Risk Factors Comparison 2024-02-21 to 2023-02-23 Form: 10-K

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The risk factors set forth below and elsewhere in this Annual Report on Form 10- K are important factors that could cause actual results to differ from expected or historical results. It is not possible to predict or identify all such risks. There may be additional risks that we consider not to be material, or which are not known, and any of these risks could affect our operations. The ordering of the risk factors set forth below is not intended to reflect a risk' s potential likelihood or magnitude. See Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations for a cautionary note regarding forward- looking statements. Macroeconomic, Business, Market and Operational Risks Adverse economic or other conditions could reduce the demand for cruises and passenger spending, adversely impacting our operating results, cash flows and financial condition including impairing the value of our goodwill, ships, trademarks and other assets and potentially affecting other critical accounting estimates where the impact may be material to our operating results. Demand for cruises is affected by international, national, and local economic conditions. Weak or uncertain economic conditions may impact consumer confidence and pose a risk as vacationers postpone or reduce discretionary spending. This, in turn, may result in cruise booking slowdowns, decreased cruise prices and lower onboard revenues. Given the global nature of our business, we are exposed to many different economies, and our business could be negatively impacted by challenging conditions in any of the markets in which we operate, and / or related reactions by our competitors in such markets. Our operating costs could increase due to market forces and economic or geopolitical factors beyond our control. Our operating costs, including fuel, food, payroll and benefits, airfare, taxes, insurance, and security costs, can be and have been subject to increases due to market forces and economic or geopolitical conditions or other factors beyond our control, including global inflationary pressures, which have increased our operating costs. Increases in these operating costs have affected, and may continue to adversely affect, our future profitability. ~~In particular, increases in fuel prices have and could continue to materially and adversely affect our business as fuel prices impact not only our fuel costs, but also some of our other expenses, such as crew travel, freight, and commodity prices. Mandatory fuel restrictions may also create uncertainty related to the price and availability of certain fuel types potentially impacting operating costs.~~ Price increases for commercial airline services for our guests or major changes or reduction in commercial airline services and / or availability could adversely impact the demand for cruises and undermine our ability to provide reasonably priced vacation packages to our guests. Many of our guests depend on scheduled commercial airline services to transport them to or from the ports where our cruises embark or disembark. Increases in the price of airfare would increase the overall price of the cruise vacation to our guests, which may adversely impact demand for our cruises. In addition, changes in the availability and / or regulations governing commercial airline services could adversely affect our guests' ability to obtain air travel, as well as our ability to transfer our guests to or from our cruise ships, which could adversely affect our results of operations. Terrorist attacks, war, and other similar events could have a material adverse impact on our business and results of operations. We are susceptible to a wide range of adverse events, including terrorist attacks, war, conflicts, civil unrest and other hostilities. The occurrence of these events or an escalation in the frequency or severity of them, and the resulting political instability, travel restrictions and advisories and concerns over safety and security aspects of traveling or the fear of any of the foregoing, have had, and could have in the future, a significant adverse impact on demand and pricing in the travel and vacation industry. These events could also result in additional security measures taken by local authorities which have, and may in the future, impact access to ports and / or destinations. In addition, such events have led, and could lead, to disruptions, instability and volatility in global markets, supply chains and industries, increased operating costs, such as fuel and food, and disruptions affecting our newbuild construction and fleet modernization efforts, any of which could materially and adversely impact our business and results of operations. Further, such events could have the effect of heightening the other risks we have described in this report, any of which also could materially and adversely affect our business and results of operations. Disease outbreaks and an increase in concern about the risk of illness could adversely impact our business and results of operations, and may cause significant disruptions, create new risks, and exacerbate existing risks. Disease outbreaks and increased concern related to illness when traveling to, from, and on our ships **,** ~~such as COVID- 19~~ could cause a ~~drop~~ **decrease** in demand for cruises, guest cancellations, travel restrictions, an unavailability of ports and / or destinations, cruise cancellations, ship redeployments and an inability to source our crew, provisions or supplies from certain places. In addition, we may be subject to ~~increased concerns~~ **consumer perception** that cruises are more susceptible than other vacation alternatives to the spread of infectious diseases. For example, the unprecedented responses by governments and other authorities to control and contain the COVID- 19 outbreak, including related variants, led to our voluntary suspension of our global cruise operations starting in March 2020. While we have resumed our global cruise operations, there is no assurance that our cruise operations will ~~continue~~ **not be** ~~uninterrupted~~ -- **interrupted** . In response to disease outbreaks, our industry, including our passengers and crew, may be subject to enhanced health and safety requirements in the future which may be costly and take a significant amount of time to implement across our fleet. For example, local governments may establish their own set of rules for self- quarantines and / or require proof of individuals' health status or vaccination prior to or upon visiting. Based on our assessment of these requirements and recommendations, or for other reasons, we may determine it necessary to cancel or modify certain of our Global Brands' cruise sailings. The impact of any of these factors could have a material adverse effect on our business and results of operations. In addition, any operating or health protocols that we may develop or that may be required by law in the future in response to infectious diseases may be costly to develop and **difficult to** implement and may be less effective than we expected in reducing the risk of infection and spread of such disease on our cruise ships, all of which will negatively impact our operations and expose us to reputational and legal risks. Incidents on ships, at port facilities, land destinations and / or affecting the cruise vacation industry in general, and the associated negative media coverage and publicity, have affected and could continue to affect our reputation and impact our sales and results of operations. Cruise ships, private destinations, port facilities and shore excursions operated and / or offered by us and third parties may be susceptible to the risk of accidents, illnesses, mechanical failures, environmental incidents **, inappropriate crew or passenger behavior,** and other incidents which could bring into question safety, health, security and vacation satisfaction **of our guests** and negatively impact our sales, operations and reputation. Incidents involving cruise ships, and, in particular the safety, health and security of guests and crew and the media coverage thereof, ~~including those related to the COVID- 19 pandemic,~~ have impacted and could ~~continue to~~ impact demand for our cruises and pricing in the industry. In particular, we cannot predict the impact on our financial performance and the public' s concern regarding the health and safety of travel, especially by cruise ship, and related decreases in demand for travel and cruising. Moreover, our ability to attract and retain guests and crew depends, in part, upon the perception and reputation of our company and our brands and the public' s concerns regarding the health and safety of travel generally, as well as regarding the cruising industry and our ships specifically. Our reputation and our business could also be damaged by continued or additional negative publicity regarding the cruise industry in general, including publicity regarding the spread of contagious disease ~~such as COVID- 19~~ , over- tourism in key ports and destinations and the potentially adverse environmental impacts of cruising. The considerable expansion