June 29, 2022

RELEASE OF CARNIVAL CORPORATION & PLC JOINT QUARTERLY REPORT ON FORM 10-Q FOR THE SECOND QUARTER OF 2022 AND CARNIVAL PLC GROUP HALF-YEARLY FINANCIAL REPORT

Carnival Corporation & plc announced its second quarter results of operations in its earnings release issued on June 24, 2022. Carnival Corporation & plc is hereby announcing that today it has filed its joint Quarterly Report on Form 10-Q ("Form 10-Q") with the U.S. Securities and Exchange Commission ("SEC") containing the Carnival Corporation & plc unaudited consolidated financial statements as of and for the three and six months ended May 31, 2022.

In addition, the Directors are today presenting in the attached **Schedule A,** the unaudited interim condensed financial statements for the Carnival plc Group ("Interim Financial Statements") as of and for the six months ended May 31, 2022. The Interim Financial Statements exclude the consolidated results of Carnival Corporation and are prepared under International Financial Reporting Standards as adopted by the United Kingdom.

The information included in the Form 10-Q (Schedule B) has been prepared in accordance with SEC rules and regulations. The Carnival Corporation & plc unaudited consolidated financial statements contained in the Form 10-Q have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Schedule B also contains the Carnival Corporation & plc unaudited consolidated financial statements as of and for the three and six months ended May 31, 2022, management's discussion and analysis ("MD&A") of financial conditions and results of operations, and information on Carnival Corporation and Carnival plc's sales and purchases of their equity securities and use of proceeds from such sales

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

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

MEDIA CONTACT
Roger Frizzell
001 305 406 7862

INVESTOR RELATIONS CONTACT
Beth Roberts
001 305 406 4832

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

Carnival Corporation & plc is one of the world's largest leisure travel companies with a portfolio of nine of the world's leading cruise lines. With operations in North America, Australia, Europe and Asia, its portfolio features – Carnival Cruise Line, Princess Cruises, Holland America Line, P&O Cruises (Australia), Seabourn, Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard.

Additional information can be found on www.carnivalcorp.com, www.carnivalsustainability.com, www.carnival.com, www.princess.com, www.hollandamerica.com, www.pocruises.com.au, www.seabourn.com, www.costacruise.com, www.aida.de, www.pocruises.com and www.cunard.com.

SCHEDULE A

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

(in millions, except per share data)

	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Revenues		
Passenger ticket	$ 835	$ 22
Onboard and other	337	33
	1,172	55
Operating Costs and Expenses		
Commissions, transportation and other	233	12
Onboard and other	93	9
Payroll and related	435	193
Fuel	316	84
Food	86	16
Ship and other impairments	—	1
Other operating	490	185
	1,653	500
Selling and administrative	398	306
Depreciation and amortisation	396	395
	2,447	1,202
Operating Income (Loss)	(1,276)	(1,147)
Nonoperating Income (Expense)		
Interest expense, net of capitalised interest	(65)	(18)
Other income (expense), net	67	(239)
	1	(257)
Income (Loss) Before Income Taxes	(1,275)	(1,404)
Income Tax Benefit (Expense), Net	(6)	(4)
Net Income (Loss)	$ (1,280)	$ (1,408)
Earnings Per Share		
Basic	$ (6.90)	$ (8.91)
Diluted	$ (6.90)	$ (8.91)

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

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

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

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

	Six Months Ended May 31,	
	2022	**2021**
Net Income (Loss)	$ (1,280)	$ (1,408)
Other Comprehensive Income (Loss)		
Items that will not be reclassified through the Statements of Income (Loss)		
Remeasurements of post-employment benefit obligations	6	(3)
Items that may be reclassified through the Statements of Income (Loss)		
Changes in foreign currency translation adjustment	(358)	276
Gains (losses) on hedges of net investments in foreign operations and other	89	29
	(269)	306
Other Comprehensive Income (Loss)	(263)	303
Total Comprehensive Income (Loss)	$ (1,543)	$ (1,105)

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

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

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

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

	May 31, 2022	November 30, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 502	$ 434
Trade and other receivables, net	159	140
Inventories	174	146
Prepaid expenses and other	132	109
Total current assets	968	829
Property and Equipment, Net	15,667	14,953
Right-of-Use Assets	308	333
Other Assets	767	737
	$ 17,710	$ 16,851
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	1,280	486
Current portion of lease liabilities	34	35
Amount owed to the Carnival Corporation group	6,651	6,204
Accounts payable	428	376
Accrued liabilities and other	487	487
Customer deposits	1,168	831
Total current liabilities	10,048	8,419
Long-Term Debt	6,294	5,484
Long-Term Lease Liabilities	277	298
Other Long-Term Liabilities	281	304
Shareholders' Equity		
Share capital	361	361
Share premium	143	143
Retained earnings	2,745	4,092
Other reserves	(2,439)	(2,249)
Total shareholders' equity	810	2,347
	$ 17,710	$ 16,851

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

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

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

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

	Six Months Ended May 31,	
	2022	**2021**
OPERATING ACTIVITIES		
Income (Loss) before income taxes	$ (1,275)	$ (1,404)
Adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities		
Depreciation and amortisation	396	395
Impairments	—	18
Share-based compensation	10	16
Interest expense, net	66	55
Debt modifications	(13)	(33)
(Income) loss from equity-method investments	(5)	16
Other, net	26	48
	(794)	516
Changes in operating assets and liabilities		
Receivables	(34)	30
Inventories	(39)	(2)
Prepaid expenses and other	(109)	(59)
Accounts payable	57	(87)
Accrued liabilities and other	52	50
Customer deposits	377	(32)
Cash provided by (used in) operations before interest and income taxes	(490)	(989)
Interest paid	(58)	(42)
Income tax benefit received, net	7	1
Net cash provided by (used in) operating activities	(541)	(1,030)
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,985)	(1,108)
Proceeds from sales of ships	40	228
Purchase of minority interest	—	(90)
Other, net	(5)	(31)
Net cash provided by (used in) investing activities	(1,949)	(1,001)
FINANCING ACTIVITIES		
Changes in amounts owed to the Carnival Corporation group	614	290
Principal repayments of long-term debt	(250)	(337)
Proceeds from issuance of long-term debt	2,347	1,534
Finance lease principal payments	(18)	(29)
Debt issuance cost and other, net	(101)	(80)
Net cash provided by (used in) financing activities	2,591	1,378
Effect of exchange rate changes on cash and cash equivalents	(33)	14
Net increase (decrease) in cash and cash equivalents	68	(640)
Cash and cash equivalents at beginning of period	434	918
Cash and cash equivalents at end of period	$ 502	$ 278

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

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

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

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

				Reserves						
	Share capital	Share premium	Retained earnings	Translation reserve	Cash flow hedges	Treasury shares	Other reserves	Merger reserve	Total	Total shareholders ' equity
At November 30, 2020	$ 361	$ 185	$ 7,568	$ (1,930)	$ 8	$ (1,945)	$ 41	$ 1,503	$(2,323)	$ 5,791
Comprehensive income (loss)										
Net income (loss)	—	—	(1,408)	—	—	—	—	—	—	(1,408)
Changes in foreign currency translation adjustment	—	—	—	276	—	—	—	—	276	276
Net gains on cash flow derivative hedges	—	—	—	—	1	—	—	—	1	1
Net gains on hedges of net investments in foreign operations	—	—	—	28	—	—	—	—	28	28
Remeasurements of post-employment benefit obligations	—	—	(3)	—	—	—	—	—	—	(3)
Total comprehensive income	—	—	(1,411)	304	1	—	—	—	306	(1,105)
Other, net	—	(42)	—	—	—	—	51	—	51	9
At May 31, 2021	$ 361	$ 143	$ 6,157	$ (1,626)	$ 9	$ (1,945)	$ 92	$ 1,503	$(1,966)	$ 4,695
At November 30, 2021	$ 361	$ 143	$ 4,092	$ (2,049)	$ 11	$ (1,818)	$ 105	$ 1,503	$(2,249)	$ 2,347
Comprehensive income (loss)										
Net income (loss)	—	—	(1,280)	—	—	—	—	—	—	(1,280)
Changes in foreign currency translation adjustment	—	—	—	(358)	—	—	—	—	(358)	(358)
Net gains on cash flow derivative hedges	—	—	—	—	7	—	—	—	7	7
Net gains on hedges of net investments in foreign operations	—	—	—	82	—	—	—	—	82	82
Remeasurements of post-employment benefit obligations	—	—	6	—	—	—	—	—	—	6
Total comprehensive income (loss)	—	—	(1,274)	(276)	7	—	—	—	(269)	(1,543)
Issuance of treasury shares for vested share-based awards	—	—	(72)	—	—	72	—	—	72	—
Other, net	—	—	(1)	(3)	3	—	7	—	7	7
At May 31, 2022	$ 361	$ 143	$ 2,745	$ (2,328)	$ 20	$ (1,746)	$ 112	$ 1,503	$(2,439)	$ 810

