



## **Carnival Corporation & Plc Announces Closing Of \$1.86 Billion And €800 Million First-Priority Senior Secured Term Loan Facility**

June 30, 2020

Carnival Corporation & plc is disclosing that Carnival Corporation has entered into a term loan agreement with, among others, JPMorgan Chase Bank, N.A., as administrative agent, and U.S. Bank National Association, as security agent (the “Loan Agreement”), on Form 8-K with the U.S. Securities and Exchange Commission (“SEC”).

- **Schedule A** contains Carnival Corporation & plc’s announcement of the Loan Agreement.

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

### **MEDIA CONTACT**

Roger Frizzell

001 305 406 7862

### **INVESTOR RELATIONS CONTACT**

Beth Roberts

001 305 406 4832

The Form 8-K is available for viewing on the SEC website at [www.sec.gov](http://www.sec.gov) under Carnival Corporation or Carnival plc or the Carnival Corporation & plc website at [www.carnivalcorp.com](http://www.carnivalcorp.com) or [www.carnivalplc.com](http://www.carnivalplc.com).

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](http://www.carnivalcorp.com), [www.carnivalsustainability.com](http://www.carnivalsustainability.com), [www.carnival.com](http://www.carnival.com), [www.princess.com](http://www.princess.com), [www.hollandamerica.com](http://www.hollandamerica.com), [www.pocruises.com.au](http://www.pocruises.com.au), [www.seabourn.com](http://www.seabourn.com), [www.costacruise.com](http://www.costacruise.com), [www.aida.de](http://www.aida.de), [www.pocruises.com](http://www.pocruises.com) and [www.cunard.com](http://www.cunard.com).

### **SCHEDULE A**

On June 30, 2020, Carnival Corporation (together with Carnival plc, the “Company,” “we,” “us,” or “our”) and Carnival Finance, LLC, a Delaware limited liability company and subsidiary of Carnival Corporation (the “Co-Borrower”), entered into a term loan agreement with, among others, JPMorgan Chase Bank, N.A., as administrative agent, and U.S. Bank National Association, as security agent (the “Loan Agreement”).

The Loan Agreement provides for a first-priority senior secured term loan facility (the “Term Loan Facility”), under which Carnival Corporation borrowed in two tranches in the aggregate principal amounts of \$1,860 million and €800 million, respectively, which will mature on June 30, 2025.

All outstanding amounts under the Term Loan Facility funded in U.S. dollars bear interest at a rate per annum equal to adjusted LIBOR with a 1.00% floor, plus a margin equal to 7.5%. All outstanding amounts under the Term Loan Facility funded

in Euros will bear interest at a rate per annum equal to EURIBOR with a 0.00% floor, plus a margin equal to 7.5%.

Subject to certain exceptions and reinvestment rights, the Loan Agreement requires mandatory prepayments of 100% of the net cash proceeds from certain asset sales and certain casualty and condemnation events.

If Carnival Corporation prepays principal amounts under the Term Loan Facility (i) on or before the first anniversary of funding, Carnival Corporation will also be required to pay a “make whole” prepayment premium (calculated using a discount rate based upon the yield of certain U.S. treasury securities plus 0.50%) on the principal amount of term loans so prepaid and (ii) after the first anniversary of funding but on or prior to the second anniversary of funding, Carnival Corporation will also be required to pay a prepayment premium equal to 2% of the principal amount of loans so prepaid. Prepayments of principal amounts under the Term Loan Facility on or after to the second anniversary of funding are not subject to premium or penalty.

Obligations under the Loan Agreement are guaranteed, jointly and severally, on a first-priority senior secured basis, by Carnival plc and the same subsidiaries of Carnival Corporation and Carnival plc that guarantee Carnival Corporation’s 11.500% First-Priority Senior Secured Notes due 2023 (the “Secured Notes”), which consist of the entities that own or operate the Company’s vessels and material intellectual property. In the future, each of Carnival Corporation’s and Carnival plc’s subsidiaries (other than immaterial subsidiaries) that becomes an issuer, borrower, obligor or guarantor under certain other indebtedness of Carnival Corporation, Carnival plc or any other guarantor, including, in each case, indebtedness in an aggregate principal amount in excess of \$250 million, will be required to guarantee the Loan Agreement.

