 - "General, Accounting Pronouncements" of the consolidated financial statements for additional discussion regarding *Accounting Pronouncements*.

#### **Critical Accounting Estimates**

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

#### **Seasonality**

Our passenger ticket revenues are seasonal. 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. Our results are also impacted by ships being taken out-of-service for planned maintenance, which we schedule during non-peak seasons. In addition, substantially all of Holland America Princess Alaska Tours' revenue and operating income is generated from May through September in conjunction with Alaska's cruise season.

#### **Known Trends and Uncertainties**

- We believe the volatility in the price of fuel and foreign currency exchange rates are reasonably likely to impact our profitability.
- We believe a global minimum tax could affect us in 2026, with the potential for a one-year deferral. Prior to any mitigating actions, we believe the annual impact could be approximately \$200 million. We continue to evaluate the impact of these rules and are currently evaluating a variety of mitigating actions to minimize the impact. The application of the rules



continues to evolve, and its outcome may alter our tax obligations in certain countries in which we operate.

- We believe the increasing global focus on climate change, including the reduction of greenhouse gas emissions and new and evolving regulatory requirements, is reasonably likely to have a material negative impact on our future financial results. We became subject to the EU ETS on January 1, 2024, which includes a three-year phase-in period. The impact in 2024 will be approximately \$50 million.

## Statistical Information

	Three Months Ended May 31,		Six Months Ended May 31,	
	2024	2023	2024	2023
Passenger Cruise Days ("PCDs") (in millions) (a)	24.3	21.8	47.8	42.0
Available Lower Berth Days ("ALBDs") (in millions) (b) (c)	23.5	22.3	46.5	44.3
Occupancy percentage (d)	104%	98%	103%	95%
Passengers carried (in millions)	3.3	3.0	6.3	5.7
Fuel consumption in metric tons (in millions)	0.7	0.7	1.5	1.5
Fuel consumption in metric tons per thousand ALBDs	31.9	32.5	31.8	33.0
Fuel cost per metric ton consumed (excluding European Union Allowance)	\$684	\$677	\$685	\$704
Currencies (USD to 1)				
AUD	\$0.66	\$0.67	\$0.66	\$0.68
CAD	\$0.73	\$0.74	\$0.74	\$0.74
EUR	\$1.08	\$1.08	\$1.08	\$1.08
GBP	\$1.26	\$1.23	\$1.26	\$1.23

## 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) For the three months ended May 31, 2024 compared to the three months ended May 31, 2023, we had a 5.4% capacity increase in ALBDs comprised of a 11% capacity increase in our NAA segment and a 3.6% capacity decrease in our Europe segment.

Our NAA segment's capacity increase was caused by the following:

- Carnival Cruise Line 4,090-passenger capacity ship that was transferred from Costa Cruises and entered into service in May 2023
- Seabourn 260-passenger capacity ship that entered into service in July 2023
- Carnival Cruise Line 5,360-passenger capacity ship that entered into service in December 2023
- Princess Cruises 4,310-passenger capacity ship that entered into service in February 2024
- Carnival Cruise Line 4,130-passenger capacity ship that was transferred from Costa Cruises and entered into service in April 2024

Our Europe segment's capacity decrease was caused by the following:

- Costa Cruises 4,090-passenger capacity ship that was transferred to Carnival Cruise Line in March 2023
- AIDA Cruises 1,270-passenger capacity ship removed from service in November 2023
- Costa Cruises 4,240-passenger capacity ship that was transferred to Carnival Cruise Line in February 2024
- The Red Sea rerouting as certain ships repositioned without guests

The decrease in our Europe segment's capacity was partially offset by the following:

- The return to service of two ships as part of the completion of our return to guest cruise operations
- Cunard 2,960-passenger capacity ship that entered into service in May 2024

For the six months ended May 31, 2024 compared to the six months ended May 31, 2023, we had a 4.8% capacity increase in ALBDs comprised of a 7.1% capacity increase in our NAA segment and a 1.2% capacity increase in our Europe segment.