in the use of social and digital media has compounded the potential scope and reach of any negative publicity. In addition, incidents involving cruise ships may result in additional costs to our business, increasing government or other regulatory oversight and, in certain cases, potential litigation. Significant weather, climate events and / or natural disasters could adversely impact our business and results of operations. Natural disasters (e. g., earthquakes, volcanos, wildfires), weather and / or climate events (including hurricanes and typhoons) could impact our source markets and operations resulting in travel restrictions, guest cancellations, an inability to source our crew or our provisions and supplies from certain places. We ~~are often forced~~ **may be required** to alter itineraries and ~~occasionally~~ cancel a cruise or a series of cruises or to redeploy our ships due to these types of events, which could have an adverse effect on our sales, operating costs and profitability in the current and future periods. Increases in the frequency, severity or duration of these types of events could exacerbate their impact and disrupt our operations or make certain destinations less desirable or unavailable impacting our revenues and profitability further. Any of the foregoing could have an adverse impact on our results of operations and on industry performance. Our sustainability activities, including environmental, social and governance (ESG) matters, could result in reputational risks, increased costs and other risks. Customers, investors, lenders, regulators and other industry stakeholders have placed increasing importance on corporate ESG practices and on the implications and social cost of their investments, which could cause us to incur additional costs and changes to our operations. If our ESG practices or disclosures do not meet stakeholders' evolving expectations and standards, our customer and employee retention, our access to certain types of capital, including export credit financing, and our brands and reputation may be negatively impacted, which could affect our business operations and financial condition. We could also incur additional costs and require additional resources to monitor, report and comply with various ESG practices, which could increase our operating costs and affect our results of operations and financial condition. In addition, from time to time, we communicate certain initiatives regarding climate change and other ESG matters. We could fail or be perceived to fail to achieve such initiatives, which may negatively affect our reputation. The future adoption of new technology or processes to achieve the initiatives could also result in the impairment of existing assets. Our reliance on shipyards, their subcontractors and our suppliers to implement our newbuild and ship upgrade programs and to repair and maintain our ships exposes us to risks which could adversely impact our business. We rely on shipyards, their subcontractors and our suppliers to effectively construct our new ships and to repair, maintain, and upgrade our existing ships on a timely basis and in a cost effective manner. There are a limited number of shipyards with the capability and capacity to build, repair, maintain and / or upgrade our ships. As such, any disruptions affecting the **shipyard** ~~newbuild or fleet modernization~~ supply chain will adversely impact our business as there are limited substitutes. **In addition,** ~~Suspensions~~ **suspensions** and / or slowdowns of work at shipyards, have impacted and could continue to impact our ability to construct new ships as planned, our ability to timely and cost- effectively procure new capacity, and our ability to execute scheduled drydocks and / or fleet modernizations ~~. For instance, the effects of the COVID- 19 pandemic on the shipyards, their subcontractors, and our suppliers have resulted in delays in our previously scheduled ship deliveries. Variations from our plan could have a significant negative impact on our business operations and financial condition~~ . Building, repairing, maintaining and / or upgrading a ship is sophisticated work that involves significant risks. Material increases in commodity and raw material prices, and other cost pressures impacting the construction of a new ship, such as the cost **or availability** of labor and financing, could adversely impact the shipyard' s ability to build the ship on a cost- effective basis. We may be impacted if shipyards, their subcontractors, and / or our suppliers encounter **" force majeure events", insolvencies or other** financial difficulties, supply chain, technical or design problems when building or repairing a ship. These problems have impacted and may in the future impact the timely delivery or cost of new ships or the ability of shipyards to repair and upgrade our fleet in accordance with our needs or expectations. In addition, ~~delays,~~ mechanical faults and / or unforeseen incidents may result in cancellation of cruises or delays of new ship orders or necessitate unscheduled drydocks. Such events could result in lost revenue, increased operating expenses, or both, and thus adversely affect our results of operations. An increase in capacity worldwide or excess capacity in a particular market could adversely impact our cruise sales and / or pricing. Although our ships can be redeployed, cruise sales and / or pricing may be impacted by the introduction of new ships into the marketplace, reductions in cruise capacity, overall market growth and deployment decisions of ourselves and our competitors. As of December 31, ~~2022~~ **2023** , a total of ~~63~~ **51** new ships with approximately ~~143~~ **110** , 000 berths were on order for delivery through 2028 in the cruise industry, including ~~10~~ **eight** ships currently scheduled to be delivered to our Global and Partner Brands. The further net growth in capacity from these new ships and future orders, without an increase in the cruise industry' s demand and / or share of the vacation market, could depress cruise prices and impede our ability to achieve yield improvement.

In addition, to the extent that we or our competitors deploy ships to a particular itinerary / region and the resulting capacity in that region exceeds the demand, it may negatively affect our pricing and profitability. Any of the foregoing could have an adverse impact on our results of operations, cash flows and financial condition, including potentially impairing the value of our ships and other assets. Unavailability of ports of call may adversely affect our results of operations. We believe that port destinations are a major reason why guests choose to go on a particular cruise or on a cruise vacation. The availability of ports and destinations is affected by a number of factors, including industry demand and competition for key ports and destinations, existing capacity constraints, constraints related to the size of certain ships, security, financial limitations on port development, exclusivity arrangements that ports may have with our competitors, geopolitical developments, local governmental regulations, environmental regulations, and governmental response to disease outbreaks. Higher fuel costs also may adversely impact the destinations on certain of our itineraries as they become too costly to include. In addition, certain ports and destinations have faced a surge of both cruise and non- cruise tourism which, in certain cases, has fueled anti- tourism sentiments and related countermeasures to limit the volume of tourists allowed in these destinations. In certain destinations, countermeasures to limit the volume of tourists have been contemplated and / or put into effect, including proposed limits on cruise ships and cruise passengers, which could limit the itinerary and destination options we can offer our passengers going forward. Increased demand and competition for key ports of call or destinations, limitations on the availability or feasibility of use of specific ports of call and / or constraints on the availability of shore excursions and other service providers at such ports or destinations could adversely affect our operations and financial results. We may lose business to competitors throughout the vacation market. We operate in the vacation market and cruising is one of many alternatives for people choosing a vacation. We, therefore, risk losing business not only to other cruise lines, but also to other vacation operators, which provide other leisure options, including hotels, resorts **(including all- inclusive resorts)** , internet- based alternative lodging sites ~~and~~ **, theme parks, sightseeing destinations,** package holidays and tours. We face significant competition from other cruise lines on the basis of cruise pricing, travel advisor preference and also in terms of the nature of ships, services and destinations that we offer to guests. Our revenues are sensitive to the actions of other cruise lines in many areas including pricing, scheduling, capacity and promotions, which can have a substantial adverse impact not only on our revenues, but also on overall industry revenues. In the event that we do not effectively market or differentiate