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

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

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

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

NOTE 1 - General

Description of Business

Carnival plc was incorporated in England and Wales in 2000 and is domiciled in the UK with its headquarters located at Carnival House, 100 Harbour Parade, Southampton, Hampshire, SO15 1ST, UK (registration number 04039524). The Interim Financial Statements have been prepared on the basis of the accounting policies and methods of computation, including estimates and assumptions, adopted and disclosed in Carnival plc and its subsidiaries and associates (referred to collectively in these Interim Financial Statements as the “Group,” “our,” “us” and “we”) consolidated statutory financial statements for the year ended November 30, 2021. These Interim Financial Statements were approved by the Audit Committee of the Board of Directors on June 23, 2022.

DLC Arrangement

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

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

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

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

The Boards of Directors consider that, within the DLC arrangement, the most appropriate presentation of our results and financial position is by reference to the U.S. generally accepted accounting principles (“U.S. GAAP”) DLC Financial Statements because all significant financial and operating decisions affecting the DLC companies are made on a joint basis to optimize the consolidated performance as a single economic entity. Accordingly, the DLC Financial Statements for the three and six months ended May 31, 2022 are provided to shareholders in Schedule B.

These Interim Financial Statements are required to satisfy reporting requirements of the United Kingdom’s Financial Conduct Authority (“FCA”) and do not include the consolidated results and financial position of Carnival Corporation and its subsidiaries. These Interim Financial Statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the FCA and with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the UK (“IAS 34”). The Interim Financial Statements should be read in conjunction with the audited annual financial statements for the year ended November 30, 2021, which were prepared in accordance with UK-adopted International Financial Reporting Standards (“IFRS”). Our Interim Financial Statements are presented in U.S. dollars as this is our presentation currency.

Status of Financial Statements

Our Interim Financial Statements for the six months ended May 31, 2022 have not been audited or reviewed by the auditors.

Our Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006 Act. Statutory accounts for the year ended November 30, 2021 were approved by the Audit Committee of the Board of Directors on January 26, 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was (i) unqualified, (ii) did not contain a material uncertainty related to going concern and (iii) did not contain any statement under section 498 of the 2006 Act.

Liquidity and Management's Plans

In the face of the global impact of COVID-19, Carnival Corporation & plc paused its guest cruise operations in mid-March 2020. As of May 31, 2022, 86% of Carnival Corporation & plc's capacity is in guest cruise operation as part of its ongoing return to service. The extent of the effects of COVID-19 on Carnival Corporation & plc's 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. COVID-19 and its ongoing effects, inflation and higher fuel prices are collectively having a material impact on its business, including its results of operations, liquidity and financial position.

The estimation of Carnival Corporation & plc's future liquidity requirements includes numerous assumptions that are subject to various risks and uncertainties. The principal assumptions used to estimate Carnival Corporation & plc's future liquidity requirements consist of:

- Continued ongoing resumption of guest cruise operations, with 86% of the fleet back in guest cruise operations as of May 31, 2022
- Expected increases in revenue in 2023 on a per passenger basis compared to 2019, particularly as the friction from restrictive protocols wanes
- Expected improvement in occupancy throughout 2022 and 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 its ships
- Expected moderation of fuel prices beginning in the second half of 2022 and continuing into 2023
- Expected inflation and supply chain challenges to continue to weigh on costs, though moderated by a larger, more efficient fleet as compared to 2019
- Maintaining collateral and reserves at reasonable levels

In addition, Carnival Corporation & plc makes certain assumptions about new ship deliveries, improvements and removals, and considers the future export credit financings that are associated with the new ship deliveries.

Carnival Corporation & plc cannot make assurances that its assumptions used to estimate its liquidity requirements may not change because they have never previously experienced a complete cessation and subsequent ongoing resumption of its guest cruise operations, and as a consequence, their ability to be predictive is uncertain. In addition, the magnitude and duration of the COVID-19 global pandemic and its ongoing effects, inflation and higher fuel prices are uncertain. Carnival Corporation & plc has made reasonable estimates and judgments of the impact of these events within its consolidated financial statements and there may be changes to those estimates in future periods. Carnival Corporation & plc took actions to improve its liquidity, including completing various capital market transactions, capital expenditure and operating expense reductions and accelerating the removal of certain ships from its fleet. In addition, they expect to continue to pursue various capital market opportunities to extend maturities and if appropriate, obtain relevant financial covenant amendments.

Based on these actions and Carnival Corporation & plc's assumptions regarding the impact of COVID-19, and considering Carnival Corporation & plc's $7.5 billion of liquidity including cash, short-term investments and borrowings available under its revolving facility at May 31, 2022, as well as its continued ongoing return to service, it has concluded that it has sufficient liquidity to satisfy its obligations for at least the next twelve months. In light of these circumstances, the Boards of Directors of the Group have a reasonable expectation that Carnival Corporation & plc has adequate resources to continue its operational existence and continue to adopt the going concern basis of preparing the Carnival plc Interim Financial Statements. Refer to Schedule B of this release for additional discussion.

Use of Estimates and Risks and Uncertainty

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

Key judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. For a detailed discussion of our key judgements and estimates, see “Significant Accounting Judgements” and “Key areas of judgements and sources of estimation uncertainty” included in our 2021 Carnival plc Annual Report.

COVID-19

The full extent to which the effects of COVID-19 will directly or indirectly impact our business, operations, results of operations and financial condition, 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.

Climate Change

In preparing these financial statements, management has considered the expected impacts of climate change and expected impacts of achieving the Carnival Corporation & plc 2030 sustainability goals. Management has considered the expected impacts of climate change on a number of key estimates within the financial statements, including:

- Estimates related to our future liquidity requirements and viability
- Estimates of future cash flows used in the valuation of investment in subsidiaries and ships, when applicable
- Estimates related to the useful life and residual value of ships

Accounting Pronouncements

The International Accounting Standards Board (“IASB”) issued amendments to the standards, IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases,* that address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative interest rate. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 *Financial Instruments: Disclosures* to accompany the amendments regarding modifications and hedge accounting.

The amendments require that, for financial instruments measured using amortised cost measurement (that is, financial instruments classified as amortised cost), changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Where some or all of a change in the basis for determining the contractual cash flows of a financial liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument’s effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain / loss recognised immediately in profit or loss where the instrument is not derecognised).

In December 2021, we amended our £350 million long-term debt agreement which referenced the British Pound sterling (“GBP”) LIBOR to the Sterling Overnight Index Average (“SONIA”) and applied the practical expedient. This amendment did not have a material impact on our consolidated financial statements. As of May 31, 2022, we have $51 million in long-term debt which references U.S. dollar LIBOR and matures after the transition date and have not yet transitioned to SOFR or an alternative interest rate benchmark. We are currently evaluating this contract and working with our creditors on updating credit agreements as necessary to include language regarding a successor or alternate rate to LIBOR. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements during the LIBOR transition period.

