

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended February 28, 2022

OR

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

For the transition period from _____ to _____

Commission file number: 001-9610

Carnival Corporation

(Exact name of registrant as specified in its charter)

Republic of Panama

(State or other jurisdiction of incorporation or organization)

59-1562976

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

3655 N.W. 87th Avenue

Miami, Florida 33178-2428

(Address of principal executive offices)
(Zip Code)

(305) 599-2600

(Registrant's telephone number, including area code)

None

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

Commission file number: 001-15136

Carnival plc

(Exact name of registrant as specified in its charter)

England and Wales

(State or other jurisdiction of incorporation or organization)

98-0357772

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

Carnival House, 100 Harbour Parade

Southampton SO15 1ST United Kingdom

(Address of principal executive offices)
(Zip Code)

011 44 23 8065 5000

(Registrant's telephone number, including area code)

None

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



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

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

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

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

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

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

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

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

At March 21, 2022, Carnival Corporation had outstanding 989,700,876 shares of Common Stock, \$0.01 par value.

At March 21, 2022, Carnival plc had outstanding 185,724,456 Ordinary Shares \$1.66 par value, one Special Voting Share, GBP 1.00 par value and 989,700,876 Trust Shares of beneficial interest in the P&O Princess Special Voting Trust.

CARNIVAL CORPORATION & PLC

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	Three Months Ended February 28,	
	2022	2021
Revenues		
Passenger ticket	\$ 873	\$ 3
Onboard and other	750	23
	<u>1,623</u>	<u>26</u>
Operating Costs and Expenses		
Commissions, transportation and other	251	15
Onboard and other	209	7
Payroll and related	506	218
Fuel	365	103
Food	136	11
Ship and other impairments	8	—
Other operating	557	181
	<u>2,030</u>	<u>535</u>
Selling and administrative	530	462
Depreciation and amortization	554	552
	<u>3,114</u>	<u>1,549</u>
Operating Income (Loss)	<u>(1,491)</u>	<u>(1,524)</u>
Nonoperating Income (Expense)		
Interest income	3	3
Interest expense, net of capitalized interest	(368)	(398)
Gains (losses) on debt extinguishment, net	—	2
Other income (expense), net	(32)	(62)
	<u>(397)</u>	<u>(455)</u>
Income (Loss) Before Income Taxes	<u>(1,888)</u>	<u>(1,979)</u>
Income Tax Benefit (Expense), Net	<u>(3)</u>	<u>6</u>
Net Income (Loss)	<u>\$ (1,891)</u>	<u>\$ (1,973)</u>
Earnings Per Share		
Basic	<u>\$ (1.66)</u>	<u>\$ (1.80)</u>
Diluted	<u>\$ (1.66)</u>	<u>\$ (1.80)</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	
	February 28,	
	2022	2021
Net Income (Loss)	\$ (1,891)	\$ (1,973)
Items Included in Other Comprehensive Income (Loss)		
Change in foreign currency translation adjustment	13	199
Other	2	4
Other Comprehensive Income (Loss)	16	203
Total Comprehensive Income (Loss)	\$ (1,876)	\$ (1,770)

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

CARNIVAL CORPORATION & PLC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in millions, except par values)

	February 28, 2022	November 30, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,414	\$ 8,939
Short-term investments	515	200
Trade and other receivables, net	267	246
Inventories	392	356
Prepaid expenses and other	470	392
Total current assets	<u>8,057</u>	<u>10,133</u>
Property and Equipment, Net	40,183	38,107
Operating Lease Right-of-Use Assets	1,278	1,333
Goodwill	579	579
Other Intangibles	1,181	1,181
Other Assets	2,002	2,011
	<u>\$ 53,281</u>	<u>\$ 53,344</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ 2,741	\$ 2,790
Current portion of long-term debt	2,272	1,927
Current portion of operating lease liabilities	139	142
Accounts payable	772	797
Accrued liabilities and other	1,627	1,641
Customer deposits	3,367	3,112
Total current liabilities	<u>10,920</u>	<u>10,408</u>
Long-Term Debt	29,887	28,509
Long-Term Operating Lease Liabilities	1,190	1,239
Other Long-Term Liabilities	973	1,043
Contingencies and Commitments		
Shareholders' Equity		
Common stock of Carnival Corporation, \$0.01 par value; 1,960 shares authorized; 1,120 shares at 2022 and 1,116 shares at 2021 issued	11	11
Ordinary shares of Carnival plc, \$1.66 par value; 217 shares at 2022 and 2021 issued	361	361
Additional paid-in capital	15,360	15,292
Retained earnings	4,493	6,448
Accumulated other comprehensive income (loss) ("AOCI")	(1,486)	(1,501)
Treasury stock, 130 shares at 2022 and 2021 of Carnival Corporation and 68 shares at 2022 and 67 shares at 2021 of Carnival plc, at cost	(8,428)	(8,466)
Total shareholders' equity	<u>10,311</u>	<u>12,144</u>
	<u>\$ 53,281</u>	<u>\$ 53,344</u>

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

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

	Three Months Ended	
	February 28,	
	2022	2021
OPERATING ACTIVITIES		
Net income (loss)	\$ (1,891)	\$ (1,973)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	554	552
Impairments	8	17
(Gain) loss on debt extinguishment	—	(2)
(Income) loss from equity-method investments	11	8
Share-based compensation	26	40
Amortization of discounts and debt issue costs	46	42
Noncash lease expense	34	36
Other, net	5	44
	<u>(1,207)</u>	<u>(1,236)</u>
Changes in operating assets and liabilities		
Receivables	(22)	6
Inventories	(37)	(1)
Prepaid expenses and other	(44)	(263)
Accounts payable	(24)	(128)
Accrued liabilities and other	(65)	167
Customer deposits	187	(49)
Net cash provided by (used in) operating activities	<u>(1,212)</u>	<u>(1,503)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(2,730)	(1,774)
Proceeds from sales of ships and other	18	9
Purchase of short-term investments	(315)	(1,840)
Derivative settlements and other, net	(6)	17
Net cash provided by (used in) investing activities	<u>(3,032)</u>	<u>(3,589)</u>
FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings, net	(48)	—
Principal repayments of long-term debt	(503)	(668)
Proceeds from issuance of long-term debt	2,347	4,980
Issuance of common stock, net	15	997
Issuance of common stock under the Stock Swap Program	27	—
Purchase of treasury stock under the Stock Swap Program	(23)	—
Debt issue costs and other, net	(86)	(93)
Net cash provided by (used in) financing activities	<u>1,728</u>	<u>5,216</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(8)	14
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>(2,524)</u>	<u>138</u>
Cash, cash equivalents and restricted cash at beginning of period	8,976	9,692
Cash, cash equivalents and restricted cash at end of period	<u>\$ 6,452</u>	<u>\$ 9,829</u>