Obligations under the Loan Agreement are secured by first-priority security interests in the collateral, which generally includes (i) shares of capital stock of each subsidiary guarantor, subject to customary limitations; (ii) 85 of the vessels currently owned or operated by Carnival Corporation, Carnival plc and the other guarantors including assignments of insurance claims and earnings in respect of such vessels; (iii) the material intellectual property currently owned or controlled by Carnival Corporation, Carnival plc and the other guarantors; (iv) other assets of Carnival Corporation, Carnival plc and the other guarantors consisting of inventory, trade receivables, intangibles, computer software and casino equipment, in each case associated with the vessels being mortgaged; and (v) other assets on which Carnival Corporation, Carnival plc, the Co-Borrower and the other guarantors may elect from time to time to grant a lien securing the obligations under the Loan Agreement, subject to permitted liens and certain exclusions and release provisions as further described in the Loan Agreement and the related security documents. The security interests are subject to an intercreditor agreement governing the rights and priorities of the secured parties under the Loan Agreement and the holders of certain other indebtedness, including the Secured Notes, outstanding on the date hereof or incurred in the future.

The Loan Agreement contains covenants that limit the ability of Carnival Corporation, Carnival plc and their restricted subsidiaries to, among other things: (i) incur additional indebtedness or issue certain preferred shares; (ii) make dividend payments on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create liens on their assets; (vi) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; and (vii) enter into certain transactions with their affiliates. These covenants are subject to a number of important limitations and exceptions.

The Loan Agreement sets forth certain events of default after which the Loan Agreement may be declared immediately due and payable and sets forth certain types of bankruptcy or insolvency events of default involving Carnival Corporation, Carnival plc, the Co-Borrower, any of our or Carnival plc’s significant subsidiaries or any group of our or Carnival plc’s subsidiaries that, taken together, would constitute a significant subsidiary after which the Loan Agreement becomes automatically due and payable.

The description of the Loan Agreement above is qualified in its entirety by reference to the text of the Loan Agreement, which will be filed with the next joint periodic report of Carnival Corporation and Carnival plc.

## Cautionary Note Concerning Factors That May Affect Future Results

Carnival Corporation and Carnival plc and their respective subsidiaries are referred to collectively in this this Current Report on Form 8-K, including the Exhibits hereto (collectively, this “document”), as “Carnival Corporation & plc,” “our,” “us” and “we.” 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 the financing transactions described herein, 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. 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,” “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:

- Net revenue yields
- Net cruise costs, excluding fuel per available lower berth day
- Booking levels
- Estimates of ship depreciable lives and residual values
- Pricing and occupancy
- Goodwill, ship and trademark fair values
- Interest, tax and fuel expenses
- Liquidity
- Currency exchange rates
- Adjusted earnings per share
- 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, the COVID-19 outbreak. 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, which impacts our ability to obtain acceptable financing to fund resulting reductions in cash from operations. The current, and uncertain future, impact of the COVID-19 outbreak, 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, growth, reputation, litigation, cash flows, liquidity, and stock price
- As a result of the COVID-19 outbreak, we have paused our guest cruise operations, and if we are unable to re-commence normal operations in the near-term, and further extend covenant waivers for certain agreements for which waivers do not currently cover periods after March 2021 (if needed), we may be out of compliance with a maintenance covenant in

certain of our debt facilities

- World events impacting the ability or desire of people to travel may lead to a decline in demand for cruises
- Incidents concerning our ships, guests or the cruise vacation industry as well as adverse weather conditions and other natural disasters may 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 may lead to litigation, enforcement actions, fines, penalties, and reputational damage
- 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 lead to reputational damage
- Ability to recruit, develop and retain qualified shipboard personnel who live away from home for extended periods of time may adversely impact our business operations, guest services and satisfaction
- Increases in fuel prices, changes in the types of fuel consumed and availability of fuel supply may adversely impact our scheduled itineraries and costs
- 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
- Geographic regions in which we try to expand our business may be slow to develop or ultimately not develop how we expect
- 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.