The IASB has issued amendments to the standard, IAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*, providing a more general approach to the classification of liabilities based on the contractual agreements in place at the reporting date. On December 1, 2021, we adopted this guidance retrospectively. This guidance did not have an impact on our financial statements and as such, prior period information was not revised.

NOTE 2 - Revenue and Expense Recognition

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

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

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

Customer Deposits

Our payment terms generally require an initial deposit to confirm a reservation, with the balance due prior to the voyage. Cash received from guests in advance of the cruise is recorded in customer deposits and in other long-term liabilities on our Consolidated Balance Sheets. These amounts include refundable deposits. In certain situations, we have provided flexibility to guests by allowing guests to rebook at a future date, receive future cruise credits (“FCCs”) or elect to receive refunds in cash. We have at times issued enhanced FCCs. Enhanced FCCs provide the guest with an additional credit value above the original cash deposit received, and the enhanced value is recognized as a discount applied to the future cruise in the period used. We 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 $1.2 billion as of May 31, 2022 and $929 million as of November 30, 2021. Refunds payable to guests who have elected cash refunds are recorded in accounts payable. During the six months ended May 31, 2022 and 2021 we recognized revenues of $0.4 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 as a result of obtaining the ticket contract and include prepaid travel agent commissions and prepaid credit and debit card fees. We record these amounts within prepaid expenses and other and subsequently recognize these amounts as commissions, transportation and other at the time of revenue recognition or at the time of voyage cancellation. We had contract assets of $30 million as of May 31, 2022 and $13 million as of November 30, 2021.

NOTE 3 - Property and Equipment

(in millions)		
At November 30, 2021	$	14,953
Additions		1,967
Disposals		(37)
Depreciation		(376)
Exchange movements		(840)
At May 31, 2022	$	15,667

We review our long-lived assets for impairment whenever events or circumstances indicate potential impairment. During the six months ended May 31, 2022, we did not record any impairments.

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

Ship Sales

During 2022, we completed the sale of one EA segment ship, which represents a passenger-capacity reduction of 1,410.

NOTE 4 - Debt

Export Credit Facility Borrowings

During the six months ended May 31, 2022, we borrowed $2.3 billion under export credit facilities due in semi-annual installments through 2034.

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

Short-Term Borrowings

As of May 31, 2022 and November 30, 2021, Carnival Corporation's short-term borrowings consisted of $2.7 billion and $2.8 billion and Carnival plc had no short-term borrowings under the Carnival Corporation & plc's $1.7 billion, €1.0 billion and £0.2 billion revolving credit facility (the "Revolving Facility"). As of May 31, 2022 and November 30, 2021, Carnival Corporation and Carnival plc had a total availability of $0.3 billion and $0.2 billion under the Revolving Facility.

Covenant Compliance

As of May 31, 2022, Carnival Corporation & plc's Revolving Facility and substantially all of their unsecured loans and export credit facilities contain certain covenants, the most restrictive of which require Carnival Corporation & plc to:

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

At May 31, 2022, Carnival Corporation & plc was in compliance with the applicable covenants under its debt agreements. Generally, if an event of default under any debt agreement occurs, then, pursuant to cross default acceleration clauses, substantially all of its 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.

NOTE 5 - Ship Commitments

At May 31, 2022, we had two ships under contract for construction. The estimated total future commitments, including the contract prices with the shipyards, design and engineering fees, capitalised interest, construction oversight costs and various owner supplied items are as follows:

(in millions)	May 31, 2022
Fiscal	
Remainder of 2022	$ 118
2023	977
2024	583
2025	—
Total	$ 1,678

NOTE 6 - 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 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.

COVID-19 Actions

Private Actions

We have been named in a number of individual actions related to COVID-19. Private parties have brought approximately seven individual lawsuits as of May 31, 2022 in several U.S. federal and state courts. 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 May 31, 2022, six of these individual actions have now been dismissed or settled for immaterial amounts and one remains.

Additionally, as of May 31, 2022, eight purported class actions have been brought by former guests in several U.S. federal courts and in the Federal Court in 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 May 31, 2022, six of these class actions have either been settled individually for immaterial amounts or had their class allegations dismissed by the courts and two remain.

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. On March 30, 2022, the court granted our motion to dismiss with prejudice and no appeal was filed prior to the deadline.

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 detected ransomware attacks in December 2020 in which an unauthorized third party gained access to certain of our information security systems, deployed ransomware, and obtained personal information related to guests, employees and crew for some of our operations. We engaged a major cybersecurity firm to investigate the matter and notified relevant law enforcement and regulators of the incident. The investigation, communication and reporting phases are complete.

We have been contacted by various regulatory agencies regarding this 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. On June 24, 2022, we finalized a settlement with NY DFS, pursuant to which we will pay an amount that will not have a material impact on our financial statements.

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

On March 14, 2022, the 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 impact on our financial statements.

Other Contingent Obligations

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

We have agreements with a number of credit card processors that transact customer deposits related to our cruise vacations. Certain of these agreements allow the credit card processors to request, under certain circumstances, that we provide a reserve fund in cash. Although the agreements vary, these requirements may generally be satisfied either through a withheld percentage of customer payments or providing cash funds directly to the credit card processor. As of May 31, 2022 and November 30, 2021, we had $164 million and $110 million, respectively, in reserve funds related to our customer deposits provided to satisfy these requirements which are included within other assets. We continue to expect to provide reserve funds under these agreements. Additionally, as of May 31, 2022 and November 30, 2021, we had no outstanding cash collateral in escrow.

NOTE 7 - Claims Reserve

We periodically assess the potential liabilities related to any lawsuits or claims brought against us, as well as for other known unasserted claims, including environmental, legal, regulatory and guest and crew matters. While it is typically very difficult to determine the timing and ultimate outcome of these matters, we use our best judgement to determine the appropriate amounts to record in our consolidated financial statements. We accrue a liability and establish a reserve when we believe a loss is probable and the amount of the loss can be reasonably estimated. In assessing probable losses, we make estimates of the amount of probable insurance recoveries, if any, which are recorded as assets where appropriate. Such accruals and reserves and the estimated timing of settlement are typically based on developments to date, management's estimates of the outcomes of these matters, our experience in contesting, litigating and settling other similar matters, historical claims experience, actuarially determined estimates of liabilities and any related insurance coverage. Given the inherent uncertainty related to the eventual outcome of these matters and potential insurance recoveries, it is possible that all or some of these matters may be resolved for amounts materially different from any provisions or disclosures that we may have made. In addition, as new information becomes available, we may need to reassess the amount of asset or liability that needs to be accrued related to our contingencies. All such changes in our estimates could materially impact our results of operations and financial position.

The changes in our guest, crew and other claims were as follows:

(in millions)	**Claims Reserves**
At November 30, 2021	$ 94
Additional provisions	5
Paid losses	(5)
Reversals	(11)
Exchange rates	2
At May 31, 2022	$ 85

NOTE 8 - Segment Information

As previously discussed, within the DLC arrangement the most appropriate presentation of Carnival plc's results and financial position is by reference to the DLC Financial Statements. The operating segments are reported on the same basis as the internally reported information that is provided to the 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 the segments. Carnival Corporation & plc has four reportable segments comprised of (1) North America and Australia cruise operations ("NAA"), (2) Europe and Asia cruise operations ("EA"), (3) Cruise Support and (4) Tour and Other.