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

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

	Common stock	Ordinary shares	Additional paid-in capital	Retained earnings	AOCI	Treasury stock	Total shareholders' equity
At November 30, 2020	\$ 11	\$ 361	\$ 13,948	\$ 16,075	\$ (1,436)	\$ (8,404)	\$ 20,555
Net income (loss)	—	—	—	(1,973)	—	—	(1,973)
Other comprehensive income (loss)	—	—	—	—	203	—	203
Issuance of common stock, net	—	—	996	—	—	—	997
Share-based compensation and other	—	—	32	—	—	—	32
At February 28, 2021	<u>\$ 11</u>	<u>\$ 361</u>	<u>\$ 14,977</u>	<u>\$ 14,102</u>	<u>\$ (1,233)</u>	<u>\$ (8,404)</u>	<u>\$ 19,813</u>
At November 30, 2021	\$ 11	\$ 361	\$ 15,292	\$ 6,448	\$ (1,501)	\$ (8,466)	\$ 12,144
Net income (loss)	—	—	—	(1,891)	—	—	(1,891)
Other comprehensive income (loss)	—	—	—	—	16	—	16
Issuances of common stock, net	—	—	15	—	—	—	15
Purchases and issuances under the Stock Swap program, net	—	—	27	—	—	(25)	2
Issuance of treasury shares for vested share-based awards	—	—	—	(63)	—	63	—
Share-based compensation and other	—	—	26	—	—	—	26
At February 28, 2022	<u>\$ 11</u>	<u>\$ 361</u>	<u>\$ 15,360</u>	<u>\$ 4,493</u>	<u>\$ (1,486)</u>	<u>\$ (8,428)</u>	<u>\$ 10,311</u>

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

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

NOTE 1 – General

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

Liquidity and Management’s Plans

In the face of the global impact of COVID-19, we paused our guest cruise operations in mid-March 2020. As of February 28, 2022, 71% of our capacity had resumed guest cruise operations as part of our ongoing return to service. The extent of the effects of COVID-19 on our business are uncertain and will depend on future developments, including, but not limited to, the duration and continued severity of COVID-19 and the length of time it takes to return the company to profitability. The ongoing resumption of our guest cruise operations and the increased uncertainty given the current invasion of Ukraine, including its effect on the price of fuel, are collectively having a material negative impact on our business, including our liquidity, financial position and results of operations.

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

- Ongoing resumption of guest cruise operations, with each brand’s full fleet expected to be back in guest cruise operations for its respective summer season where we historically generate the largest share of our operating income
- Expected sustained increase in revenue per passenger cruise day through a combination of both passenger ticket and onboard revenue as compared to 2019
- Expected improvement in occupancy throughout 2022 until we return to historical occupancy levels in 2023
- Expected continued spend to maintain enhanced health and safety protocols and to support the ongoing resumption of guest cruise operations, including completing the return of crew members to our ships
- Fuel prices
- Maintaining collateral and reserves at reasonable levels

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

We cannot make assurances that our assumptions used to estimate our liquidity requirements may not change because we have never previously experienced a complete cessation and subsequent ongoing resumption of our guest cruise operations, and as a consequence, our ability to be predictive is uncertain. In addition, the magnitude and duration of the global pandemic and the current invasion of Ukraine are uncertain. We have made reasonable estimates and judgments of the impact of these events within our consolidated financial statements and there may be changes to those estimates in future periods. We have taken actions to improve our liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions and accelerating the removal of certain ships from our fleet. In addition, we expect to continue to pursue refinancing opportunities to reduce interest expense and extend maturities and if appropriate, obtain relevant financial covenant amendments.

Based on these actions and our assumptions regarding the impact of COVID-19, considering our \$7.2 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility at February 28, 2022, as well as our continued ongoing return to service, we have concluded that we have sufficient liquidity to satisfy our obligations for at least the next twelve months.

Basis of Presentation

The Consolidated Statements of Income (Loss), the Consolidated Statements of Comprehensive Income (Loss), the Consolidated Statements of Cash Flows and the Consolidated Statements of Shareholders’ Equity for the three months ended February 28, 2022 and 2021, and the Consolidated Balance Sheet at February 28, 2022 are unaudited and, in the opinion of our management, contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement. Our interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Carnival Corporation & plc 2021 joint Annual Report on Form 10-K (“Form 10-K”) filed with the U.S. Securities and Exchange Commission on January 27, 2022.

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

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

Accounting Pronouncements

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

NOTE 2 – Revenue and Expense Recognition

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

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

Passenger ticket revenues include fees, taxes and charges collected by us from our guests. A portion of these fees, taxes and charges vary with guest head counts and are directly imposed on a revenue-producing arrangement. This portion of the fees, taxes and charges is expensed in commissions, transportation and other costs when the corresponding revenues are recognized. For the three months ended February 28, 2022 and 2021, fees, taxes, and charges included in commissions, transportation and other costs were \$68 million and \$41 million. The remaining portion of fees, taxes and charges are expensed in other operating expenses when the corresponding revenues are recognized.

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

Customer Deposits

Our payment terms generally require an initial deposit to confirm a reservation, with the balance due prior to the voyage. Cash received from guests in advance of the cruise is recorded in customer deposits and in other long-term liabilities on our Consolidated Balance Sheets. These amounts include refundable deposits. We have provided flexibility to guests with bookings on sailings cancelled due to itinerary disruptions by allowing guests to rebook at a future date, receive enhanced future cruise credits (“FCC”) or elect to receive refunds in cash. Enhanced FCCs provide the guest with an additional credit value above the original cash deposit received, and the enhanced value is recognized as a discount applied to the future cruise in the period used. We have paid refunds of customer deposits with respect to a portion of cancelled cruises. The amount of any future cash refunds may depend on future cruise cancellations and guest rebookings. We record a liability for unexpired FCCs to the extent we have received and not refunded cash from guests for cancelled bookings. We had total customer deposits of \$3.7 billion as of February 28, 2022 and \$3.5 billion as of November 30, 2021. Refunds payable to guests who have elected cash refunds are recorded in accounts payable. During the three months ended February 28, 2022 and 2021, we recognized revenues of \$1.0 billion and an immaterial amount related to our customer deposits as of November 30, 2021 and 2020. Historically, our customer deposits balance changes due to the seasonal nature of cash collections, the recognition of revenue, refunds of customer deposits and foreign currency translation.