our cruise brands from our competitors or otherwise compete effectively with other vacation alternatives and new or existing cruise companies, our results of operations and financial position could be adversely affected. If we are unable to appropriately manage our cost and capital allocation strategies with our goal of satisfying guest expectations, it may adversely impact our business success. We strive to provide high quality products and deliver high quality services. There can be no assurance that we can successfully balance these goals with our cost management and capital allocation strategies. Our business also requires us to make capital allocation decisions across a broad scope of investment options with varying return profiles and time horizons for value realization. These include significant capital investment decisions such as ordering new ships, upgrading our existing fleet, enhancing our technology and / or data capabilities and expanding our portfolio of land- based assets, based on expected market preferences, competition and projected demand. There can be no assurance that our strategies will be successful, which could adversely impact our business, financial condition and results of operations. **Investments in** ~~For example, our ownership and operation of~~ older tonnage, in particular ~~during the business disruption caused by COVID- 19~~ , ~~has~~ **run the risk of not meeting expected returns and diluting** ~~resulted~~ -- **related** ~~in impaired~~ asset values ~~due to expected returns less than the carrying value of the assets~~ . Our **expansion** ~~attempts to expand our business~~ into new markets and **investments in** new ventures **and land- based destination projects** may not be successful. We opportunistically seek to grow our business through, among other things, expansion into new destinations or source markets and establishment of new ventures complementary to our current offerings. These attempts to expand our business increase the complexity of our business, require significant levels of investment and can strain our management, personnel, operations and systems. In addition, we may be unable to execute our attempts to expand our business. There can be no assurance that these business expansion efforts will develop as anticipated or that we will succeed, and if we do not, we may be unable to recover our investment, which could adversely impact our business, financial condition and results of operations. ~~Risks associated with our development and operation of key land- based destination projects may adversely impact our business or results of operations.~~ We have **also** invested, either directly or indirectly through joint ventures and partnerships, in a growing portfolio of key land- based projects including port and terminal facilities, private destinations and multi- brand destination projects. These investments can increase our exposure to certain key risks depending on the scope, location, and the ownership and management structure of these projects. These risks include susceptibility to weather events, exposure to local political / regulatory developments and policies, logistical challenges and human resource and labor risks and safety, environmental, and health risks ~~, including challenges posed by the COVID- 19 pandemic and its effects locally where we have these projects and relationships~~ . Our reliance on travel advisors to sell and market our cruises exposes us to certain risks which could adversely impact our business. We rely on travel advisors to generate bookings for our ~~ships~~ **global brands** . Accordingly, we must maintain competitive commission rates and incentive structures. If we fail to offer competitive compensation packages or fail to maintain our relationships, these agencies may be incentivized to sell cruises offered by our competitors, which could adversely impact our operating results. Our reliance on third- party sellers is particularly pronounced in certain markets. In addition, the travel advisor community is sensitive to economic conditions that impact discretionary income of consumers. Significant disruptions ~~, such as those caused by the COVID- 19 pandemic,~~ or contractions in the industry could reduce the number of travel advisors available for us to market and sell our cruises, which could have an adverse impact on our financial condition and results of operations ~~. Additionally, the strength of our recovery from suspended operations could be delayed if we are not aligned and partnered with key travel advisors~~ . Business activities that involve our co- investments with third parties may subject us to additional risks. Partnerships, joint ventures and other business structures involving our co- investments with third parties generally include some form of shared control over the operations of the business and create additional risks, including the possibility that other investors in such ventures become bankrupt or otherwise lack the financial resources to meet their obligations or could have or develop business interests, policies or objectives that are inconsistent with ours. In addition to financial risks, our co- investment activities have also presented managerial and operational risks and expose us to reputational or legal concerns. These or other issues related to our co- investments with third parties could adversely impact our operations or liquidity. Further, due to the arrangements we have in place with our partners in these ventures, we are limited in our ability to control the strategy of these ventures, or their use of capital and other key factors to their results of operation, which could adversely affect our investments and impact our results of operations. Past or pending business acquisitions or potential acquisitions that we may decide to pursue in the future carry inherent risks which could adversely impact our financial performance and condition. The Company, from time to time, has engaged in acquisitions and may pursue acquisitions in the future, which are subject to, among other factors, the Company' s ability to identify attractive business opportunities and to negotiate favorable terms for such opportunities. Accordingly, the Company cannot make any assurances that potential acquisitions will be completed timely or at all, or that if completed, we would realize the anticipated benefits of such acquisitions. Acquisitions also carry inherent risks such as, among others: (i) the potential delay or failure of our efforts to successfully integrate business processes and realizing expected synergies; (ii) difficulty in aligning procedures, controls and / or policies; and (iii) future unknown liabilities and costs that may be associated with an acquisition. In addition, acquisitions may adversely impact our liquidity and / or debt levels, and the recognized value of goodwill and other intangible assets can be negatively affected by unforeseen events and / or circumstances, which may result in an impairment charge. Any of the foregoing events could adversely impact our financial condition and results of operations. We rely on supply chain vendors and third- party service providers who are integral to the operations of our businesses. These vendors and service providers may be unable or unwilling to deliver on their commitments or may act in ways that could harm our business. We rely on supply chain vendors to deliver key products to the operations of our businesses around the world. Any event impacting a vendor' s ability to deliver goods of the expected quality at the location and time needed could negatively impact our ability to deliver our cruise experience. Events impacting our supply chain could be caused by factors beyond the control of our suppliers or us, including inclement weather, natural disasters, new laws and regulations, labor actions, increased demand, problems in production or distribution, cybersecurity events, and / or disruptions in third- party logistics or transportation systems ~~, including those caused by the COVID- 19 pandemic~~ . Any such interruptions to our supply chain could increase our costs and could limit the availability of products critical to our operations. In addition, increased regulation or stakeholder expectations regarding sourcing practices, or supplier conduct that does not meet such standards, could cause our operating costs to increase or result in publicity that negatively affects our reputation. In order to achieve cost and operational efficiencies, we outsource to third- party vendors certain services that are integral to the operations of our global businesses, such as our onboard concessionaires, certain of our call center operations, guest port services, logistics distribution and operation of a large part of our information technology systems. We are subject to the risk that certain decisions are subject to the control of our third- party service providers and that these decisions may adversely affect our activities. A failure to adequately monitor a third- party service provider' s compliance with a service level agreement or regulatory or legal requirements could result in significant economic and reputational harm to us. There is also a risk the confidentiality, privacy and / or security of data held by third parties or communicated over third- party networks or platforms could become compromised. The potential unavailability of insurance coverage, an inability to obtain insurance coverage at commercially reasonable rates or our failure to have coverage in sufficient amounts to cover our incurred losses may adversely affect our financial condition or results of operations. We seek to maintain appropriate insurance coverage at commercially reasonable rates. We normally obtain insurance based on the cost of an asset rather than replacement value, and we also elect to self- insure, co- insure, or use deductibles in certain circumstances for certain risks such as loss of use of a ship or other business interruption. The limits of insurance coverage we purchase are based on the availability of the coverage, evaluation of our risk profile and cost of coverage. We do not carry business interruption insurance and accordingly we have no insurance coverage for loss of revenues or earnings from our ships or other operations. Accordingly, we are not protected against all risks and cannot be certain that our coverage will be adequate for liabilities actually incurred which could result in an unexpected decrease in our revenue and results of operations in the event of an incident **.