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

(in millions)	Six Months Ended May 31, Revenues	Operating costs and expenses	Selling and administrative	Depreciation and amortisation	Operating income (loss)
2022					
NAA	$ 2,792	$ 3,055	$ 710	$ 687	$ (1,661)
EA	1,123	1,546	352	359	(1,134)
Cruise Support	73	54	75	68	(126)
Tour and Other	37	57	12	11	(44)
Carnival Corporation & plc – U.S. GAAP	4,024	4,713	1,149	1,126	(2,964)
Carnival Corporation - U.S. GAAP (a)	(2,852)	(3,045)	(744)	(728)	1,665
Carnival plc - U.S. GAAP vs IFRS differences (b)	—	(15)	(7)	(2)	23
Carnival plc – IFRS	$ 1,172	$ 1,653	$ 398	$ 396	$ (1,276)
2021					
NAA	$ 19	$ 680	$ 453	$ 676	$ (1,790)
EA	41	496	239	370	(1,064)
Cruise Support	—	15	171	61	(247)
Tour and Other	14	25	17	12	(39)
Carnival Corporation & plc – U.S. GAAP	75	1,216	879	1,119	(3,139)
Carnival Corporation - U.S. GAAP (a)	(20)	(660)	(566)	(717)	1,922
Carnival plc - U.S. GAAP vs IFRS differences (b)	—	(56)	(7)	(6)	70
Carnival plc – IFRS	$ 55	$ 500	$ 306	$ 395	$ (1,147)

(a) Carnival Corporation consists primarily of cruise brands that do not form part of the Group; however, these brands are included in Carnival Corporation & plc and thus represent substantially all of the reconciling items.
(b) The U.S. GAAP vs IFRS accounting differences relate to lease accounting, pension accounting and differences in depreciation expense due to differences in the carrying value of ships. For the six months ended May 31, 2021, the U.S. GAAP vs IFRS accounting differences also related to differences in valuation of ships.

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

(in millions)	Six Months Ended May 31, 2022
Europe	$ 1,063
North America	53
Australia and Asia	18
Others	38
	$ 1,172

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

NOTE 9 - Related Party Transactions

There have been no changes in the six months ended May 31, 2022 to the nature of the related party transactions described in the Group IFRS financial statements for the year ended November 30, 2021 that have a material effect on the financial position or results of operations of the Group. All amounts owed to the Carnival Corporation group are unsecured, repayable on demand and considered short-term in nature.

During the six months ended May 31, 2022, Holland America Line and Princess Cruises purchased land tours from us totaling $10 million. During the six months ended May 31, 2021, Holland America Line and Princess Cruises did not purchase land tours from us. In addition, during the six months ended May 31, 2022 we sold pre- and post-cruise vacations, shore excursions and transportation services to the Carnival Corporation group. During the six months ended May 31, 2021, we did not sell pre- and post-cruise vacations, shore excursions or transportation services to the Carnival Corporation group.

During the six months ended May 31, 2022, Carnival plc continued to provide a guarantee to the Merchant Navy Officers Pension Fund for certain employees who have transferred from Carnival plc to a subsidiary of Carnival Corporation.

Carnival Corporation and its subsidiary, Carnival Investments Limited owned 39.8 million, or 18.3% at May 31, 2022 and 34.6 million or 15.9% at November 30, 2021 of Carnival plc's ordinary shares, which are non-voting.

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

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

NOTE 10 - 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.

NOTE 11 - Fair Value Measurements and Derivative Instruments and Hedging Activities

Fair Value Measurements

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

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

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

Under deeds of guarantee executed in connection with the DLC arrangement, as well as stand-alone guarantees executed since that time, each of Carnival Corporation and Carnival plc have effectively cross guaranteed all indebtedness and certain other monetary obligations of each other. The fair value of cross guarantees within the DLC arrangement were not significant at May 31, 2022 or November 30, 2021, and are not expected to result in any material loss.

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

	May 31, 2022				November 30, 2021			
		Fair Value				Fair Value		
(in millions)	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
Liabilities								
Fixed rate debt (a)	$ 4,135	$ —	$ 2,602	$ —	$ 2,951	$ —	$ 2,271	$ —
Floating rate debt (a)	3,704	—	2,889	—	3,171	—	2,763	—
Total	$ 7,839	$ —	$ 5,491	$ —	$ 6,122	$ —	$ 5,034	$ —

(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

	May 31, 2022			November 30, 2021		
(in millions)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash and cash equivalents	$ 502	$ —	$ —	$ 434	$ —	$ —
Total	$ 502	$ —	$ —	$ 434	$ —	$ —
Liabilities						
Derivative financial instruments	$ —	$ 2	$ —	$ —	$ 5	$ —
Total	$ —	$ 2	$ —	$ —	$ 5	$ —

Derivative Instruments and Hedging Activities

(in millions)	Balance Sheet Location	May 31, 2022	November 30, 2021
Derivative liabilities			
Derivatives designated as hedging instruments			
Interest rate swaps (a)	Accrued liabilities and other	$ 1	$ 3
	Other long-term liabilities	—	2
Total derivative liabilities		$ 2	$ 5

(a) We have interest rate swaps designated as cash flow hedges whereby we receive floating interest rate payments in exchange for making fixed interest rate payments. These interest rate swap agreements effectively changed $116 million at May 31, 2022 ($147 million at November 30, 2021) of EURIBOR-based floating rate euro debt to fixed rate euro debt. At May 31, 2022, these interest rate swaps settle through 2025.

Our derivative contracts include rights of offset with our counterparties.

	May 31, 2022				
(in millions)	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	$ —	$ —	$ —	$ —	$ —
Liabilities	$ 2	$ —	$ 2	$ —	$ 2

	November 30, 2021				
(in millions)	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Total Net Amounts Presented in the Balance Sheet	Gross Amounts not Offset in the Balance Sheet	Net Amounts
Assets	$ —	$ —	$ —	$ —	$ —
Liabilities	$ 5	$ —	$ 5	$ —	$ 5

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

	Six Months Ended May 31,	
(in millions)	2022	2021
Gains (losses) recognized in reserves:		
Interest rate swaps – cash flow hedges	$ 7	$ 2
Gains (losses) reclassified from reserves – cash flow hedges:		
Interest rate swaps – Interest expense, net of capitalized interest	$ (1)	$ (2)

There are no credit risk related contingent features in our derivative agreements. 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.

NOTE 12 - Government Assistance

During the six months ended May 31, 2022, the Group received government assistance under schemes provided by various governments. The total amounts recognized by the Group during the six months ended May 31, 2022 and 2021 from these schemes was $2 million and $14 million respectively and is offset in payroll and related expense as well as selling and administrative expenses in the accompanying Statements of Income (Loss).

NOTE 13 - Principal Risks and Uncertainties

The principal risks and uncertainties affecting our business activities are included in Item 4. Risk Management and/or Mitigation of Principal and Emerging Risks within our 2021 Strategic Report and are summarized below. For any changes since the issuance of our 2021 Strategic Report, we have provided the detailed risk description below. The ordering and lettering of the risk factors set forth below is not intended to reflect any Company indication of priority or likelihood.

COVID-19 and Liquidity/Debt Related Risk Factors

a. COVID-19 has had, and is expected to continue to have, a significant impact on our financial condition and operations. The current, and uncertain future, impact of COVID-19, including its effect on the ability or desire of people to travel (including on cruises), is expected to continue to impact our results, operations, outlooks, plans, goals, reputation, litigation, cash flows, liquidity, and stock price.
b. Our substantial debt could adversely affect our financial health and operating flexibility.
c. Despite our leverage, we may incur more debt, which could adversely affect our business and prevent us from fulfilling our obligations with respect to our debt.
d. We are subject to maintenance covenants, as well as restrictive debt covenants, that may limit our ability to finance future operations and capital needs and pursue business opportunities and activities. We are also subject to financial

covenants that could lead to an acceleration of the indebtedness of our debt facilities if we fail to comply. If we fail to comply with any of these covenants, it could have a material adverse effect on our business.

e. We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate cash required to service our debt.
f. Our variable rate indebtedness exposes us to interest rate volatility, which could cause our debt service obligations to increase significantly.
g. The covenants in certain of our debt facilities may require us to secure those facilities in the future.