Contract Receivables

Although we generally require full payment from our customers prior to or concurrently with their cruise, we grant credit terms to a relatively small portion of our revenue source. We also have receivables from credit card merchants for cruise ticket purchases and onboard revenue. These receivables are included within trade and other receivables, net. We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. These reserve funds are included in other assets.

Contract Assets

Contract assets are amounts paid prior to the start of a voyage, which we record as an asset within prepaid expenses and other and which are subsequently recognized as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We had contract assets of \$70 million as of February 28, 2022 and \$55 million as of November 30, 2021.

NOTE 3 – Debt***Short-Term Borrowings***

As of February 28, 2022 and November 30, 2021, our short-term borrowings consisted of \$2.7 billion and \$2.8 billion under our \$1.7 billion, €1.0 billion and £0.2 billion revolving credit facility (the “Revolving Facility”).

Export Credit Facility Borrowings

During the first quarter of 2022, we borrowed \$2.3 billion under export credit facilities due in semi-annual installments through 2034.

Covenant Compliance

As of February 28, 2022, our Revolving Facility, unsecured loans and export credit facilities contain certain covenants, the most restrictive of which require us to:

- Maintain minimum interest coverage (adjusted EBITDA to consolidated net interest charges) at the end of each fiscal quarter from February 28, 2023, at a ratio of not less than 2.0 to 1.0 for the February 28, 2023 and May 31, 2023 testing dates, 2.5 to 1.0 for the August 31, 2023 and November 30, 2023 testing dates, and 3.0 to 1.0 for the February 29, 2024 testing date onwards, or through their respective maturity dates
- Maintain minimum shareholders’ equity of \$5.0 billion
- Limit our debt to capital (as defined) percentage from the November 30, 2021 testing date until the May 31, 2023 testing date, to a percentage not to exceed 75%, following which it will be tested at levels which decline ratably to 65% from the May 31, 2024 testing date onwards
- Maintain minimum liquidity of \$1.5 billion through November 30, 2026

- Adhere to certain restrictive covenants through November 30, 2024
- Limit the amounts of our secured assets as well as secured and other indebtedness

At February 28, 2022, we were in compliance with the applicable covenants under our debt agreements. Generally, if an event of default under any debt agreement occurs, then, pursuant to cross default acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated. Any financial covenant amendment may lead to increased costs, increased interest rates, additional restrictive covenants and other available lender protections that would be applicable.

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

As of February 28, 2022, the scheduled maturities of our debt are as follows:

(in millions)

Year	<u>Principal Payments</u>
2Q 2022	\$ 182
3Q 2022	409
4Q 2022	982
2023	2,898
2024 (a)	4,825
2025	4,522
2026	4,598
Thereafter	17,304
Total	<u>\$ 35,721</u>

- (a) Includes borrowings of \$2.7 billion under our Revolving Facility. Amounts outstanding under our Revolving Facility were drawn in 2020 for an initial six-month term. We may continue to re-borrow or otherwise utilize available amounts under the Revolving Facility through August 2024, subject to satisfaction of the conditions in the facility. We had \$0.3 billion available for borrowing under our Revolving Facility as of February 28, 2022. The Revolving Facility also includes an emissions linked margin adjustment whereby, after the initial applicable margin is set per the margin pricing grid, the margin may be adjusted based on performance in achieving certain agreed annual carbon emissions goals. We are required to pay a commitment fee on any unutilized portion.

NOTE 4 – Contingencies and Commitments

Litigation

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

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

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

As previously disclosed, on May 2, 2019, two lawsuits were filed against Carnival Corporation in the U.S. District Court for the Southern District of Florida under Title III of the Cuban Liberty and Democratic Solidarity Act, also known as the Helms-Burton Act, alleging that Carnival Corporation “trafficked” in confiscated Cuban property when certain ships docked at certain ports in Cuba, and that this alleged “trafficking” entitles the plaintiffs to treble damages. In the matter filed by Havana Docks

Corporation, the hearings on motions for summary judgment were concluded on January 18, 2022. On March 21, 2022, the court granted summary judgment in favor of Havana Docks Corporation as to liability. The amount of damages will be determined at the trial currently scheduled for May 23, 2022. We are assessing our options, including appealing this order. In the matter filed by Javier Bengochea, on October 4, 2021, the U.S. Court of Appeals for the Eleventh Circuit Court heard oral arguments and on December 20, 2021, the court issued an order inviting an amicus brief from the U.S. government on several issues involved in the appeal. We continue to believe we have a meritorious defense to these actions and we believe that any final liability which may arise as a result of these actions is unlikely to have a material impact on our consolidated financial statements.

As previously disclosed, on April 8, 2020, DeCurtis LLC (“DeCurtis”), a former vendor, filed an action against Carnival Corporation in the U.S. District Court for the Middle District of Florida seeking declaratory relief that DeCurtis is not infringing on several of Carnival Corporation’s patents in relation to its OCEAN Medallion systems and technology. The action also raises certain monopolization claims under The Sherman Antitrust Act of 1890, unfair competition and tortious interference, and seeks declaratory judgment that certain Carnival Corporation patents are unenforceable. DeCurtis seeks damages, including its fees and costs, and seeks declarations that it is not infringing and/or that Carnival Corporation’s patents are unenforceable. On April 10, 2020, Carnival Corporation filed an action against DeCurtis in the Southern District of Florida for breach of contract, trade secrets violations and patent infringement. Carnival Corporation seeks damages, including its fees and costs, as well as an order permanently enjoining DeCurtis from engaging in such activities. These two cases have now been consolidated in the Southern District of Florida. The parties’ motions to dismiss in both actions have been granted in part and denied in part. Answers have been filed by both parties. We believe the ultimate outcome will not have a material impact on our consolidated financial statements.

COVID-19 Actions

Private Actions

We have been named in a number of individual actions related to COVID-19. Private parties have brought approximately 73 individual lawsuits as of February 28, 2022 in several U.S. federal and state courts as well as in France, Italy and Brazil. These actions include tort claims based on a variety of theories, including negligence and failure to warn. The plaintiffs in these actions allege a variety of injuries: some plaintiffs confined their claim to emotional distress, while others allege injuries arising from testing positive for COVID-19. A smaller number of actions include wrongful death claims. As of February 28, 2022, 63 of these individual actions have now been dismissed or settled and ten remain. These actions were settled for immaterial amounts.

Additionally, as of February 28, 2022, ten purported class actions have been brought by former guests from *Ruby Princess*, *Diamond Princess*, *Grand Princess*, *Coral Princess*, *Costa Luminosa* or *Zaandam* in several U.S. federal courts and in the Federal Court of Australia. These actions include tort claims based on a variety of theories, including negligence, gross negligence and failure to warn, physical injuries and severe emotional distress associated with being exposed to and/or contracting COVID-19 onboard. As of February 28, 2022, nine of these class actions have either been settled individually or had their class allegations dismissed by the courts and one remains. These actions were settled for immaterial amounts.