Our NAA segment's capacity increase was caused by the following:

- Carnival Cruise Line 4,090-passenger capacity ship that was transferred from Costa Cruises and entered into service in May 2023
- Seabourn 260-passenger capacity ship that entered into service in July 2023
- Carnival Cruise Line 5,360-passenger capacity ship that entered into service in December 2023
- Princess Cruises 4,310-passenger capacity ship that entered into service in February 2024
- Carnival Cruise Line 4,130-passenger capacity ship that was transferred from Costa Cruises and entered into service in April 2024

Our Europe segment's capacity increase was caused by the following:

- The return to service of two ships as part of the completion of our return to guest cruise operations
- P&O Cruises (UK) 5,280-passenger capacity ship that entered into service in December 2022
- Cunard 2,960-passenger capacity ship that entered into service in May 2024

The increase in our Europe segment's capacity was partially offset by the following:

- Costa Cruises 4,090-passenger capacity ship that was transferred to Carnival Cruise Line in March 2023
- AIDA Cruises 1,270-passenger capacity ship removed from service in November 2023
- Costa Cruises 4,240-passenger capacity ship that was transferred to Carnival Cruise Line in February 2024
- The Red Sea rerouting as certain ships repositioned without guests

- (d) Occupancy, in accordance with cruise industry practice, is calculated 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.

### Three Months Ended May 31, 2024 ("2024") Compared to Three Months Ended May 31, 2023 ("2023")

#### Revenues

##### Consolidated

Passenger ticket revenues made up 65% of our 2024 total revenues. Passenger ticket revenues increased by \$613 million, or 20%, to \$3.8 billion in 2024 from \$3.1 billion in 2023.

This increase was caused by:

- \$253 million - increase in passenger ticket revenues driven by continued strength in demand, which drove ticket prices higher
- \$185 million - 5.4% capacity increase in ALBDs
- \$176 million - 5.6 percentage point increase in occupancy

The remaining 35% of 2024 total revenues was comprised of onboard and other revenues, which increased by \$257 million, or 15%, to \$2.0 billion in 2024 from \$1.8 billion in 2023.

This increase was driven by:

- \$132 million - 5.4% capacity increase in ALBDs
- \$70 million - 5.6 percentage point increase in occupancy
- \$47 million - higher onboard spending by our guests

##### NAA Segment

Passenger ticket revenues made up 62% of our NAA segment's 2024 total revenues. Passenger ticket revenues increased by \$429 million, or 21%, to \$2.5 billion in 2024 from \$2.0 billion in 2023.

This increase was driven by:

- \$225 million - 11% capacity increase in ALBDs
- \$157 million - increase in passenger ticket revenues driven by continued strength in demand, which drove ticket prices higher
- \$44 million - 2.2 percentage point increase in occupancy

The remaining 38% of our NAA segment's 2024 total revenues were comprised of onboard and other revenues, which increased by \$200 million, or 15%, to \$1.5 billion in 2024 compared to \$1.3 billion in 2023.

This increase was caused by:

- \$145 million - 11% capacity increase in ALBDs
- \$37 million - higher onboard spending by our guests
- \$28 million - 2.2 percentage point increase in occupancy

##### Europe Segment

Passenger ticket revenues made up 77% of our Europe segment's 2024 total revenues. Passenger ticket revenues increased by \$190 million, or 17%, to \$1.3 billion in 2024 compared to \$1.1 billion in 2023.

This increase was driven by:

- \$133 million - 11 percentage point increase in occupancy
- \$96 million - increase in passenger ticket revenues driven by continued strength in demand, which drove ticket prices higher

These increases were partially offset by a 3.6% capacity decrease in ALBDs, representing \$40 million.

The remaining 23% of our Europe segment's 2024 total revenues were comprised of onboard and other revenues, which increased by \$42 million, or 12%, to \$395 million in 2024 from \$353 million in 2023. This increase was caused by an 11 percentage point increase in occupancy.