Operating Risk Factors

a. Events and conditions around the world, including war and other military actions, such as the current invasion of Ukraine, heightened inflation and other general concerns impacting the ability or desire of people to travel have and may lead to a decline in demand for cruises, impact our operating costs and profitability.
    - We have been, and may continue to be, impacted by the public's concerns regarding the health, safety and security of travel, including government travel advisories and travel restrictions, political instability and civil unrest, terrorist attacks, war and military action, most recently the current invasion of Ukraine, and other general concerns. The current invasion of Ukraine and its resulting impacts, including supply chain disruptions, increased fuel prices and international sanctions and other measures that have been imposed, have adversely affected, and may continue to adversely affect, our business. These factors may also have the effect of heightening many other risks to our business, any of which could materially and adversely affect our business and results of operations. Additionally, we have been, and may continue to be, impacted by heightened regulations around customs and border control, travel bans to and from certain geographical areas, voluntary changes to our itineraries in light of geopolitical events, government policies increasing the difficulty of travel and limitations on issuing international travel visas. We have been and may continue to be impacted by inflation and supply chain disruptions and may also be impacted by adverse changes in the perceived or actual economic climate, such as global or regional recessions, higher unemployment and underemployment rates and declines in income levels.
b. Incidents concerning our ships, guests or the cruise vacation industry have in the past and may, in the future, impact the satisfaction of our guests and crew and lead to reputational damage.
c. Changes in and non-compliance with laws and regulations under which we operate, such as those relating to health, environment, safety and security, data privacy and protection, anti-corruption, economic sanctions, trade protection and tax have in the past and may, in the future, lead to litigation, enforcement actions, fines, penalties and reputational damage.
d. Factors associated with climate change, including evolving and increasing regulations, increasing global concern about climate change and the shift in climate conscious consumerism and stakeholder scrutiny, and increasing frequency and/or severity of adverse weather conditions could adversely affect our business.
e. Inability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them, may expose us to risks that may adversely impact our business.
f. Breaches in data security and lapses in data privacy as well as disruptions and other damages to our principal offices, information technology operations and system networks and failure to keep pace with developments in technology may adversely impact our business operations, the satisfaction of our guests and crew and may lead to reputational damage.
g. The loss of key employees, our inability to recruit or retain qualified shoreside and shipboard employees and increased labor costs could have an adverse effect on our business and results of operations.
h. Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs.
i. We rely on supply chain vendors who are integral to the operations of our businesses. These vendors and service providers are also affected by COVID-19 and may be unable to deliver on their commitments which could impact our business.
j. Fluctuations in foreign currency exchange rates may adversely impact our financial results.
k. Overcapacity and competition in the cruise and land-based vacation industry may lead to a decline in our cruise sales, pricing and destination options.
l. Inability to implement our shipbuilding programs and ship repairs, maintenance and refurbishments may adversely impact our business operations and the satisfaction of our guests.

NOTE 14 - Task Force on Climate-Related Financial Disclosures ("TCFD")

For the year ended November 30, 2022, we will include our climate-related financial disclosures, consistent with the TCFD recommendations, within our 2022 Annual Report. This is in accordance with the Listing Rule LR 9.8.6R requirements, which will be mandatory for us for the year ending November 30, 2022. We have voluntarily chosen to report our progress on climate related financial disclosures below, ahead of this mandatory requirement.

TCFD Pillar	Recommended disclosures	Page reference(s)
Governance	a) Describe the boards' oversight of climate-related risks and opportunities.	20-21
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	21
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	21-23
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	23-24
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	24-25
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks.	25
	b) Describe the organisation's processes for managing climate-related risks.	25
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	25-26
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	26
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	26
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	26-27

Governance

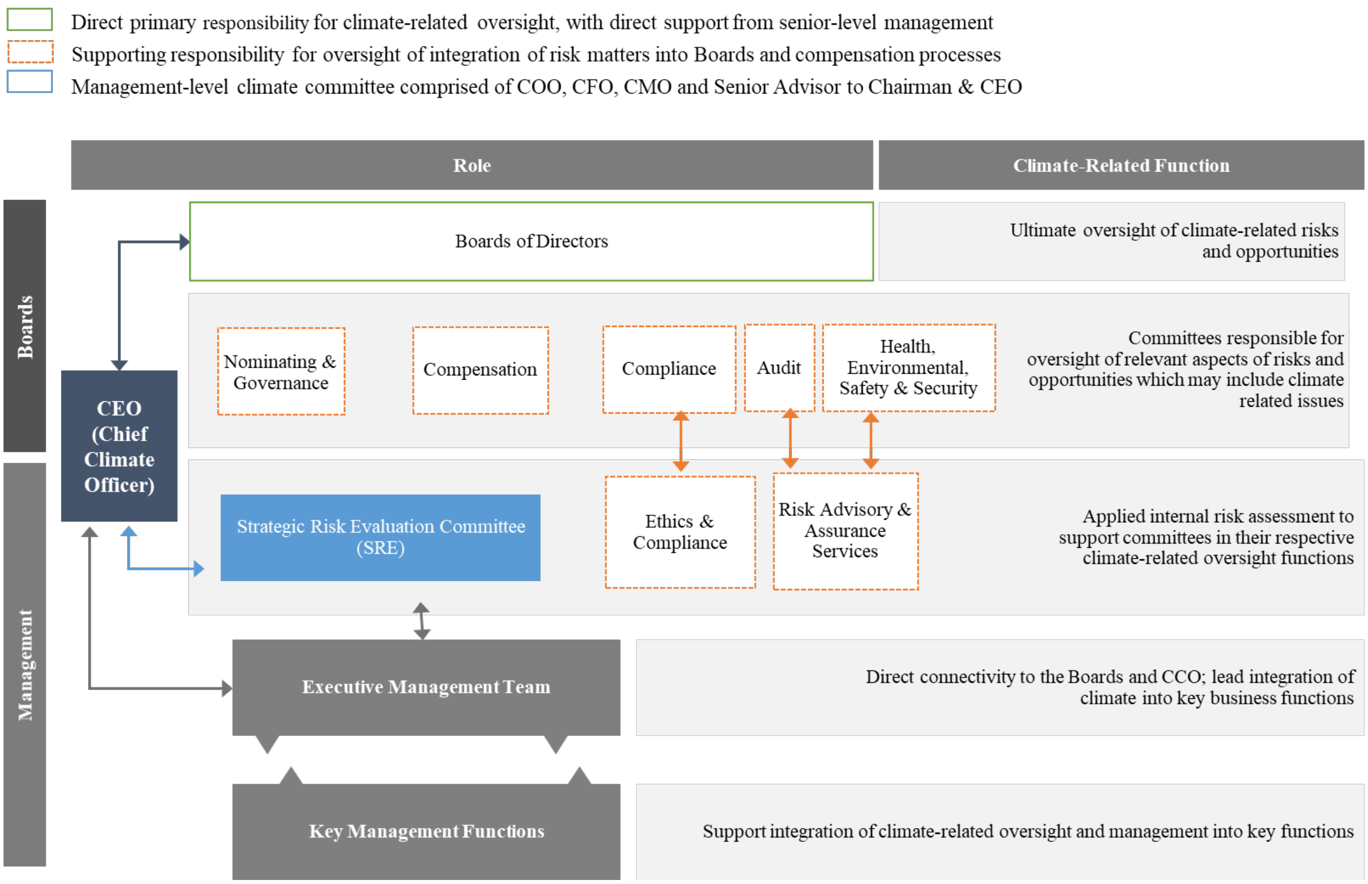
The Boards of Directors have ultimate oversight of climate-related risks and opportunities and are directly supported by members of executive management. The Boards of Directors have appointed our President and Chief Executive Officer ("CEO") Arnold Donald to the role of Chief Climate Officer ("CCO") in January 2022. Through this role, he leads the identification of climate-related risks and opportunities and oversees how these are embedded in our strategic decision-making and risk management processes. During 2022, climate-related matters were a recurring Board discussion item.