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

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

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

Governmental Inquiries and Investigations

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

Other Regulatory or Governmental Inquiries and Investigations

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

We responded to a cybersecurity event in May 2019 related to our email accounts, and detected ransomware attacks in August 2020 and December 2020 which resulted in unauthorized access to our information technology systems. We engaged a major cybersecurity firm to investigate these matters and notified relevant law enforcement and regulators of these incidents.

- For the May 2019 and August 2020 events, the investigation, communication and reporting phases are complete. We determined that, for each event, an unauthorized third-party gained access to certain email accounts, which contained personal information relating to some guests, employees and crew for some of our operations.
- For the December 2020 event, the investigation, communication and reporting phases are complete. Regulators were notified, and several, including the primary regulatory authority in the European Union, have closed their files on this matter.

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

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

We are subject to a court-ordered environmental compliance plan supervised by the U.S. District Court for the Southern District of Florida, which is operative until mid-April 2022 and subjects our operations to additional review and other obligations. Failure to comply with the requirements of this environmental compliance plan or other special conditions of probation could result in fines, which the court has imposed in the past, including during the three months ended February 28, 2022 as reported in the Form 10-K, and restrictions on our operations.

On March 14, 2022, the United States Department of Justice and the United States 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. We do not expect this matter to have a material effect on our financial results.

Other Contingent Obligations

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

We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. Although the agreements vary, these requirements may generally be satisfied either through a withheld percentage of customer payments or providing cash funds directly to the credit card processor. As of February 28, 2022 and November 30, 2021, we had \$1.1 billion in reserve funds related to our customer deposits withheld to satisfy these requirements which are included within other assets. We continue to expect to provide reserve funds under these agreements. Additionally, as of February 28, 2022 and November 30, 2021, we had \$30 million of cash collateral in escrow which is included within other assets.

Ship Commitments

As of February 28, 2022, we expect the timing of our new ship growth capital commitments to be as follows:

(in millions)

Year

Remainder of 2022	\$	1,875
2023		2,562
2024		1,659
2025		984
2026		—
Thereafter		—
	<u>\$</u>	<u>7,080</u>

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)	February 28, 2022				November 30, 2021			
	Carrying Value	Fair Value			Carrying Value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Liabilities								
Fixed rate debt (a)	\$ 20,899	\$ —	\$19,845	\$ —	\$ 19,555	\$ —	\$19,013	\$ —
Floating rate debt (a)	14,822	—	13,562	—	14,415	—	13,451	—
Total	<u>\$ 35,721</u>	<u>\$ —</u>	<u>\$33,407</u>	<u>\$ —</u>	<u>\$ 33,970</u>	<u>\$ —</u>	<u>\$32,463</u>	<u>\$ —</u>

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

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

<i>(in millions)</i>	February 28, 2022			November 30, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash and cash equivalents	\$ 6,414	\$ —	\$ —	\$ 8,939	\$ —	\$ —
Short-term investments (a)	515	—	—	200	—	—
Derivative financial instruments	—	5	—	—	1	—
Total	\$ 6,929	\$ 5	\$ —	\$ 9,139	\$ 1	\$ —
Liabilities						
Derivative financial instruments	\$ —	\$ 18	\$ —	\$ —	\$ 13	\$ —
Total	\$ —	\$ 18	\$ —	\$ —	\$ 13	\$ —

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

Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis**Valuation of Goodwill and Trademarks**

The determination of the fair value of our reporting units' goodwill and trademarks includes numerous estimates and underlying assumptions that are subject to various risks and uncertainties.

<i>(in millions)</i>	Goodwill		
	NAA Segment (a)	EA Segment (b)	Total
November 30, 2021	\$ 579	\$ —	\$ 579
Exchange movements	—	—	—
February 28, 2022	\$ 579	\$ —	\$ 579

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

<i>(in millions)</i>	Trademarks		
	NAA Segment	EA Segment	Total
November 30, 2021	\$ 927	\$ 248	\$ 1,175
Exchange movements	\$ —	—	—
February 28, 2022	\$ 927	\$ 248	\$ 1,175

Impairment of Ships

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. As a result of the continued effect of COVID-19 on our business, and our updated expectations of the estimated selling values for certain of our ships, we determined that a ship had a net carrying value that exceeded its estimated discounted future cash flows. We compared the estimated selling value to the net carrying value and, as a result, recognized ship impairment charges as summarized in the table below. The principal assumption used in our cash flow analyses was the timing of the sale and its proceeds, which is considered a Level 3 input. We believe that we have made reasonable estimates and judgments as part of our assessment. A change in the principal assumptions, which influences the determination of fair value, may result in a need to perform additional impairment reviews.

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

<i>(in millions)</i>	February 28, 2022
NAA Segment	\$ 8
EA Segment	—
Total ship impairments	\$ 8

We did not recognize any ship impairment charges for the three months ended February 28, 2021.

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

Derivative Instruments and Hedging Activities

<i>(in millions)</i>	Balance Sheet Location	February 28, 2022	November 30, 2021
Derivative assets			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Prepaid expenses and other	\$ 5	\$ 1
Total derivative assets		<u>\$ 5</u>	<u>\$ 1</u>
Derivative liabilities			
Derivatives designated as hedging instruments			
Cross currency swaps (a)	Other long-term liabilities	\$ 14	\$ 8
Interest rate swaps (b)	Accrued liabilities and other	2	3
	Other long-term liabilities	1	2
Total derivative liabilities		<u>\$ 18</u>	<u>\$ 13</u>

- (a) At February 28, 2022, we had cross currency swaps totaling \$598 million that are designated as hedges of our net investment in foreign operations with euro-denominated functional currencies. At February 28, 2022, these cross currency swaps settle through 2028.
- (b) We have interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. These interest rate swap agreements effectively changed \$147 million at February 28, 2022 and \$160 million at November 30, 2021 of EURIBOR-based floating rate euro debt to fixed rate euro debt. At February 28, 2022, these interest rate swaps settle through 2025.