#### Costs and Expenses

##### Consolidated

Operating costs and expenses increased by \$340 million, or 10%, to \$3.8 billion in 2024 from \$3.5 billion in 2023.

This increase was caused by:

- \$212 million - 5.4% capacity increase in ALBDs
- \$82 million - higher commissions, transportation costs, and other expenses driven by higher commission on increased ticket pricing and an increase in the number of guests
- \$41 million - nonrecurrence of a gain on sale of one NAA segment ship in 2023
- \$37 million - 5.6 percentage point increase in occupancy
- \$30 million - higher onboard and other cost of sales driven by higher onboard revenues

These increases were partially offset by:

- \$32 million - lower repair and maintenance expenses (including dry-dock expenses)
- \$30 million - decrease in various other costs

##### NAA Segment

Operating costs and expenses increased by \$299 million, or 13%, to \$2.6 billion in 2024 from \$2.3 billion in 2023.

This increase was driven by:

- \$251 million - 11% capacity increase in ALBDs
- \$52 million - higher commissions, transportation costs, and other expenses driven by higher commission on increased ticket pricing and an increase in the number of guests

- \$41 million - nonrecurrence of a gain on sale of one NAA segment ship in 2023

These increases were partially offset by:

- \$24 million - lower repair and maintenance expenses (including dry-dock expenses)
- \$21 million - decrease in various other costs

### Europe Segment

Operating costs and expenses were \$1.1 billion in 2024 and 2023. The changes in operating costs and expenses for the Europe segment were not material.

### Operating Income (Loss)

Our consolidated operating income (loss) increased by \$440 million to \$560 million in 2024 from \$120 million in 2023. Our NAA segment's operating income (loss) increased by \$260 million to \$525 million in 2024 from \$265 million in 2023, and our Europe segment's operating income (loss) increased by \$195 million to \$168 million in 2024 from \$(27) million in 2023. These changes were primarily due to the reasons discussed above.

### Nonoperating Income (Expense)

Interest expense, net of capitalized interest, decreased by \$93 million, or 17%, to \$450 million in 2024 from \$542 million in 2023. The decrease was substantially all due to a decrease in total debt and lower interest rates.

## Six Months Ended May 31, 2024 ("2024") Compared to Six Months Ended May 31, 2023 ("2023")

### Revenues

#### Consolidated

Passenger ticket revenues made up 66% of our 2024 total revenues. Passenger ticket revenues increased by \$1.4 billion, or 23%, to \$7.4 billion in 2024 from \$6.0 billion in 2023.

This increase was caused by:

- \$525 million - 8.2 percentage point increase in occupancy
- \$502 million - increase in passenger ticket revenues driven by continued strength in demand, which drove ticket prices higher
- \$302 million - 4.8% capacity increase in ALBDs
- \$35 million - net favorable foreign currency translational impact

The remaining 34% of 2024 total revenues was comprised of onboard and other revenues, which increased by \$484 million, or 15%, to \$3.8 billion in 2024 from \$3.3 billion in 2023.

This increase was driven by:

- \$218 million - 8.2 percentage point increase in occupancy
- \$184 million - 4.8% capacity increase in ALBDs
- \$67 million - higher onboard spending by our guests

#### NAA Segment

Passenger ticket revenues made up 63% of our NAA segment's 2024 total revenues. Passenger ticket revenues increased by \$804 million, or 20%, to \$4.7 billion in 2024 from \$3.9 billion in 2023.

This increase was caused by:

- \$378 million - increase in passenger ticket revenues driven by continued strength in demand, which drove ticket prices higher
- \$277 million - 7.1% capacity increase in ALBDs
- \$168 million - 4.3 percentage point increase in occupancy

The remaining 37% of our NAA segment's 2024 total revenues were comprised of onboard and other revenues, which increased by \$320 million, or 13%, to \$2.8 billion in 2024 compared to \$2.5 billion in 2023.