To further support our climate-related efforts, we created a Strategic Risk Evaluation ("SRE") Committee to identify, mitigate, and monitor climate-related risks and opportunities. The SRE Committee consists of members of executive management and advisors and reports to the CCO. The SRE Committee members are David Bernstein (Chief Financial Officer), Josh Weinstein (Chief Operations Officer), Bill Burke (Chief Maritime Officer), and Stein Kruse (Advisor to the CCO & Chairman of the Boards). The primary responsibilities and common recurring activities of the SRE Committee are to:

- Recommend climate strategy, goals, and metrics to the CCO, who will make ultimate recommendations to the Boards
- Enable practical implementation of climate goals approved by the Boards

An SRE Committee Charter was adopted and five SRE Committee meetings have taken place between its creation in January 2022 and June 2022.

Governance Structure



To enable the CCO and Boards of Directors to fulfil their responsibility to oversee climate-related risks and opportunities, a Board Environmental Social and Governance ("ESG") and TCFD Education Program has been established, with core education components and optional self-study courses. This ESG and TCFD Education Program has been developed with support from external advisors and the Senior Independent Director. The core education components of the Program are expected to be completed by January 2023.

Executive management is responsible for ensuring we have active plans and adequate resources to manage and/or mitigate principal and emerging financial and non-financial risks, including Health, Environmental, Safety & Security ("HESS") and compliance risks, identified by the business from the risk assessment processes that are integrated within our operations. As new risks emerge, executive management seeks to ensure they are properly reviewed and monitored. Climate-related risk management is considered part of management's responsibility.

We are continuously refining and enhancing our existing processes. During 2022, management performed a qualitative scenario analysis as described below, to further identify our climate related risks and opportunities over the short, medium and long-term. Our process for continuously identifying, assessing and managing climate-related risks and opportunities is being developed. Climate-related risks and opportunities are reported up to the SRE Committee. Please see pages 25-26 for details of our risk management process.

Strategy

Climate-related Risks and Opportunities

We have qualitatively applied two distinct plausible climate scenarios, which were used to generate the climate-related risks and opportunities listed below. We selected a "Steady Path to Sustainability" scenario, where an average warming is limited to below 1.5°C above pre-industrial levels by 2100, and a "Regional Rivalry" scenario, where an average warming rate of 3°C above pre-industrial levels is reached by 2100 (see further detail on pages 24-25).

As part of our qualitative scenario analysis, we conducted a series of workshops with the members of the SRE committee and a cross-section of management to identify material climate-related risks and opportunities over the following time horizons:

- Present – 2025 (short-term)
- 2025 – 2035 (medium-term)
- 2035 – 2050 (long-term)

The short-term time horizon is consistent with the period we use for our Viability Statement. The medium-term time horizon aligns with our existing sustainability goals, while the long-term horizon is consistent with the useful life of our ships.

Our risks are defined as transition and physical risks. Opportunities are structured according to thematic areas of focus. Based on the outcomes of our workshops, we have initially selected three risks and two opportunities for further assessment and quantification through quantitative scenario analysis, which we are in the process of performing. Our 2022 Annual Report will include additional information on the output of our quantitative scenario analysis. Our initial selected risks and opportunities for further development and quantification are **in *bold in* the table below:**

Climate-related risks identified through qualitative scenario analysis

TCFD risk categories	Risk summary	Time horizon
Markets and Products / Shifting Markets (1)	**Cruising no longer aligns to consumers climate values**	Medium Term
	Reduced availability and access to fuel	Long Term
	Unable to meet climate-related requirements reduces access to capital / insurance	Medium Term
Policy and Legal (1)	Increased costs driven by climate-related regulations	Short-Medium Term
	Risk is that cruising (as a carbon-intensive industry) is severely restricted or subject to bans	Medium Term
Reputation (1)	Failure to attract and retain talent due to climate credentials	Medium Term
	Increased demand for reducing carbon-intensive practices	Short Term
Technology (1)	Lack of viable low carbon technology to replace fossil fuels	Medium Term
Physical	**Chronic climate change impacting supply chain availability and price**	Medium term with expected increases in the long term
	Itineraries are not viable due to extreme weather and/or sea level rise	Medium term with expected increases in the long term

(1) Transition Risks

Climate-related opportunities identified through qualitative scenario analysis

TCFD opportunity categories	Opportunity summary	Time horizon
Energy source	Support the adaptation of sustainable technological advances for the cruise industry	Medium term
Market Access	Access to new financing options available for organisations working on decarbonisation	Short-Medium term
	Access to private destinations or islands with infrastructure built by us	Short-Medium term
	Attract and retain new customers and improve reputation through sustainable itineraries and activities for changing climate-induced preferences	Short-Medium term
	Positioning as a sustainability leader	Short-Medium term
Products & Services	Opportunities for the ship to be the destination	Long Term
Resilience	Engage with more sustainable and economically favourable alternative suppliers	Short Term
	Improve resilience to physical climate risk through adaptation of itinerary routes and investment in port infrastructure	Short Term
Resource Efficiency	Improved operational efficiencies arising from technological advancements	Medium term
	Increased fuel efficiency through alternative itinerary planning and reduced energy use	Short - Medium term
	Increased resource efficiency through reduced on-board energy demand and consumption	Medium term

Impacts

The impacts of climate-related risks and opportunities on the business presented in the tables above have been qualitatively assessed.

We presently consider transition risks to be the most significant in terms of likelihood and impact. The risks with the highest impact and likelihood of occurrence are associated with the transition to a low-carbon emission future, in a scenario where we have not been able to access low-carbon technology, or where these technologies do not exist and where we have reduced availability and access to fuel.

The climate-related opportunities with the highest impact are a mix of mitigation and adaptation opportunities. These include the positive impacts of supporting the (adaptation) of sustainable technological advances for our business, improved operational efficiencies from technological advancements, and more energy efficient itineraries from investing in port and destination projects.

Our short and medium-term decarbonization goals focus on reducing carbon emissions per Available Lower Berth Day ("ALBD") and carbon emissions per Available Lower Berth Kilometer ("ALB-km") and we are committed to long-term absolute carbon emissions reduction goals as part of our aspiration to be net carbon-neutral by 2050. Our ongoing efforts to achieve our 2030 goals include the delivery of larger more efficient ships as part of our ongoing newbuild program, some of which will replace existing ships in our fleet, as well as investing in energy efficiency projects for our existing fleet, designing more energy efficient itineraries and investing in port and destination projects to support these efforts. We continue to evaluate and implement changes to our various annual planning processes to further expand our focus on decarbonization.

The actions we are taking via our strategy and financial planning processes to manage the impacts of climate-related risks and opportunities are listed below.

Newbuild Program and Supporting Innovation

As part of our plan for carbon footprint reduction, we lead the cruise industry's use of Liquid Natural Gas ("LNG") powered cruise ships with a total of 11 next-generation cruise ships that are expected to join the fleet through 2025, including six ships already in operation as of May 31, 2022. In total, these 11 ships are expected to represent 20% of our total future capacity. Whilst LNG is a fossil fuel and generates carbon emissions, LNG vessels generate up to 20% less carbon emissions than traditionally powered ships, while almost eliminating sulfur oxides, reducing nitrogen oxides by 85% and particulate matter by 95%-100%. The types of engines that we use are subject to small amounts of methane slip (the passage of un-combusted methane through the engine). There are different views relating to the measurement of the environmental impact of LNG, including the methane slip. Our disclosures report our emissions, including methane slip, as part of our total carbon emissions (reported as CO_2e) using the 100-year global warming potential time frame and measured on a "tank to wake" basis. We are working closely with our engine manufacturers and other technology providers to mitigate methane slip.

While fossil fuels are currently the only viable option for our industry, we are closely monitoring technology developments and partnering with key organizations on research and development to support our carbon emission reduction goals. For example, we are partnering to evaluate and pilot maritime scale battery technology and methanol powered fuel cells and working with classification societies and other stakeholders to assess lower carbon fuel options for cruise ships including hydrogen, methanol, eLNG, and biofuels. We are promoting the use of shore power, enabling ships to use shoreside electric power where available while in port.