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

February 28, 2022						
<i>(in millions)</i>	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts	
Assets	\$ 5	\$ —	\$ 5	\$ —	\$ 5	
Liabilities	\$ 18	\$ —	\$ 18	\$ —	\$ 18	

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

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

<i>(in millions)</i>	Three Months Ended February 28,	
	2022	2021
Gains (losses) recognized in AOCI:		
Cross currency swaps - net investment hedges - included component	\$ 5	\$ —
Cross currency swaps - net investment hedges - excluded component	\$ (8)	\$ —
Interest rate swaps - cash flow hedges	\$ 3	\$ 1
Gains (losses) reclassified from AOCI - cash flow hedges:		
Interest rate swaps - Interest expense, net of capitalized interest	\$ (1)	\$ (1)
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	\$ 1	\$ —

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

Financial Risks

Fuel Price Risks

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

Foreign Currency Exchange Rate Risks

Overall Strategy

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

Operational Currency Risks

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

Investment Currency Risks

We consider our investments in foreign operations to be denominated in stable currencies and of a long-term nature. We partially mitigate the currency exposure of our investments in foreign operations by designating a portion of our foreign currency debt and derivatives as hedges of these investments. As of February 28, 2022, we have designated \$469 million of our sterling-denominated debt as non-derivative hedges of our net investments in foreign operations. For the three months ended February 28, 2022, we recognized \$2 million of losses on these non-derivative net investment hedges in the cumulative translation adjustment section of other comprehensive income (loss). We also have euro-denominated debt, including the effect of cross currency swaps, which provides an economic offset for our operations with euro functional currency.

Newbuild Currency Risks

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

At February 28, 2022, our remaining newbuild currency exchange rate risk primarily relates to euro-denominated newbuild contract payments to non-euro functional currency brands, which represent a total unhedged commitment of \$6.1 billion for newbuilds scheduled to be delivered through 2025.

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

Interest Rate Risks

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

Concentrations of Credit Risk

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

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

At February 28, 2022, our exposures under derivative instruments were not material. We also monitor the creditworthiness of travel agencies and tour operators in Asia, Australia and Europe, which includes charter-hire agreements in Asia and credit and debit card providers to which we extend credit in the normal course of our business. Concentrations of credit risk associated with trade receivables and other receivables, charter-hire agreements and contingent obligations are not considered to be material, principally due to the large number of unrelated accounts, the nature of these contingent obligations and their short maturities. Normally, we have not required collateral or other security to support normal credit sales. Historically, we have not experienced significant credit losses, including counterparty nonperformance; however, because of the impact COVID-19 is having on economies, we have experienced, and may continue to experience, an increase in credit losses.

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

NOTE 6 – Segment Information

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

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

<i>(in millions)</i>	Three Months Ended February 28,				
	Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortization	Operating income (loss)
<u>2022</u>					
NAA	\$ 1,126	\$ 1,288	\$ 344	\$ 334	\$ (840)
EA	457	698	176	181	(598)
Cruise Support	33	28	5	33	(34)
Tour and Other	8	17	6	5	(20)
	<u>\$ 1,623</u>	<u>\$ 2,030</u>	<u>\$ 530</u>	<u>\$ 554</u>	<u>\$ (1,491)</u>
<u>2021</u>					
NAA	\$ 10	\$ 316	\$ 220	\$ 334	\$ (859)
EA	8	198	108	184	(482)
Cruise Support	—	8	129	28	(164)
Tour and Other	7	13	6	6	(18)
	<u>\$ 26</u>	<u>\$ 535</u>	<u>\$ 462</u>	<u>\$ 552</u>	<u>\$ (1,524)</u>

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

<i>(in millions)</i>	Three Months Ended February 28, 2022
North America	\$ 1,119
Europe	479
Australia and Asia	8
Other	18
	<u>\$ 1,623</u>

As a result of the pause in our guest cruise operations, revenue data for the three months ended February 28, 2021 is not included in the table.

NOTE 7 – Earnings Per Share

<i>(in millions, except per share data)</i>	Three Months Ended February 28,	
	2022	2021
Net income (loss) for basic and diluted earnings per share	\$ (1,891)	\$ (1,973)
Weighted-average shares outstanding	1,137	1,095
Dilutive effect of equity plans	—	—
Diluted weighted-average shares outstanding	1,137	1,095
Basic earnings per share	\$ (1.66)	\$ (1.80)
Diluted earnings per share	\$ (1.66)	\$ (1.80)

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

<i>(in millions)</i>	Three Months Ended February 28,	
	2022	2021
Equity awards	3	3
Convertible Notes	52	54
Total antidilutive securities	55	56

NOTE 8 – Supplemental Cash Flow Information

<i>(in millions)</i>	February 28, 2022	November 30, 2021
Cash and cash equivalents (Consolidated Balance Sheets)	\$ 6,414	\$ 8,939
Restricted cash included in prepaid expenses and other and other assets	39	38
Total cash, cash equivalents and restricted cash (Consolidated Statements of Cash Flows)	\$ 6,452	\$ 8,976

For the three months ended February 28, 2022 and 2021, we did not have borrowings or repayments of commercial paper with original maturities greater than three months.

NOTE 9 – Property and Equipment

Ship Sales

During 2022, we entered into agreements to sell two NAA segment ships and completed the sale of one EA segment ship, which represent a passenger-capacity reduction of 4,110 for our NAA segment and 1,410 for our EA segment.

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

NOTE 10 – Shareholders’ Equity

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

During the three months ended February 28, 2022, under the Stock Swap Program, we sold 1.3 million of Carnival Corporation’s common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$2 million, which were used for general corporate purposes. During the three months ended February 28, 2021, there were no sales or repurchases under the Stock Swap Program.

Additionally, during the three months ended February 28, 2022, we sold 0.8 million shares of Carnival Corporation common stock at an average price per share of \$20.18, resulting in net proceeds of \$15 million.

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

Cautionary Note Concerning Factors That May Affect Future Results

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

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

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

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

- COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations. The current, and uncertain future, impact of COVID-19, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, reputation, litigation, cash flows, liquidity, and stock price.
- Events and conditions around the world, including war and other military actions, such as the current invasion of Ukraine, and other general concerns impacting the ability or desire of people to travel have and may lead to a decline in demand for cruises.
- Incidents concerning our ships, guests or the cruise vacation industry have in the past and may, in the future, impact the satisfaction of our guests and crew and lead to reputational damage.
- Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax have in the past and may, in the future, lead to litigation, enforcement actions, fines, penalties and reputational damage.
- Factors associated with climate change, including evolving and increasing regulations, increasing global concern about climate change and the shift in climate conscious consumerism and stakeholder scrutiny, and increasing frequency and/or severity of adverse weather conditions could adversely affect our business.
- Inability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them, may expose us to risks that may adversely impact our business.
- Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and may lead to reputational damage.
- The loss of key employees, our inability to recruit or retain qualified shoreside and shipboard employees and increased labor costs could have an adverse effect on our business and results of operations.
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.

- We rely on supply chain vendors who are integral to the operations of our businesses. These vendors and service providers are also affected by COVID-19 and may be unable to deliver on their commitments which could impact our business.
- Fluctuations in foreign currency exchange rates may adversely impact our financial results.
- Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options.
- Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.