** We are members of four Protection and Indemnity (" P & I ") clubs, which are part of a worldwide group of 12 P & I clubs, known as the International Group of P & I Clubs (the " IG "). P & I coverage provided by the clubs is on a mutual basis, and we are subject to additional premium calls in the event of a catastrophic loss incurred by any member of the 12 P & I clubs, whereby the reinsurance limits purchased by the IG are exhausted. We are also subject to additional premium calls based on investment and underwriting shortfalls experienced by our own individual insurers. We cannot be certain that insurance and reinsurance coverage will be available to us and at commercially reasonable rates in the future or at all or, if available, that it will be sufficient to cover potential claims. Additionally, if we or other insureds sustain significant losses, the result may be higher insurance premiums, cancellation of coverage, or the inability to obtain coverage. Such events could adversely affect our financial condition or results of operations. Disruptions in our shoreside or shipboard operations or our information systems may adversely affect our results of operations. Our principal executive office and principal shoreside operations are located in Florida, and we have shoreside offices throughout the world. Actual or threatened natural disasters (e. g., hurricanes / typhoons, earthquakes, tornadoes, fires or floods), municipal lockdowns, curfews, quarantines, or similar events in these locations may have a material impact on our business continuity, reputation and results of operations. In addition, substantial or repeated information system failures, computer viruses or cyber attacks impacting our shoreside or shipboard operations could adversely impact our business. We do not generally carry business interruption insurance for our shoreside or shipboard operations or our information systems. As such, any losses or damages incurred by us could have an adverse impact on our results of operations. Provisions of our Articles of Incorporation, By- Laws and Liberian law could inhibit a change of control and may prevent efforts by our shareholders to change our management. Certain provisions of our Articles of Incorporation and By- Laws and Liberian law may inhibit third parties from effectuating a change of control of the Company without approval from our board of directors which could result in the entrenchment of current management. These include provisions in our Articles of Incorporation that prevent third parties, other than A. Wilhelmsen AS and Cruise Associates and their permitted transferees, from acquiring beneficial ownership of more than 4. 9 % of our outstanding shares without the consent of our board of directors. We may not be able to achieve our fiscal 2025 financial and climate- related performance goals. In November 2022, we announced that we are targeting certain financial and climate- related performance goals for fiscal 2025. Our ability to achieve these goals is dependent on a number of factors, including the other risk factors described in this section. If we are not able to achieve these goals, the price of our common stock and reputation may be negatively affected. Financial Risks We may not be able to obtain sufficient financing or capital for our needs or may not be able to do so on terms that are acceptable or consistent with our expectations. To fund our capital expenditures (including new ship orders), operations and scheduled debt payments, we have historically relied on a combination of cash flows provided by operations, drawdowns under available credit facilities, the incurrence of additional indebtedness and the sale of equity or debt securities in private or public securities markets. ~~Any circumstance~~ **Although we believe we can access sufficient liquidity to fund** ~~or~~ **our operations** ~~event which leads to a decrease in consumer cruise spending~~ , ~~such~~ **investments and obligations** as **expected,** ~~worsening global economic conditions or significant incidents impacting the~~ **there can be no assurances** ~~cruise industry, such as the COVID- 19 pandemic, negatively affects our operating cash flows. As result of the COVID- 19 pandemic and the resulting suspension of our operations, we have experienced credit rating downgrades, which have reduced our ability~~ to ~~incur secured indebtedness by reducing the amount of indebtedness~~ that **effect** ~~we are permitted to secure, and may negatively impact our access to, and cost of, debt financing. Additionally, our ability to raise additional financing, whether or not secured, could be limited if our credit rating is further downgraded, and / or if we fail to comply with applicable covenants governing our outstanding indebtedness, and / or if overall financial market conditions worsen~~ . Our ability to access additional funding as and when needed, our ability to timely refinance and / or replace our outstanding debt securities and credit facilities on acceptable terms and our cost of funding will depend upon numerous factors including, but not limited to, the strength of the financial markets, global market conditions, including inflationary pressures, interest rate fluctuations, **credit rating downgrades,** our ~~recovery and~~ financial performance, the recovery and performance of our industry in general and the size, scope and timing of our financial needs. In addition, even where financing commitments have been secured, significant disruptions in the capital and credit markets could cause our banking and other counterparties to breach their contractual obligations to us or could cause the conditions to the availability of such funding not to be satisfied. This could include failures of banks or other financial service companies to fund required borrowings under our loan agreements or to pay us amounts that may become due or return collateral that is refundable under our interest rate derivative instruments or other agreements. If any of the foregoing occurs for a prolonged period of time it will have a long- term negative impact on our cash flows and our ability to meet our financial obligations. Our substantial debt requires a significant amount of cash to service and could adversely affect our financial condition. We have a substantial amount of debt and significant debt service obligations. As of December 31, ~~2022~~ **2023** , we had total debt of $ ~~23~~ **21** . ~~4~~ **5** billion. Our substantial debt has required us to dedicate a large portion of our cash flow from operations to service debt and fund repayments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate expenses. Our ability to make future scheduled payments on our debt service obligations or refinance our debt depends on our future operating and financial performance and ability to generate cash. This will be affected by our ability to successfully implement our business strategy, as well as general economic, financial, competitive, regulatory and other factors beyond our control ~~, such as the disruption caused by the COVID- 19 pandemic~~ . If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, obtain additional financing, delay planned capital expenditures or sell assets. We cannot assure that we will be able to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt. Our substantial debt could also result in other negative consequences for us. For example, it could increase our vulnerability to adverse general economic or industry conditions; limit our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate; place us at a competitive disadvantage compared to our competitors that have less debt; make us more vulnerable to downturns in our business, the economy or the industry in which we operate; limit our ability to raise additional debt or equity capital in the future to satisfy our requirements relating to working