This increase was caused by:

- \$176 million - 7.1% capacity increase in ALBDs
- \$107 million - 4.3 percentage point increase in occupancy
- \$50 million - higher onboard spending by our guests

#### Europe Segment

Passenger ticket revenues made up 77% of our Europe segment's 2024 total revenues. Passenger ticket revenues increased by \$563 million, or 27%, to \$2.7 billion in 2024 compared to \$2.1 billion in 2023.

This increase was driven by:

- \$357 million - 14 percentage point increase in occupancy
- \$123 million - increase in passenger ticket revenues driven by continued strength in demand, which drove ticket prices higher
- \$39 million - net favorable foreign currency translational impact
- \$24 million - 1.2% capacity increase in ALBDs

The remaining 23% of our Europe segment's 2024 total revenues were comprised of onboard and other revenues, which increased by \$144 million, or 22%, to \$799 million in 2024 from \$655 million in 2023.

This increase was driven by:

- \$111 million - 14 percentage point increase in occupancy
- \$17 million - higher onboard spending by our guests

### Costs and Expenses

#### Consolidated

Operating costs and expenses increased by \$735 million, or 11%, to \$7.5 billion in 2024 from \$6.8 billion in 2023.

This increase was caused by:

- \$340 million - 4.8% capacity increase in ALBDs
- \$212 million - higher commissions, transportation costs, and other expenses driven by higher commission on increased ticket pricing and an increase in the number of guests
- \$109 million - 8.2 percentage point increase in occupancy
- \$75 million - higher onboard and other cost of sales driven by higher onboard revenues
- \$41 million - nonrecurrence of a gain on sale of one NAA segment ship in 2023
- \$29 million - net unfavorable foreign currency translational impact

These increases were partially offset by \$47 million of lower fuel price and consumption.

Selling and administrative expenses increased by \$154 million, or 11%, to \$1.6 billion in 2024 from \$1.4 billion in 2023. This increase was caused by an increase in advertising costs and administrative expenses, which includes an increase in compensation costs.

#### **NAA Segment**

Operating costs and expenses increased by \$512 million, or 11%, to \$5.0 billion in 2024 from \$4.5 billion in 2023.

This increase was caused by:

- \$315 million - 7.1% capacity increase in ALBDs
- \$100 million - higher commissions, transportation costs, and other expenses driven by higher commission on increased ticket pricing and an increase in the number of guests
- \$42 million - higher onboard and other cost of sales driven by higher onboard revenues
- \$41 million - nonrecurrence of a gain on sale of one NAA segment ship in 2023
- \$35 million - 4.3 percentage point increase in occupancy
- \$22 million - higher repair and maintenance expenses (including dry-dock expenses)

These increases were partially offset by \$38 million of lower fuel price and consumption.

Selling and administrative expenses increased by \$91 million, or 10%, to \$966 million in 2024 from \$875 million in 2023. This increase was caused by an increase in advertising costs and administrative expenses, which includes an increase in compensation costs.

#### **Europe Segment**

Operating costs and expenses increased by \$207 million, or 10%, to \$2.4 billion in 2024 from \$2.2 billion in 2023.

This increase was caused by:

- \$113 million - higher commissions, transportation costs, and other expenses driven by an increase in the number of guests
- \$73 million - 14 percentage point increase in occupancy
- \$33 million - net unfavorable foreign currency translational impact
- \$32 million - higher onboard and other cost of sales driven by higher onboard revenues
- \$25 million - 1.2% capacity increase in ALBDs

These increases were partially offset by:

- \$29 million - lower various other costs
- \$23 million - lower repair and maintenance expenses (including dry-dock expenses).

#### **Operating Income (Loss)**

Our consolidated operating income (loss) increased by \$887 million to \$836 million in 2024 from \$(52) million in 2023. Our NAA segment's operating income (loss) increased by \$446 million to \$797 million in 2024 from \$351 million in 2023, and our Europe segment's operating income (loss) increased by \$481 million to \$288 million in 2024 from \$(193) million in 2023. These changes were primarily due to the reasons discussed above.