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

Forward-looking statements should not be relied upon as a prediction of actual results. Subject to any continuing obligations under applicable law or any relevant stock exchange rules, we expressly disclaim any obligation to disseminate, after the date of this document, any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based. Forward-looking and other statements in this document may also address our sustainability progress, plans, and goals (including climate change and environmental-related matters). In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

New Accounting Pronouncements

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

Critical Accounting Estimates

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

Seasonality

Our passenger ticket revenues are seasonal. Historically, demand for cruises has been greatest during our third quarter, which includes the Northern Hemisphere summer months. This higher demand during the third quarter results in higher ticket prices and occupancy levels and, accordingly, the largest share of our operating income is typically earned during this period. This historical trend was disrupted in 2020 by the pause and in 2021 by the ongoing resumption of guest cruise operations. In addition, substantially all of Holland America Princess Alaska Tours’ revenue and net income (loss) is generated from May through September in conjunction with Alaska’s cruise season.

Known Trends and Uncertainties

We believe the increasing cost of fuel, liquefied natural gas (LNG) and other related costs are reasonably likely to impact our profitability in both the short and long-term. This effect is increased in the shorter term by the current invasion of Ukraine, including its effect on the price of fuel. In addition, the increasing global focus on climate change, including the reduction of carbon emissions and new and evolving regulatory requirements, is reasonably likely to materially impact our future costs, capital expenditures and revenues and/or the relationship between them, if enacted. The full impact of climate change to our business is not yet known.

Statistical Information

	Three Months Ended February 28,	
	2022	2021
Passenger Cruise Days (“PCDs”) (in thousands) (a)	7,229	27
Available Lower Berth Days (“ALBDs”) (in thousands) (b)	13,322	173
Occupancy percentage (c)	54 %	16 %
Passengers carried (in thousands)	1,011	5
Fuel consumption in metric tons (in thousands)	566	262
Fuel cost per metric ton consumed	\$ 648	\$ 392
Currencies (USD to 1)		
AUD	\$ 0.72	\$ 0.77
CAD	\$ 0.79	\$ 0.78
EUR	\$ 1.13	\$ 1.21
GBP	\$ 1.35	\$ 1.36

The ongoing resumption of guest cruise operations is continuing to have a material impact on all aspects of our business, including the above statistical information.

Notes to Statistical Information

- (a) PCD represents the number of cruise passengers on a voyage multiplied by the number of revenue-producing ship operating days for that voyage.
- (b) ALBD is a standard measure of passenger capacity for the period that we use to approximate rate and capacity variances, based on consistently applied formulas that we use to perform analyses to determine the main non-capacity driven factors that cause our cruise revenues and expenses to vary. ALBDs assume that each cabin we offer for sale accommodates two passengers and is computed by multiplying passenger capacity by revenue-producing ship operating days in the period.
- (c) Occupancy, in accordance with cruise industry practice, is calculated using a numerator of PCDs and denominator of ALBDs, which assumes two passengers per cabin even though some cabins can accommodate three or more passengers. Percentages in excess of 100% indicate that on average more than two passengers occupied some cabins.

Results of Operations

Consolidated

<i>(in millions)</i>	Three Months Ended February 28,		Change	% increase (decrease)
	2022	2021		
Revenues				
Passenger ticket	\$ 873	\$ 3	\$ 870	31,952 %
Onboard and other	750	23	727	3,193 %
	<u>1,623</u>	<u>26</u>	<u>1,598</u>	<u>6,263 %</u>
Operating Costs and Expenses				
Commissions, transportation and other	251	15	236	1,596 %
Onboard and other	209	7	202	2,884 %
Payroll and related	506	218	287	132 %
Fuel	365	103	262	256 %
Food	136	11	124	1,090 %
Ship and other impairments	8	—	8	100 %
Other operating	557	181	376	208 %
	<u>2,030</u>	<u>535</u>	<u>1,495</u>	<u>280 %</u>
Selling and administrative	530	462	68	15 %
Depreciation and amortization	554	552	2	— %
	<u>3,114</u>	<u>1,549</u>	<u>1,565</u>	<u>101 %</u>
Operating Income (Loss)	<u>(1,491)</u>	<u>(1,524)</u>	<u>32</u>	<u>(2)%</u>
Nonoperating Income (Expense)				
Interest income	3	3	—	1 %
Interest expense, net of capitalized interest	(368)	(398)	30	(7)%
Gains (losses) on debt extinguishment, net	—	2	(2)	(100)%
Other income (expense), net	(32)	(62)	30	(49)%
	<u>(397)</u>	<u>(455)</u>	<u>58</u>	<u>(13)%</u>
Income (Loss) Before Income Taxes	<u>\$ (1,888)</u>	<u>\$ (1,979)</u>	<u>\$ 91</u>	<u>(5)%</u>

NAA

<i>(in millions)</i>	Three Months Ended February 28,		Change	% increase (decrease)
	2022	2021		
Revenues				
Passenger ticket	\$ 586	\$ —	\$ 586	100 %
Onboard and other	540	11	529	4,894 %
	<u>1,126</u>	<u>10</u>	<u>1,115</u>	<u>10,747 %</u>
Operating Costs and Expenses	1,288	316	972	308 %
Selling and administrative	344	220	124	56 %
Depreciation and amortization	334	334	—	— %
	<u>1,966</u>	<u>870</u>	<u>1,096</u>	<u>126 %</u>
Operating Income (Loss)	<u>\$ (840)</u>	<u>\$ (859)</u>	<u>\$ 19</u>	<u>(2)%</u>

EA

<i>(in millions)</i>	Three Months Ended February 28,			% increase (decrease)
	2022	2021	Change	
Revenues				
Passenger ticket	\$ 341	\$ 3	\$ 338	10,721 %
Onboard and other	116	5	111	2,237 %
	457	8	449	5,542 %
Operating Costs and Expenses				
Operating Costs and Expenses	698	198	500	253 %
Selling and administrative	176	108	68	63 %
Depreciation and amortization	181	184	(3)	(2)%
	1,055	490	565	115 %
Operating Income (Loss)	\$ (598)	\$ (482)	\$ (116)	24 %

We paused our guest cruise operations in March 2020. As of February 28, 2022, eight of our nine brands had resumed guest cruise operations as part of our ongoing return to service. The ongoing resumption of guest cruise operations and the increased uncertainty given the current invasion of Ukraine, including its effect on the price of fuel, are collectively having a material negative impact on all aspects of our business, including our liquidity, financial position and results of operations. The full extent of the impact will be determined by our ongoing return to service and the length of time COVID-19 influences travel decisions.