The Mærsk McKinney Møller Center for Zero Carbon Shipping is a not-for-profit, independent research and development center working with industry players across the energy and shipping sectors to mature viable decarbonization pathways for shipping globally. Together with its partners, the Center facilitates the development and implementation of new energy and maritime technologies and accelerates the transition by defining strategic ways to drive the required systemic and regulatory change. In January 2021, we became a mission ambassador to the Center's work through a formalized network and information flow. Joining the Mærsk McKinney Møller Center for Zero Carbon Shipping is another important step in establishing a path to zero emission cruising over time.

Investing in projects that improve energy efficiency

Energy efficiency projects are specifically identified, reviewed, and approved as part of capital planning. An Internal Decarbonization Premium is being added to the cost of fuel during the planning process and is used to evaluate the payback period and return on investment for projects. The non-newbuild capital plan process is being enhanced by closer monitoring of spend related to energy efficiency projects. Additionally, approved capital spend for energy efficiency projects cannot be reallocated to projects that are not energy efficiency related without CCO approval.

Designing more energy efficient itineraries

We continue to evaluate and implement changes to our various annual planning processes to further support our focus on decarbonization. Itinerary planning is a key lever in our low carbon transition and consideration of climate risk is already integrated into the ongoing process of itinerary planning. This process is being enhanced through the recently adopted Corporate Itinerary Decarbonization Reviews which evaluate the itinerary planning process of each brand, focused on topics and metrics related to decarbonization to ensure the processes are robust and adequately focus on carbon reduction.

Investing in port and destination projects

Other strategic decisions, including how and where to invest in new infrastructure, are informed by climate-related risks and opportunities and will be further informed by the outputs of our quantitative scenario analysis. A climate study was undertaken for two of our port investments at Grand Port (Grand Bahama Island) and Half Moon Cay Pier Project (Bahamas), to enhance climate resilience. Furthermore, our investments in these ports and destinations will support our efforts to design more energy efficient itineraries based on their strategic locations.

Scenario Analysis

We have qualitatively applied two distinct plausible climate scenarios, which were used to generate the risks and opportunities assessed.

Steady path to sustainability (1.5°C by 2100)

Climate: Average temperature increase limited to below 1.5°C above pre-industrial levels by 2100.

Narrative overview: Under the 1.5°C Steady Path to Sustainability scenario, the world takes the rapid and strong policy measures required to meet the ambition of the 2015 Paris Agreement. Low carbon technologies take over from fossil-fuels, but under this scenario significantly reduced economic growth is just as important for reaching net zero emissions by 2050.

Under this scenario, transition risks are most material and our resilience is therefore dependent on our ability to effectively adopt low carbon technologies. This will help us to adhere to increasing decarbonization requirements set out by key drivers identified in a low-carbon transition scenario, including existing and emerging regulation, consumer preferences, and talent markets. Ultimately, the availability and effective adoption of low carbon technologies, most notably in the alternative fuels and resource efficiency spaces, could impact our organization. As a result, our most impactful opportunity is the enhancement of our reputation and competitiveness, by supporting the adaptation of sustainable technological advances for the cruise industry. This will also further help us to mitigate the risks associated with access to jurisdictions, access to capital and adherence to regulation.

Regional Rivalry (3°C by 2100)

Climate: Average temperature increase of 3°C above pre-industrial levels by 2100.

Narrative overview: The 3°C scenario explores a possible route in which the world is seeing an emergence of tribalism and nationalism. Low international priority for addressing environmental concerns leads to strong environmental degradation in some regions. The combination of impeded development and limited environmental concern results in poor progress toward climate sustainability. Growing resource intensity and fossil fuel dependency along with difficulty in achieving international cooperation and slow technological change imply high challenges to mitigation.

This scenario presents a higher emissions future where physical risks are most material. Business resilience under this scenario is dependent on our ability to adapt to extreme weather events and chronic physical risks, which have the potential to limit access to jurisdictions and impact supply chain resilience due to economic and physical damage. Under this scenario we can remain resilient by taking advantage of opportunities to adapt the business model to support business continuity. These adaptions may include ship or private locations becoming the destination, as well as adapting itineraries and investing in port and destination projects.

Risk Management

The qualitative scenario analysis is the foundation of our climate-risk identification and assessment process and began with the evaluation of all possible climate-related risks we may face, to generate an initial list of possible risks. Input from key stakeholders in the business was obtained through workshops to identify additional climate risks and opportunities and refine the list before prioritizing the list of risks and opportunities identified. Assessment of these risks was performed by the SRE committee and a cross section of management, who qualitatively evaluated the impact and likelihood of these risks and opportunities. Certain financial, regulatory and reputational risks and opportunities, as described on pages 22-23, were then selected for more detailed quantitative scenario analysis.

Executive management is responsible for ensuring we have active plans and adequate resources to manage and/or mitigate principal and emerging financial and non-financial risks, including HESS and compliance risks, identified by the business from the risk assessment processes that are integrated within our operations. As new risks emerge, executive management seeks to ensure they are properly reviewed and monitored.

We are continuously refining and enhancing our existing processes. The SRE Committee was established to oversee the identification, assessment, management, and monitoring of climate-related risks and opportunities. They provide recommendations to the CCO, who ultimately provides recommendations to the Boards of Directors. Our process for continuously identifying, assessing and managing climate-related risks and opportunities is being further developed, and we will include a description of this process in our 2022 Annual Report.

Overall, the Boards of Directors are responsible for determining the strategic direction of the company and the nature and extent of the risk assumed by it. The Boards of Directors carry out a robust risk assessment to ensure that principal and emerging risks, including those that would threaten its business model, future performance, solvency or liquidity are effectively managed and/or mitigated to help ensure the company is viable. Within our risk management framework, the Boards of Directors have ultimate oversight of climate-related risks, which has been identified as a principal risk, please see the Governance pillar for description of how climate related risks are overseen.

Metrics and Targets

Metrics

The metrics which are currently used in addressing our climate-related risks and opportunities are disclosed below. Please see the Strategy pillar for a list of our most likely and most impactful risks and opportunities, which have been raised through our risk identification and assessment process. The SRE committee recommends metrics to the CCO, who will make ultimate recommendations to the Boards, as described on page 20.