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

Interest expense, net of capitalized interest, decreased by \$161 million, or 15%, to \$0.9 billion in 2024 from \$1.1 billion in 2023. The decrease was substantially all due to a decrease in total debt.

Debt extinguishment and modification costs increased by \$35 million, or 112%, to \$66 million in 2024 from \$31 million in 2023 as a result of debt transactions occurring during the respective periods.

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

As of May 31, 2024, we had \$4.6 billion of liquidity including \$1.6 billion of cash and cash equivalents and \$3.0 billion of borrowings available under our Revolving Facility, which matures in August 2024, at which point it will be replaced by the \$2.5 billion New Revolving Facility available through August 2027. We will continue to pursue various opportunities to repay portions of our existing indebtedness and refinance future debt maturities to extend maturity dates and reduce interest expense. Refer to Note 3 - "Debt" of the consolidated financial statements and Funding Sources below for additional details.

We had a working capital deficit of \$9.6 billion as of May 31, 2024 compared to a working capital deficit of \$6.2 billion as of November 30, 2023. The increase in working capital deficit was substantially all due to an increase in customer deposits, a decrease in cash and cash equivalents and a decrease in prepaid expenses and other. We operate with a substantial working capital deficit. This deficit is mainly attributable to the fact that, under our business model, substantially all of our passenger ticket receipts are collected in advance of the applicable sailing date. These advance passenger receipts generally remain a current liability on our balance sheet 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 \$7.9 billion and \$6.1 billion of customer deposits as of May 31, 2024 and November 30, 2023, respectively. 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 capped reserve fund in cash. In addition, we have a relatively low level of accounts receivable and limited investment in inventories.

## Sources and Uses of Cash

### Operating Activities

Our business provided \$3.8 billion of net cash flows from operating activities during the six months ended May 31, 2024, an increase of \$2.3 billion, compared to \$1.5 billion provided for the same period in 2023. This was caused by an increase in cash provided by the release of substantially all credit card reserves (included in the change in prepaid expenses and other assets), a decrease in the net loss compared to the same period in 2023 and other working capital changes.

### Investing Activities

During the six months ended May 31, 2024, net cash used in investing activities was \$3.4 billion. This was caused by capital expenditures of \$3.5 billion primarily attributable to the delivery of a 5,360 and a 4,310-passenger capacity NAA segment ships and one 2,960-passenger capacity Europe segment ship.

During the six months ended May 31, 2023, net cash used in investing activities was \$1.5 billion. This was driven by:

- Capital expenditures of \$1.8 billion primarily attributable to the delivery of one 5,280-passenger capacity Europe segment ship
- Proceeds from sales of one 2,700-passenger capacity Europe segment ship, one 1,270-passenger capacity Europe segment ship and one 460-passenger capacity NAA segment ship totaling \$255 million

### Financing Activities

During the six months ended May 31, 2024, net cash used in financing activities of \$1.2 billion was caused by:

- Repayments of \$4.1 billion of long-term debt
- Debt issuance costs of \$117 million
- Debt extinguishment costs of \$41 million
- Issuances of \$3.0 billion of long-term debt

During the six months ended May 31, 2023, net cash used in financing activities of \$1.6 billion was driven by:

- Repayments of \$0.2 billion of short-term borrowings
- Repayments of \$2.3 billion of long-term debt
- Issuances of \$1.0 billion of long-term debt
- Payments of \$94 million related to debt issuance costs
- Purchases of \$20 million of Carnival plc ordinary shares and issuances of \$22 million of Carnival Corporation common stock under our Stock Swap Program

## Funding Sources

As of May 31, 2024, we had \$4.6 billion of liquidity including \$1.6 billion of cash and cash equivalents and \$3.0 billion of borrowings available under our Revolving Facility, which matures in August 2024, at which point it will be replaced by the New Revolving Facility available through August 2027. Refer to Note 3 - "Debt" of the consolidated financial statements for additional discussion. In addition, we had \$2.2 billion of undrawn export credit facilities to fund ship deliveries planned through 2027. We plan to use existing liquidity and future cash flows from operations to fund our cash requirements including capital expenditures not funded by our export credit facilities. We seek to manage our credit risk exposures, including counterparty nonperformance associated with our cash and cash equivalents, and future financing facilities by conducting business with well-established financial institutions, and export credit agencies and diversifying our counterparties.