As of February 28, 2022, 71% of our capacity had resumed guest cruise operations and ALBDs increased to 13 million compared to February 28, 2021 when we had no ships operating with guests onboard. Revenues for the three months ended February 28, 2022 increased by \$1.6 billion from the three months ended February 28, 2021, due to the resumption of guest cruise operations and the significant increase of ships returning to service. Occupancy for the three months ended February 28, 2022 was 54%.

Operating costs and expenses increased by \$1.5 billion to \$2.0 billion in 2022 from \$0.5 billion in 2021. This was driven by our ongoing resumption of cruise operations and restart related expenses, including the cost of returning ships to guest cruise operations and returning crew members to our ships, higher number of dry-dock days, the cost of maintaining enhanced health and safety protocols and inflation. We anticipate that many of these costs and expenses will end in 2022 and will not reoccur in 2023.

Fuel costs increased by \$262 million to \$365 million in 2022 from \$103 million in 2021. The increase was caused by higher fuel consumption of 304 thousand metric tons, due to the resumption of guest cruise operations, and an increase in fuel prices of \$256 per metric ton consumed in 2022 compared to 2021.

We recognized ship impairment charges of \$8 million for the three months ended February 28, 2022. There were no ship impairment charges for the three months ended February 28, 2021.

We continue to expect a net loss for the second quarter of 2022. However, we expect a profit for the third quarter of 2022. For the full year 2022, we expect a net loss.

Nonoperating Income (Expense)

Interest expense, net of capitalized interest, decreased by \$30 million to \$368 million in 2022 from \$398 million in 2021. The decrease was caused by a lower average interest rate for the three months ended February 28, 2022 compared to the three months ended February 28, 2021 as a result of completed refinancing efforts.

Liquidity, Financial Condition and Capital Resources

As of February 28, 2022, we had \$7.2 billion of liquidity including cash, short-term investments and borrowings available under our Revolving Facility. During 2022, we will continue to be focused on pursuing refinancing opportunities to reduce interest rates and extend maturities as well as entering into supplemental agreements to align our covenant compliance requirements.

We had a working capital deficit of \$2.9 billion as of February 28, 2022 compared to working capital deficit of \$0.3 billion as of November 30, 2021. The increase in working capital deficit was substantially all due to a decrease in cash. Historically, during our normal operations, we operate with a substantial working capital deficit. This deficit is mainly attributable to the fact that, under our business model, substantially all of our passenger ticket receipts are collected in advance of the applicable sailing date. These advance passenger receipts generally remain a current liability until the sailing date. The cash generated from these advance receipts is used interchangeably with cash on hand from other sources, such as our borrowings and other cash from operations. The cash received as advanced receipts can be used to fund operating expenses, pay down our debt, make long-term investments or any other use of cash. Included within our working capital are \$3.4 billion and \$3.1 billion of customer deposits as of February 28, 2022 and November 30, 2021, respectively. We have paid refunds of customer deposits with respect to a portion of cancelled cruises. The amount of any future cash refunds may depend on future cruise cancellations and guest rebookings. We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. In addition, we have a relatively low-level of accounts receivable and limited investment in inventories. We expect that we will have working capital deficits in the future once we return to normal guest cruise operations.

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

Sources and Uses of Cash

Operating Activities

Our business used \$1.2 billion of net cash flows in operating activities during the three months ended February 28, 2022, a decrease of \$0.3 billion, compared to \$1.5 billion of net cash flows used for the same period in 2021.

Investing Activities

During the three months ended February 28, 2022, net cash used in investing activities was \$3.0 billion. This was driven by the following:

- Capital expenditures of \$2.5 billion for our ongoing new shipbuilding program
- Capital expenditures of \$221 million for ship improvements and replacements, information technology and buildings and improvements
- Proceeds from sale of ships and other of \$18 million
- Purchases of short-term investments of \$315 million

During the three months ended February 28, 2021, net cash used in investing activities was \$3.6 billion. This was driven by the following:

- Capital expenditures of \$1.7 billion for our ongoing new shipbuilding program
- Capital expenditures of \$81 million for ship improvements and replacements, information technology and buildings and improvements
- Purchases of short-term investments of \$1.8 billion

Financing Activities

During the three months ended February 28, 2022, net cash provided by financing activities of \$1.7 billion was caused by the following:

- Issuances of \$2.3 billion of long-term debt
- Repayments of \$0.5 billion of long-term debt
- Payments of \$85 million related to debt issuance costs
- Net repayments of short-term borrowings of \$48 million
- Purchases of \$23 million of Carnival plc ordinary shares and issuances of \$27 million of Carnival Corporation common stock under our Stock Swap Program

During the three months ended February 28, 2021, net cash provided by financing activities of \$5.2 billion was caused by the following:

- Repayments of \$668 million of long-term debt
- Issuances of \$5.0 billion of long-term debt, including net proceeds of \$3.4 billion from the issuance of the 2027 Senior Unsecured Notes
- Net proceeds of \$996 million from our public offering of Carnival Corporation common stock

Funding Sources

As of February 28, 2022, we had \$7.2 billion of liquidity including cash, short-term investments and borrowings available under our revolving facility. In addition, we had \$3.3 billion of undrawn export credit facilities to fund ship deliveries planned through 2024. We plan to use future cash flows from operations to fund our cash requirements including capital expenditures not funded by our export credit facilities.

<i>(in billions)</i>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Future export credit facilities at February 28, 2022	\$ 0.9	\$ 1.8	\$ 0.6

Our export credit facilities contain various financial covenants as described in Note 3 - "Debt". At February 28, 2022, we were in compliance with the applicable covenants under our debt agreements.

Off-Balance Sheet Arrangements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Interest Rate Risks

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

	<u>February 28, 2022</u>
Fixed rate	42 %
EUR fixed rate	17 %
Floating rate	25 %
EUR floating rate	15 %
GBP floating rate	1 %

Item 4. Controls and Procedures.

A. Evaluation of Disclosure Controls and Procedures

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

Our President, Chief Executive Officer and Chief Climate Officer and our Chief Financial Officer and Chief Accounting Officer have evaluated our disclosure controls and procedures and have concluded, as of February 28, 2022, that they are effective at a reasonable level of assurance, as described above.

B. Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended February 28, 2022 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The legal proceedings described in Note 4 – “Contingencies and Commitments” of our consolidated financial statements, including those described under “COVID-19 Actions” and “Other Regulatory or Governmental Inquiries and Investigations,” are incorporated in this “Legal Proceedings” section by reference. Additionally, SEC rules require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that we believe will exceed \$1 million for such proceedings.

Item 1A. Risk Factors.