capital, capital expenditures, development projects, strategic initiatives or other purposes; restrict us from making strategic acquisitions, introducing new technologies or exploiting business opportunities; limit or restrict our ability to obtain and maintain performance bonds to cover our financial responsibility requirements in various jurisdictions for non- performance of guest travel, casualty and personal injury; make it difficult for us to satisfy our obligations with respect to our debt; and increase our exposure to the risk of increased interest rates as certain of our borrowings are (and may in the future be) at a variable rate of interest. Despite our leverage, we may incur more debt ~~, which could adversely affect our business~~ . **Although** ~~We may incur substantial additional debt in the future. Except for the restrictions under the indentures governing our Secured Notes, our Priority Guaranteed Notes, and~~ certain of our ~~other~~ debt instruments, including our ~~unsecured bank and export credit facilities, we are not restricted under the terms of our debt instruments from incurring additional debt. Although the indentures governing the Secured Notes, the Priority Guaranteed Notes, and certain of our other debt instruments, including our unsecured bank and~~ export credit facilities, contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of debt that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our existing debt levels, the related risks that we now face would increase. Additionally, there is no guarantee that financing will be available in the future or that such financing will be available with similar terms or terms that are commercially acceptable to us. As of December 31, ~~2022~~ **2023** , we have commitments for approximately $ ~~7~~ **5** . ~~1~~ **5** billion of debt to finance the purchase of ~~7~~ **five** ships on order by our

Royal Caribbean International, Celebrity Cruises and Silversea Cruises brands, all of which are guaranteed by the export credit agencies in the countries in which the ships are being built. The ultimate size of each facility will depend on the final contract price (including change orders and owner' s supply) as well as fluctuations in the EUR / USD exchange rate. Refer to Note 8. Debt to our consolidated financial statements under Item 8. Financial Statements and Supplementary Data for further information regarding our" Secured Notes" and" Priority Guaranteed Notes". We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. In addition, if we fail to comply with any of these restrictions, it could have a material adverse effect on us. Certain of our debt instruments, including our indentures and our unsecured bank and export credit facilities, limit our flexibility in operating our business. For example, certain of our loan agreements and indentures restrict or limit our and our subsidiaries' ability to, among other things, incur or guarantee additional indebtedness; pay dividends or distributions on, or redeem or repurchase capital stock and make other restricted payments; make investments; consummate certain asset sales; engage in certain transactions with affiliates; grant or assume certain liens; and consolidate, merge or transfer all or substantially all of our assets. In addition, both our export credit facilities and our non- export credit facilities contain covenants that require us, among other things, to maintain a minimum liquidity, a specified minimum fixed charge coverage ratio, and limit our net debt- to- capital ratio. In addition, our ECA facilities also require us to maintain a minimum stockholders' equity. Refer to Note 8. Debt to our consolidated financial statements under Item 8. Financial Statements and Supplementary Data for further discussion on our covenants and existing waivers. All of these limitations are subject to significant exceptions and qualifications. Despite these exceptions and qualifications, we cannot assure you that the operating and financial restrictions and covenants in certain of our debt instruments will not adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. Any future indebtedness may include similar or other restrictive terms and we may be required to further encumber our assets. In addition, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under such indebtedness and certain of our other debt instruments, and the relevant debt holders or lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable and proceed against any collateral securing that debt. If the debt under certain of our debt instruments that we enter into were to be accelerated, our liquid assets may be insufficient to repay in full such indebtedness. Borrowings under other debt instruments that contain cross- default provisions also may be accelerated or become payable on demand. In these circumstances, our assets may not be sufficient to repay in full that indebtedness and our other indebtedness then outstanding. In addition, our ability to maintain our credit facilities may also be impacted by changes in our ownership base. More specifically, we may be required to prepay our non- ECA and ECA facilities if any person acquires ownership of more than 50 % of our common stock or, subject to certain exceptions, during any 24- month period, a majority of our board of directors is no longer comprised of individuals who were members of our board of directors on the first day of such period. Our debt securities also contain change of control provisions that would be triggered by a third- party acquisition of greater than 50 % of our common stock coupled with a ratings downgrade, which would require us to offer to repurchase our debt securities in the event of such change of control. If we elect to settle conversions of our convertible notes in shares of our common stock or a combination of cash and shares of our common stock, conversions of our convertible notes will result in dilution for our existing shareholders. ~~Furthermore, new equity or convertible debt issuances will also result in dilution for our existing shareholders.~~ We have an aggregate principal amount of $ 1. ~~7~~ **2** billion in convertible notes outstanding. If note holders elect to convert, the notes will be converted into our shares of common stock, cash, or a combination of common stock and cash, at our discretion. **After** ~~Prior to March 15, 2023, August 15, 2023, and~~ May 15, 2025, our convertible notes issued in ~~June 2020, October 2020, and~~ August 2022 ~~, respectively~~ , will be convertible at the option of holders ~~during certain periods only upon satisfaction of certain conditions. Beyond those dates, the convertible notes will be convertible at any time~~ until the close of business on the second scheduled trading day immediately preceding their maturity date. Conversions of our convertible notes into shares of our common stock or a combination of common stock and cash, will result in dilution to our shareholders. **Our dividend policy may change without notice** ~~Additionally, if we raise additional funds through equity or convertible debt issuances, our shareholders could experience dilution of their ownership interest,~~ and **any payment** ~~these equity or convertible debt securities could have rights, preferences, and privileges that are superior to that~~ of ~~holders of our common stock. We did not declare quarterly~~ dividends ~~on our common stock~~ in the ~~quarter ended December 31, 2022 and do not expect to pay dividends on our common stock for the foreseeable~~ future **is subject to the discretion of our Board of Directors** . We have not declared a dividend since the first quarter of 2020. ~~We expect that any income received from operations~~ **Any future determination relating to our dividend policy** will be ~~devoted to~~ **made at the discretion of** our ~~future operations~~ **Board of Directors** and **will depend** ~~recovery. We do not expect to pay cash dividends~~ on ~~our common stock for the foreseeable future. In addition, in the event we thereafter declare~~ a **number** ~~dividend, we will need to repay our amounts deferred under the export credit facilities. Payment~~ of **factors** ~~dividends would~~ , **including** ~~in any case, depend upon~~ our profitability at the time, cash available for those dividends, and other factors as our board of directors may consider relevant. **In** ~~Increased regulatory oversight, and~~ the **event we declare** ~~phasing out of LIBOR may adversely affect the value of~~ a **dividend** ~~portion of our indebtedness. The publication of certain LIBOR settings ceased after December 31~~ , ~~2021, and uncertainty regarding alternative reference rates remains as many market participants await a wider adoption of replacement products prior to the cessation of the remaining USD LIBOR tenors (currently scheduled for June 30, 2023). When LIBOR ceases to exist, the level of interest payments on the portion of our indebtedness that bears interest at variable rates might be affected if~~ we **will need to repay amounts deferred** ~~, the agent, and / or the lenders holding a majority of the outstanding loans or commitments~~ under ~~such indebtedness fail to amend such indebtedness to implement a replacement rate. Regardless, such replacement rate will give due consideration to any evolving or then~~ - **the export** ~~- existing conventions for similar~~ credit facilities ~~, which may result in different than expected interest~~