(in billions)

	2024	2025	2026	2027
Future export credit facilities at May 31, 2024	\$-	\$0.7	\$-	\$1.4

Our export credit facilities contain various financial covenants as described in Note 3 - "Debt". At May 31, 2024, we were in compliance with the applicable covenants under our debt agreements.

## Off-Balance Sheet Arrangements

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

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

For a discussion of our hedging strategies and market risks, see the discussion below and Note 10 - "Fair Value Measurements, Derivative Instruments and Hedging Activities and Financial Risks" in our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations within our Form 10-K. There have been no material changes to our exposure to market risks since the date of our 2023 Form 10-K.

### Interest Rate Risks

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

	May 31, 2024
Fixed rate	61%
EUR fixed rate	23%
Floating rate	4%
EUR floating rate	11%

## Item 4. Controls and Procedures.

### A. Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms. Disclosure

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

Our President, Chief Executive Officer and Chief Climate Officer and our Chief Financial Officer and Chief Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of May 31, 2024, that they are effective to provide a reasonable level of assurance, as described above.

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

There have been no changes in our internal control over financial reporting during the quarter ended May 31, 2024 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

The legal proceedings described in Note 4 - "Contingencies and Commitments" of our consolidated financial statements, including those described under "Regulatory or Governmental Inquiries and Investigations," are incorporated in this "Legal Proceedings" section by reference. Additionally, SEC rules require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that we believe may exceed \$1 million for such proceedings.

On June 20, 2022, Princess Cruises notified the Australian Maritime Safety Authorization ("AMSA") and the flag state, Bermuda, regarding approximately six cubic meters of comminuted food waste (liquid biodigester effluent) inadvertently released by *Coral Princess* inside the Great Barrier Reef Marine Park. On June 23, 2022, the UK P&I Club N.V. provided a letter of undertaking for approximately \$1.9 million (being the estimated maximum combined penalty). On May 31, 2023, we received a summons from the Australia Federal Prosecution Service indicating that formal charges are being pursued against Princess Cruises and the Captain of the vessel. We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

On February 5, 2024, P&O Cruises (Australia) notified AMSA and the UK Marine Accident Investigation Branch that a small amount of oil may have inadvertently contaminated grey water which was discharged by *Pacific Adventure* in the Great Barrier Reef Marine Park, Queensland. We are conducting an internal investigation and intend to cooperate with any inquiries from governmental authorities. We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

### **Item 1A. Risk Factors.**

The risk factors that affect our business and financial results are discussed in "Item 1A. Risk Factors," included in the Form 10-K, and there has been no material change to these risk factors since the Form 10-K filing. These risks should be carefully considered, and could materially and adversely affect our results, operations, outlooks, plans, goals, growth, reputation, cash flows, liquidity, and stock price. Our business also could be affected by risks that we are not presently aware of or that we currently consider immaterial to our operations.

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

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

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

Under the Stock Swap Program effective June 2021, the 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. Since the beginning of the Stock Swap Program, first authorized in June 2021, we have sold 17.2 million shares of Carnival Corporation common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$29 million. During the three months ended May 31, 2024, there were no sales or repurchases under the Stock Swap Program. During the three months ended May 31, 2024, no shares of Carnival Corporation common stock or Carnival plc ordinary shares were repurchased.

### **Item 5. Other Information.**

#### **C. Trading Plans**

During the quarter ended May 31, 2024, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

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