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

Operating Risk Factors

- *Events and conditions around the world, including war and other military actions, such as the current invasion of Ukraine, and other general concerns impacting the ability or desire of people to travel have and may lead to a decline in demand for cruises.*

We have been, and may continue to be, impacted by the public’s concerns regarding the health, safety and security of travel, including government travel advisories and travel restrictions, political instability and civil unrest, terrorist attacks, war and military action, most recently the current invasion of Ukraine, and other general concerns. To the extent the current invasion of Ukraine adversely affects our business, it may also have the effect of heightening many other risks disclosed in our Form 10-K, any of which could materially and adversely affect our business and results of operations. Additionally, we have been, and may continue to be, impacted by heightened regulations around customs and border control, travel bans to and from certain geographical areas, voluntary changes to our itineraries in light of geopolitical events, government policies increasing the difficulty of travel and limitations on issuing international travel visas. We may also be impacted by adverse changes in the perceived or actual economic climate, such as global or regional recessions, higher unemployment and underemployment rates and declines in income levels.

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

I. Stock Swap Program

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

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

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

Any sales of Carnival Corporation common stock and Carnival plc ordinary shares have been or will be registered under the Securities Act of 1933, as amended. During the three months ended February 28, 2022, under the Stock Swap Program, we sold 1.3 million shares of Carnival Corporation’s common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$2 million, which were used for general corporate purposes. Since the beginning of the Stock Swap Program, first authorized in June 2021, we have sold 10.2 million shares of Carnival Corporation’s common stock and repurchased the same amount of Carnival plc ordinary shares, resulting in net proceeds of \$21 million.

Period	Total Number of Shares of Carnival plc Ordinary Shares Purchased (a) (in millions)	Average Price Paid per Share of Carnival plc Ordinary Share	Maximum Number of Carnival plc Ordinary Shares That May Yet Be Purchased Under the Carnival Corporation Stock Swap Program (in millions)
December 1, 2021 through December 31, 2021	—	\$ —	9.5
January 1, 2022 through January 31, 2022	—	\$ —	9.5
February 1, 2022 through February 28, 2022	1.3	\$ 19.57	8.2
Total	<u>1.3</u>	19.57	

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

Item 6. Exhibits.**INDEX TO EXHIBITS**

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed/ Furnished Herewith
		Form	Exhibit	Filing Date	
Articles of incorporation and by-laws					
3.1	Third Amended and Restated Articles of Incorporation of Carnival Corporation.	8-K	3.1	4/17/2003	
3.2	Third Amended and Restated By-Laws of Carnival Corporation.	8-K	3.1	4/20/2009	
3.3	Articles of Association of Carnival plc.	8-K	3.3	4/20/2009	
Material Contracts					
10.1	Employment Agreement dates as of June 28, 2019 between Carnival Corporation and Peter C. Anderson.				X
10.2**	Amendment Agreement dated February 11, 2022 to the Multicurrency Revolving Facilities Agreement originally dated May 18, 2011, as amended and restated on August 6, 2019 and as further amended on December 31, 2020, May 11, 2021 and September 30, 2021, among Carnival Corporation, Carnival plc and certain of Carnival Corporation and Carnival plc subsidiaries, Bank of America Europe Designated Activity Company as facilities agent and a syndicate of financial institutions.				X
10.3	Form of Earnings Recovery Award Agreement for the Carnival Corporation 2020 Stock Plan for the CEO.				X
10.4	Form of Earnings Recovery Award Agreement for the Carnival Corporation 2020 Stock Plan for Certain Named Executive Officers.				X
10.5	Form of Time-Based Restricted Stock Unit Agreement for the Carnival Corporation 2020 Stock Plan for the Chief Ethics and Compliance Officer.				X

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed/ Furnished Herewith
		Form	Exhibit	Filing Date	
Rule 13a-14(a)/15d-14(a) certifications					
31.1	Certification of President, Chief Executive Officer and Chief Climate Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.3	Certification of President, Chief Executive Officer and Chief Climate Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.4	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival plc pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
Section 1350 certifications					
32.1*	Certification of President, Chief Executive Officer and Chief Climate Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2*	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival Corporation pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.3*	Certification of President, Chief Executive Officer and Chief Climate Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.4*	Certification of Chief Financial Officer and Chief Accounting Officer of Carnival plc pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
Interactive Data File					
101	The consolidated financial statements from Carnival Corporation & plc's joint Quarterly Report on Form 10-Q for the quarter ended February 28, 2022, as filed with the Securities and Exchange Commission on March 28, 2022, formatted in Inline XBRL, are as follows:				
	(i) the Consolidated Statements of Income (Loss) for the three months ended February 28, 2022 and 2021;				X
	(ii) the Consolidated Statements of Comprehensive Income (Loss) for the three months ended February 28, 2022 and 2021;				X
	(iii) the Consolidated Balance Sheets at February 28, 2022 and November 30, 2021;				X
	(iv) the Consolidated Statements of Cash Flows for the three months ended February 28, 2022 and 2021;				X
	(v) the Consolidated Statements of Shareholders' Equity for the three months ended February 28, 2022 and 2021;				X
	(vi) the notes to the consolidated financial statements, tagged in summary and detail.				X

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	<u>Incorporated by Reference</u>			<u>Filed/ Furnished Herewith</u>
		<u>Form</u>	<u>Exhibit</u>	<u>Filing Date</u>	
104	The cover page from Carnival Corporation & plc's joint Quarterly Report on Form 10-Q for the quarter ended February 28, 2022, as filed with the Securities and Exchange Commission on March 28, 2022, formatted in Inline XBRL (included as Exhibit 101).				

* These items are furnished and not filed.

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

SIGNATURES

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

CARNIVAL CORPORATION

CARNIVAL PLC

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

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

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

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

Date: March 28, 2022

Date: March 28, 2022

I, Arnold W. Donald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2022

By: /s/ Arnold W. Donald

Arnold W. Donald

President, Chief Executive Officer and Chief Climate Officer

I, David Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

I, Arnold W. Donald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2022

By: /s/ Arnold W. Donald

Arnold W. Donald

President, Chief Executive Officer and Chief Climate Officer

I, David Bernstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carnival plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2022 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: March 28, 2022

By: /s/ Arnold W. Donald

Arnold W. Donald

President, Chief Executive Officer and Chief Climate Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2022 as filed by Carnival Corporation with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: March 28, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2022 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the “Report”), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: March 28, 2022

By: /s/ Arnold W. Donald

Arnold W. Donald

President, Chief Executive Officer and Chief Climate Officer

In connection with the Quarterly Report on Form 10-Q for the quarter ended February 28, 2022 as filed by Carnival plc with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: March 28, 2022

By: /s/ David Bernstein

David Bernstein

Chief Financial Officer and Chief Accounting Officer