~~payments~~ . Compliance and Regulatory Risks Changes in U. S. or other countries' foreign travel policy have affected, and may continue to affect our results of operations. Changes in U. S. and other countries' foreign policy have in the past and could in the future result in the imposition of travel restrictions or travel bans on persons to certain countries or result in the imposition of travel advisories, warnings, rules, regulations or legislation exposing us to penalties or claims of monetary damages. In addition, some countries have **previously** adopted restrictions against U. S. travelers ~~, and we currently cannot predict when those restrictions will be eased~~ . The timing and scope of these changes and regulations can be unpredictable, and they could cause us to cancel scheduled sailings, possibly on short notice, or could result in litigation against us. This, in turn, could decrease our revenue, increase our operating costs and otherwise impair our profitability. Factors associated with climate change, including an increasing global regulatory focus, could adversely affect our business. There is increasing global regulatory focus on climate change, greenhouse gas and other emissions. These regulatory efforts, both internationally and in the U. S., are still developing, including the international alignment of such efforts, and we cannot yet determine what the final regulatory programs or their impact will be on our business. However, such climate change- related regulatory activity in the future may adversely affect our business and financial results by requiring us to reduce our emissions, pay for our emissions, modify our itineraries and may increase our exposure, if any, to climate change- related litigation. Such activity may also impact us by increasing our operating costs, including fuel costs. For example, the European Union has proposed **and enacted parts of** a series of significant carbon reforms under its Fit for 55 package designed to meet its 2030 emission goals, which would require us, among other things, to increase the use of low carbon fuel onboard our vessels as well as connectivity to shore power. ~~The proposed legislation also~~ **Part of the reforms that were enacted** includes updates to the European Union Emission Trading System **that** ~~which would impose~~ **imposes** requirements **on us** to purchase carbon emission allowances **for our qualified emissions** beginning in 2024. In addition, the U. S. and various state and foreign government or regulatory agencies have enacted, or may enact, environmental regulations or policies, such as requiring the use of low sulfur fuels (e. g., IMO Sulfur Limit) or the incoming carbon intensity indicator regulation **(" CII")** , that have or could increase our direct cost to operate in certain markets, increase our cost of fuel, limit the supply of compliant fuel, cause us to incur significant expenses to purchase and / or develop new equipment and adversely impact the cruise vacation industry. If enacted, these regulations may individually or collectively have a material adverse effect on our business and results of operations due to increased costs associated with compliance and modified itineraries in the affected regions. There has also been growing environmental scrutiny of the environmental impact of the cruise vacation industry, and some environmental groups are advocating for more stringent regulation of ship emissions at berth and at sea. This negative publicity of the cruise industry and any related measures may lead to changes in consumer preferences, such as methods or frequency of travel, which could adversely impact our operations and financial results and subject us to reputational impacts and costs. Labor, health and safety, financial responsibility **, maritime** and other ~~maritime~~ regulations and measures could affect operations and increase operating costs. We are subject to various international, national, state and local laws, regulations and treaties that govern, among other things, discharge from our ships, safety standards applicable to our ships, treatment of disabled persons, health and sanitary standards applicable to our guests, security standards on board our ships and at the ship / port interface areas, ~~and~~ financial responsibilities to our guests **, and our advertising and pricing practices** . These issues are, and we believe will continue to be, an area of focus by the relevant authorities throughout the world ~~. This could~~ **, which may** result in the enactment of more stringent ~~regulation~~ **regulations** ~~of cruise ships that could subject~~ **. In addition to potential damage to our reputation and brand, failure by** us to ~~increasing~~ **comply with these various applicable laws and regulations, as well as changes in laws and regulations or the manner in which they are interpreted or applied, may result in litigation, civil and criminal liability, damages, fines and penalties, increased cost of regulatory** compliance **and may have** ~~costs in the future and~~ **an** ~~may increase~~ **adverse impact on** our **business and financial results** ~~exposure, if any, to environmental- related litigation~~ . A change in our tax status under the U. S. Internal Revenue Code, or other jurisdictions, may have adverse effects on our results of operations. Royal Caribbean Cruises Ltd. and a number of our subsidiaries are foreign corporations that derive income from a U. S. trade or business and / or from sources within the U. S. In connection with the year end audit, each year, Faegre Drinker Biddle & Reath LLP, our U. S. tax counsel, delivers to us an opinion, based on certain representations and assumptions set forth in it, to the effect that this income, to the extent derived from or incidental to the international operation of a ship or ships, is excluded from gross income for U. S. federal income tax purposes pursuant to Section 883 of the Internal Revenue Code. We believe that most of our income (including that of our subsidiaries) is derived from or incidental to the international operation of ships. Our ability to rely on Section 883 could be challenged or could change in the future. Provisions of the Internal Revenue Code, including Section 883, are subject to legislative change at any time. Moreover, changes could occur in the future with respect to the identity, residence or holdings of our direct or indirect shareholders, trading volume or trading frequency of our shares, or relevant foreign tax laws of Liberia or the Bahamas, such that they no longer qualify as equivalent exemption jurisdictions, that could affect our eligibility for the Section 883 exemption. Accordingly, there can be no assurance that we will continue to be exempt from U. S. income tax on U. S. source shipping income in the future. If we were not entitled to the benefit of Section 883, we and our subsidiaries would be subject to U. S. taxation on a portion of the income derived from or incidental to the international operation of our ships, which would reduce our net income. Additionally, portions of our business are operated by companies that are within the United Kingdom tonnage tax regime. Further, some of our operations are conducted in jurisdictions where we rely on tax treaties to provide exemption from taxation. To the extent the United Kingdom tonnage tax laws change or we do not continue to meet the applicable qualification requirements or if tax treaties are changed or revoked, we may be required to pay higher income tax in these jurisdictions, adversely impacting our results of operations. ~~Numerous countries are considering implementation of the~~ **The Organization for Economic Co- operation and Development (** OECD ~~' s 15 %~~ **) has issued Pillar Two model rules introducing a new** global minimum tax **of 15 %** , which may materially impact us **starting in 2026. While we are currently pursuing mitigation strategies, there can be no guarantee they will be successful and the impact to our to our financial**