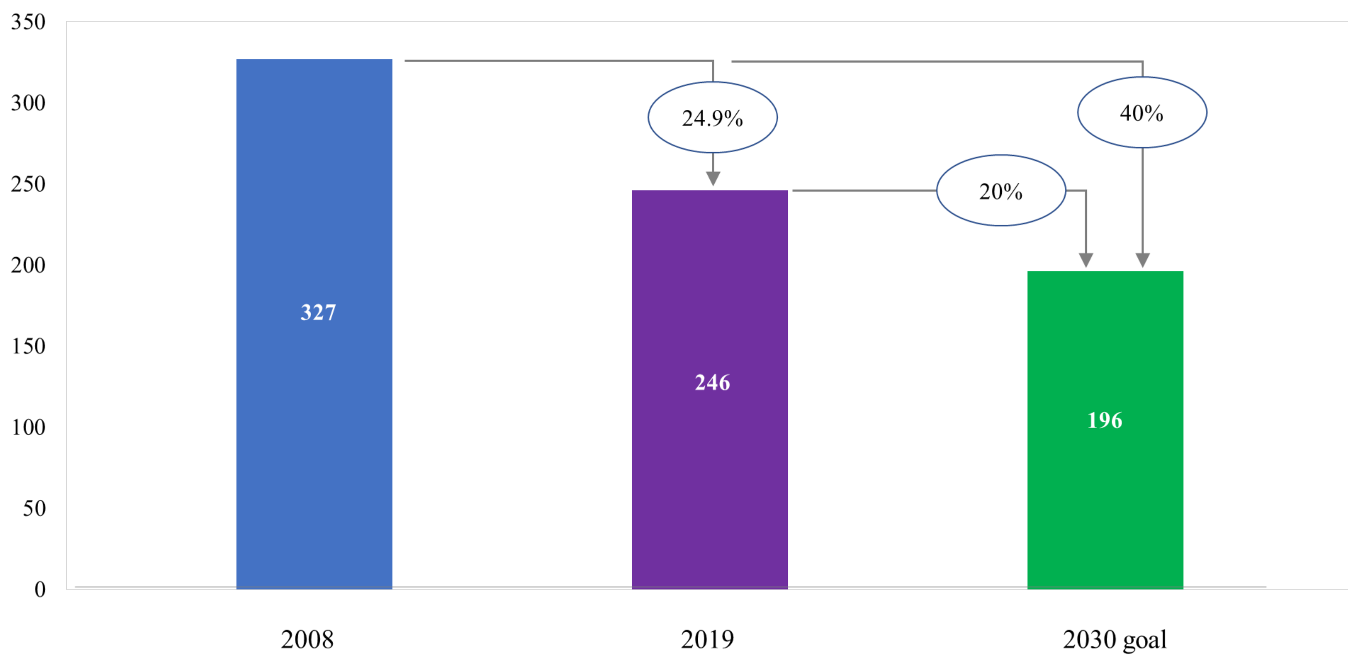
Our Scope 1 and 2 emissions are reported within our 2021 Annual Report. We quantify, report, and obtain third-party verification (under ISO-14064-3:2006) over our annual greenhouse gas ("GHG") emissions, including our direct (Scope 1) and indirect (Scope 2) emissions, which comprise our total GHG inventory. Our 2022 GHG emissions will be included in our 2022 Annual Report as part of our reporting requirements. We are also assessing and baselining our scope 3 emissions in 2022 and expect to begin disclosing scope 3 emissions data in the future.

Targets

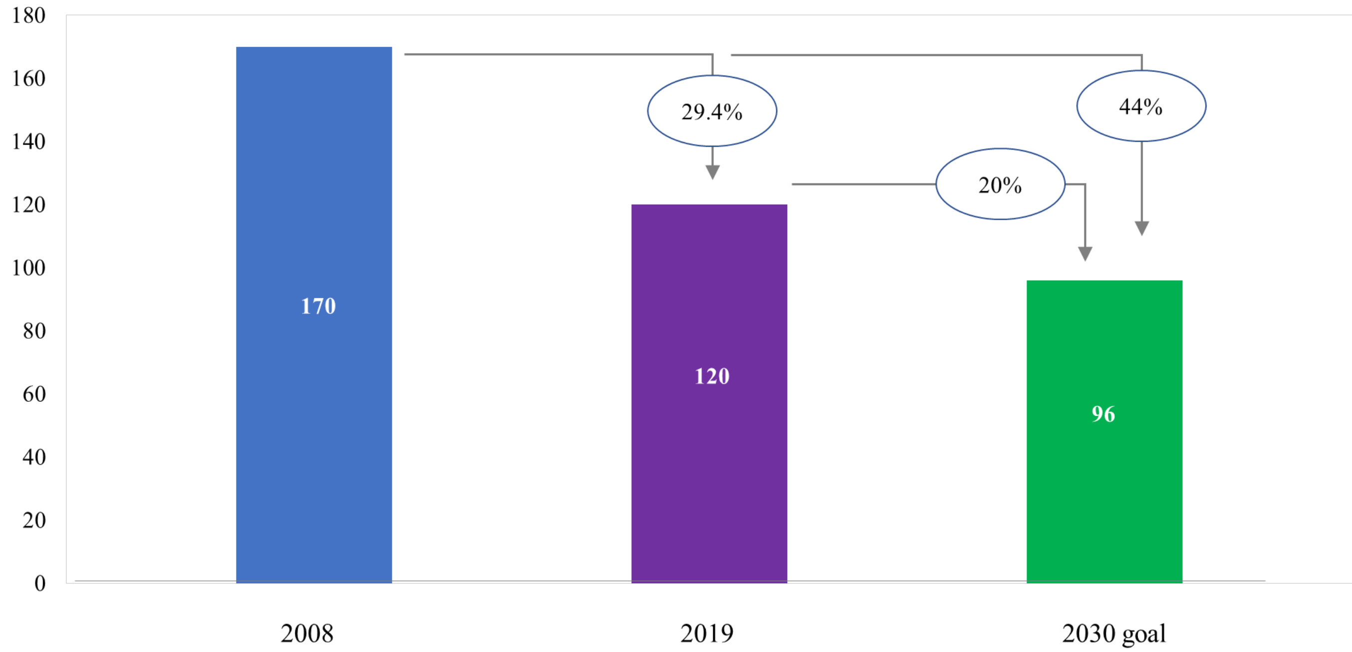
We have made progress over the past 15 years reducing our carbon emission intensity and achieving our 2020 goal three years early (in 2017). We have also made progress towards our 2030 carbon intensity reduction goals of 40% from a 2008 baseline, measured in both grams of CO_2e per ALB-km and kilograms of CO_2e per ALBD. Through 2019, we reduced our carbon emission intensity on a lower berth distance basis by 25% relative to 2008 all while growing our capacity by 47%. Furthermore, because of our efforts, we peaked our absolute Scope 1 and 2 emissions in 2011.

We decided to update the baseline year for both goals to 2019 from 2008. This new baseline year will help us better communicate recent progress against our climate goals to our investors and stakeholders, and modernizes our disclosures in alignment with developing best practice and reporting standards. Both 2030 goals require a 20% decrease from 2019. With the updated baseline year, we have strengthened our goal measured in kilograms of CO_2e per ALBD since the initial 2030 goal would only have required a further 15% reduction from 2019 levels. Our goal measured in grams of CO_2e per ALB-km remains the same.

Carbon Intensity
(g CO2e/ALB-km)



Carbon Intensity
(kg CO2e/ALBD)



To support the mitigation of the climate-related risks identified relating to the restriction of carbon-intensive industries and fossil fuels, we have set the following 2030 Climate Action goals and will report on our progress in our 2022 Annual Report:

2030 Climate Action Goals	Goal	Baseline	Time Horizon
Achieve 20% carbon intensity reduction relative to our 2019 baseline measured (grams of CO2e per ALB-km)	20%	2019	2030
Achieve 20% carbon intensity reduction relative to our 2019 baseline measured (kilograms of CO2e per ALBD)	20%	2019	2030
Having peaked our Scope 1 and 2 carbon emissions in 2011, we will continue to reduce emissions over time, and identify a pathway to decarbonization.	N/A	2019	2030
Reduce absolute particulate matter air emissions by 50% relative to our 2015 baseline.	50%	2015	2030
Increase fleet shore power connection capability to 60% of the fleet.	60%	Ongoing	2030
Expand liquefied natural gas (LNG) program.	Ongoing	Ongoing	2030
Optimize the reach and performance of our Advanced Air Quality System program.	Ongoing	Ongoing	2030
Expand battery, fuel cell, and biofuel capabilities.	Ongoing	Ongoing	2030
Reduce scope 3 supply chain emissions associated with food procurement and waste management.	Ongoing	Ongoing	2030
Identify carbon offset options only when energy efficiency options have been exhausted.	Ongoing	Ongoing	2030

NOTE 15 - Responsibility Statement

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

The Directors of Carnival plc are listed in the Carnival plc Annual Report for the year ended November 30, 2021. No new Directors have been appointed during the six months ended May 31, 2022. A list of current Directors is maintained and is available for inspection on the Group's website at www.carnivalplc.com.

By order of the Board

/s/ Micky Arison	/s/ Arnold W. Donald
Micky Arison	Arnold W. Donald
Chair of the Board of Directors	President, Chief Executive Officer, Chief Climate Officer and Director
June 29, 2022	June 29, 2022