statements could be material . In addition, as budgetary constraints may adversely impact fiscal policy in the jurisdictions in which we operate, we may be subject to changes in our existing tax treatment or other tax reform, as well as increased tax audits. We are not a U. S. corporation and, as a result, our shareholders may be subject to the uncertainties of a foreign legal system in protecting their interests. Our corporate affairs are governed by our Articles of Incorporation and By- Laws and by the Business Corporation Act of Liberia. The provisions of the Business Corporation Act of Liberia resemble provisions of the corporation laws of a number of states in the U. S. However, there are very few judicial cases in Liberia interpreting the Business Corporation Act ~~of Liberia~~ . While the Business Corporation Act ~~of Liberia~~ provides that it is to be applied and construed to make the laws of Liberia, with respect of the subject matter of the Business Corporation Act ~~of Liberia~~ , ~~uniform~~ **harmonious** with the laws of the State of Delaware ~~and other states with substantially similar legislative provisions (and adopts their case law to the extent it is non- conflicting)~~ , ~~there have been few Liberian court cases interpreting the Business Corporation Act of Liberia, and~~ we cannot predict whether Liberian courts would reach the same conclusions as **Delaware** ~~United States~~ courts. **In cases when** ~~We understand that legislation has been proposed but not yet adopted by~~ the **laws of** ~~Liberian~~ - **Liberia** ~~legislature which amends~~ **are silent,** the ~~provisions regarding~~ **Business Corporation Act adopts, when applicable,** the ~~adoption of~~ non- ~~Liberian~~ **statutory corporation** law ~~to, among other things, provide for the adoption of the statutory and case law~~ of Delaware ~~and not also states~~ with substantially similar legislative provisions ~~, and potentially provide~~ **insofar as it does not conflict with any other provisions of the Business Corporation Act or decisions of** the courts of Liberia ~~discretion in application~~ **, and provides that the courts** of **Liberia may apply such** non- statutory corporation law **in resolving any issues before such courts. We cannot predict to what extent or in what manner the courts of Liberia will apply the non- statutory corporation law** of Delaware ~~in cases when the laws of Liberia are silent~~ . The right of shareholders to bring a derivative action in Liberian courts may be more limited than in U. S. jurisdictions. There may also be practical difficulties for shareholders attempting to bring suit in Liberia, and Liberian courts may or may not recognize and enforce foreign judgments. Thus, our shareholders may have more difficulty challenging actions taken by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U. S. jurisdiction. General Risk Factors Conducting business globally results in increased ~~costs~~ **regulatory, financial,** and other risks. We operate our business globally, which exposes us to a number of risks, including increased exposure to a wider range of regional and local economic conditions, volatile local political conditions, potential changes in duties and taxes, including changing and / or uncertain interpretations of existing tax laws and regulations, required compliance with additional laws and policies affecting cruising, vacation or maritime businesses or governing the operations of foreign- based companies, currency fluctuations, interest rate movements, difficulties in operating under local business environments, port quality and availability in certain regions, U. S. and global anti- bribery laws and regulations, imposition of trade barriers and restrictions on repatriation of earnings. Our future growth strategies ~~increasingly~~ depend on the ~~growth and~~ sustained profitability of international markets. Factors that will be critical to our success in these markets include our ability to continue to raise awareness of our products and our ability to adapt our offerings to best suit rapidly evolving consumer demands. The execution of our planned growth strategies is dependent on meeting the governmental and regulatory measures and policies in each of these markets. Our ability to realize our future growth strategy is highly dependent on our ability to satisfy country- specific policies and requirements ~~in order to return to service~~ , as well as meet the needs of region- specific consumer preferences ~~as services come back online~~ . These factors may cause us to reevaluate some of our international business strategies. Operating globally also exposes us to numerous and sometimes conflicting legal, regulatory and tax requirements. In many parts of the world, including countries in which we operate, practices in the local business communities might not conform to international business standards. We cannot guarantee consistent interpretation, application, and enforcement of newly issued rules and regulations, which could place limits on our operations or increase our costs, as well as negatively impact our future growth strategies in our key growth markets. We must adhere to policies designed to promote legal and regulatory compliance as well as applicable laws and regulations. However, we might not be successful in ensuring that our employees, agents, representatives and other third parties with whom we associate properly adhere to applicable laws and regulations. In addition, we may be exposed to the risk of penalties and other liabilities if we fail to comply with all applicable legal and regulatory requirements. Failure by us, our employees or any of these third parties to adhere to our policies or applicable laws or regulations could result in penalties, sanctions, damage to our reputation and related costs, which in turn could negatively affect our results of operations and cash flows. As a global operator, our business also may be impacted by changes in U. S. policy or priorities in areas such as trade, immigration and / or environmental or labor regulations, among others. Depending on the nature and scope of any such changes, they could impact our domestic and international business operations. Any such changes, and any international response to them, could potentially introduce new barriers to passenger or crew travel and / or cross border transactions, impact our guest experience and / or increase our operating costs. If we are unable to address these risks adequately, our financial position and results of operations could be adversely affected, including impairing the value of our ships and other assets. The terms of our existing debt financing gives, and any future preferred equity or debt financing may give, holders of any preferred securities or debt securities rights that are senior to rights of our common shareholders. The holders of our existing debt have rights, preferences and privileges senior to those of holders of our common stock in the event of liquidation. If we incur additional debt or raise equity through the issuance of preferred stock or convertible securities, the terms of the debt or the preferred stock issued may give the holders rights, preferences and privileges senior to those of holders of our common stock, particularly in the event of liquidation. If we raise funds through the issuance of additional equity, the ownership percentage of our existing shareholders would be diluted. Fluctuations in foreign currency exchange rates, fuel prices and interest rates could affect our financial results. We are exposed to market risk attributable to changes in foreign currency exchange rates, fuel prices and interest rates. Significant changes in any of the foregoing could have a material impact on our financial results, net of the impact of our hedging activities and natural offsets. Our operating results have been and will continue to be impacted, often significantly, by changes in each of these factors **.** A portion of our indebtedness bears interest at variable rates that are linked to changing market interest rates. As a result, an increase in market interest rates would increase our interest expense and our debt service obligations. As of December 31, ~~2022~~ **2023** , we had approximately $ ~~6~~ **3** . ~~0~~ **7** billion of indebtedness that bears interest at variable rates, which is net of our interest rate swap agreements. This amount represented approximately ~~25~~ **16** . ~~0~~ **8** % of our total indebtedness. As of December 31, ~~2022~~ **2023** , a hypothetical 1 % increase in prevailing interest rates would increase our forecasted 2023 interest expense by approximately $ ~~34~~ **25** . ~~8~~ **5** million. Additionally, the value of our earnings in foreign currencies is adversely impacted by a strong U. S. dollar. **In particular, increases in fuel prices have and could continue to materially and adversely affect our business as fuel prices impact not only our fuel costs, but also some of our other expenses, such as crew travel, freight, and commodity prices. Mandatory fuel restrictions may also create uncertainty related to the price and availability of certain fuel types potentially impacting operating costs and the value of our related hedging instruments.** Any further impairment of our goodwill **, intangible assets** , long- lived assets, equity investments and notes receivable could adversely affect our financial condition and operating results. We evaluate goodwill for impairment on an annual basis, or more frequently when circumstances indicate that the carrying value of a reporting unit **may not be recoverable. We also evaluate other assets, including but not limited to intangible assets and long- lived assets on an annual basis, or more frequently when circumstances indicate the carrying value** may not be recoverable. A challenging operating environment, conditions affecting consumer demand or spending, the deterioration of general macroeconomic conditions, expected ship deliveries, or other factors could result in a change to the future cash flows we expect to derive from our operations. Reductions of cash flows used in the valuation analyses may result in the recording of impairments, which could adversely affect our financial condition and operating results. The loss of key personnel, our inability to recruit or retain qualified personnel, or disruptions among our shipboard personnel could adversely affect our results of operations. Our success depends, in large part, on the skills and contributions of key executives and other employees and on our ability to recruit, develop and retain high quality personnel as well as having adequate succession plans and back- up operating plans for when critical executives are unable to serve. As demand for qualified personnel in the industry grows, we must continue to effectively recruit, train, motivate and retain our employees, both shoreside and on our ships, in order to effectively compete in our industry, maintain our current business and support our projected global growth. We have in the past and may in the future experience difficulty recruiting and retaining qualified personnel primarily due to competitive labor markets. A prolonged shortage of qualified personnel and / or increased turnover may inhibit our ability to operate our business in an optimal manner, and may result in increased costs if we need to hire temporary personnel, and / or increased wages and / or benefits in order to attract and retain employees, all of which may negatively impact our results of operations. As of December 31, ~~2022~~ **2023** , approximately 88 % of our shipboard employees were covered by collective bargaining agreements. A dispute under our collective bargaining agreements could result in a work stoppage of those employees covered by the agreements. We may not be able to satisfactorily renegotiate these collective bargaining agreements when they expire. In addition, existing collective bargaining agreements may not prevent a strike or work stoppage on our ships. We may also be subject to or affected by work stoppages unrelated to our business or collective bargaining agreements. Any such work stoppages or potential work stoppages could have a material adverse effect on our financial results, as could a loss of key employees, our inability to recruit or retain qualified personnel or disruptions among our personnel. If we are unable to keep pace with developments, design, and implementation in technology, our operations or competitive position could become impaired. Our business continues to demand the use of sophisticated technology and systems. These technologies and systems require significant investment and must be proven, refined, updated, upgraded and / or replaced with more advanced systems in order to continue to meet our customers' demands and expectations as well as to process our information effectively. If we are unable to do so in a timely manner or within reasonable cost parameters, if there are any disruptions, delays or deficiencies in design or if we are unable to appropriately and timely train our employees to operate any of these new systems, our business could suffer. We also may not achieve the benefits that we anticipate from any new technology or system, which could impair our operating results. We may be unable to procure appropriate technology in a timely manner or at all or we may incur significant costs in doing so. A failure to adopt the appropriate technology, or a failure or obsolescence in the technology that we have adopted, could adversely affect our results of operations. We are exposed to cyber security attacks and data breaches and the risks and costs associated with protecting our systems and maintaining data integrity and security. We are subject to cyber security attacks. These cyber attacks can vary in scope and intent from attacks with the objective of compromising our systems, networks, and communications for economic gain or with the objective of disrupting, disabling or otherwise compromising our maritime and / or shoreside operations. The attacks can encompass a wide range of methods and intent, including phishing attacks, **generative artificial intelligence impersonation,** illegitimate requests for payment, theft of intellectual property, theft of confidential or non- public information, installation of malware, installation of ransomware and theft of personal or business information. The frequency and sophistication of, and methods used to conduct, these attacks, have increased over time. A successful cyber security attack may target us directly, or it may be the result of a third party' s inadequate care, or resulting from vulnerabilities in licensed software. In either scenario, the Company may suffer damage to its systems and data that could interrupt our operations, adversely impact our brand reputation, and expose us to increased risks of governmental investigation, litigation, fines, and other liability, any of which could adversely affect our business. Furthermore, responding to such an attack and mitigating the risk of future attacks could result in additional operating and capital costs in technology, personnel, monitoring and other investments. We are also subject to various risks associated with the collection, handling, storage, and transmission of sensitive information. In the regular course of business, we collect employee, customer, and other third- party data, including personally identifiable information and individual payment data, for various business purposes. Although we have policies and procedures in place to safeguard such sensitive information, this information has been and could be subject to cyber security attacks and the aforementioned risks. In addition, we are subject to federal, state, and international laws relating to the collection, use, retention, security and transfer of personally identifiable information and individual payment data. Those laws include, among others, the European Union General Data Protection Regulation ~~and regulations of the New York State Department of Financial Services~~ and similar state agencies that impose additional cyber security requirements ~~as a result of our provision of certain insurance products~~. Complying with these and other applicable laws has caused, and may cause, us to incur substantial costs or require us to change our business practices, and our failure to do so may expose us to substantial fines, penalties, restrictions, litigation, or other expenses and adversely affect our business. Further, any changes to laws or regulations, including new restrictions or requirements applicable to our business, or an increase in enforcement of existing laws and regulations, could expose us to additional costs and liability and could limit our use and disclosure of such information. While we continue to evolve our cyber security practices in line with our business' reliance on technology and the changing external threat landscape, and we invest time, effort and financial resources to secure our systems, networks and communications, our security measures cannot provide absolute assurance that we will be successful in preventing or defending from all cyber security attacks **or incidents** impacting our operation. There can be no assurance that any breach or incident will not have a material impact on our operations and financial results. Any breach, theft, loss, or fraudulent use of guest, employee, third- party or company data, could adversely impact our reputation and brand and our ability to retain or attract new customers, and expose us to risks of data loss, business disruption, governmental investigation, litigation and other liability, any of which could adversely affect our business. Significant capital investments and other expenditures could be required to remedy the problem and prevent future breaches, including costs associated with additional security technologies, personnel, experts and credit monitoring services for those whose data has been breached. Further, if we or our vendors experience significant data security breaches or fail to detect and appropriately respond to significant data security breaches, we could be exposed to government enforcement actions and private litigation. Litigation, enforcement actions, fines or penalties could adversely impact our financial condition or results of operations and / or damage our reputation. Our business is subject to various U. S. and international laws and regulations that could lead to enforcement actions, fines, civil or criminal penalties or the assertion of litigation claims and damages. In addition, improper conduct by our employees, agents or joint venture partners could damage our reputation and / or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines. In certain circumstances it may not be economical to defend against such matters and / or our legal strategy may not ultimately result in us prevailing in a matter. Such events could lead to an adverse impact on our financial condition or results of operations. We cannot predict the quantum or outcome of any such proceedings and the impact that they will have on our financial results, but any such impact may be material. While some of these claims are covered by insurance, we cannot be certain that all of them will be, which could have an adverse impact on our financial condition or results of operations.