

Registered no: 07366612

RCL CRUISES LTD

**Annual report and financial statements
for the year ended 31 December 2024**

RCL CRUISES LTD

Annual report and financial statements for the year ended 31 December 2024

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RCL CRUISES LTD

Directors and advisers

Directors

LJ Landis
GJ Hawke
DS Dixon
S Eriksen
GW Nolan
A Stephen

Company secretary

I Sordo

Registered office

7, The Heights, Brooklands, Weybridge, Surrey, Brooklands,
Weybridge, England, KT13 0XW

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Pl, London WC2N 6RH

Bankers

JP Morgan Chase Bank
1 Chaseside
Bournemouth
Dorset
BH7 7DA

RCL CRUISES LTD

Strategic report for the year ended 31 December 2024

Strategy and future developments

RCL Cruises Ltd (the “Company”) is a cruise ship operator, ship charterer and a sales and marketing representative for the Royal Caribbean International and Celebrity Cruises brands on behalf of the Royal Caribbean Cruises Ltd (“RCL”) group (“the Group”).

Currency fluctuations and continuing uncertainty over the performance of global economies continue to challenge the business. Despite of the effects of this, the Company’s turnover increased by 36.5% year on year in 2024. This growth was primarily driven by an increase in the number of ships operated by the Company.

The Company will continue to operate its ships as part of the Group and will continue to provide sales and marketing services to its fellow Group companies.

At the end of 2024, the Company operated 16 ships at various levels of lay-up under the Royal Caribbean International and Celebrity Cruises brands. During 2024, *Explorer of the Seas*, *Spectrum of the Seas*, *Celebrity Apex* and *Celebrity Constellation* entered the Company’s fleet.

In addition, the Company continues to manage its portfolio of investments, generating investment income during the year.

Objectives

The Company continues to prioritize operating strategies that support the delivering of the best vacation to its guests responsibly as well as operating strategies that support this mission, working with our business and community partners as we build toward a more sustainable cruise industry.

Our Company’s operating focus is as follows:

- deliver a lifetime of vacations to our customers,
- protect the health, safety and security of our guests and employees,
- deepen our customer relationships in order to increase frequency and repeat booking rates,
- focus on cost efficiency, capital allocation and liquidity, with the overall goals of maximizing our return on invested capital and long-term shareholder value,
- protect the environment and communities in which our vessels and organization operate, with a focus on decarbonization,
- invest in our workforce in order to better serve our global guest base and grow our business, and nurture a culture that values the contribution of individual talents,
- increase the awareness and market penetration of our brands globally,
- strategically invest in our fleet through the upgrade and maintenance of existing ships and the transfer of key innovations, while prudently expanding our fleet with new state-of-the-art cruise ships,
- capitalize on the portability and flexibility of our ships by deploying them into those markets and itineraries that provide opportunities to optimize returns, while continuing our focus on existing key markets,
- provide extraordinary destination experiences and state-of-the-art port facilities to our guests,
- continue to deploy technology capabilities and advanced uses of data and analytics to deliver innovative customer experiences as well as to create operational efficiencies, and
- maintain strong relationships with travel advisors, while enhancing our consumer outreach and e-commerce programs.

RCL CRUISES LTD

Strategic report for the year ended 31 December 2024 (continued)

Key Performance Indicators

The key financial and other performance indicators during the year are shown below. The nature of the business of the Company is such that it is integrated with that of the RCL Group as a whole and further information can be found in RCL's 10-K for the year ended 31 December 2024, which does not form part of this report. Details of where the 10-K can be obtained are included in the controlling parties note on page 48 of these financial statements.

	2024	2023
	\$'000s	\$'000s
Annual Turnover	3,441,990	2,522,387
Operating profit	418,164	112,172
Number of ships operated by Company at year end	16	12

Turnover increased by 36.5% during the year. This increase was primarily due to the increase in the number of ships operated by the Company in 2024, compared to 2023.

Similarly, ship operating expenses increased by 24.9% (\$478m) in 2024, compared to a decrease of 6.8% in 2023 over 2022 (-\$141m). This includes the expenses associated with the increase in the number of ships, such as bareboat charter fees, fuel charges, and port charges, which increased by \$205m, \$15m and \$28m respectively.

Other operating expenses decreased by 23.0% in 2024 (-\$40m), compared to an increase of 104.3% in 2023 over 2022 (\$89m). This decrease is substantially due to a foreign exchange gain of \$20m in the current year, compared to the foreign exchange loss of \$35m in the prior year.

Overall, the increase in operating profit is mostly due to the increase in turnover, which, as noted above, results from the addition of 4 ships to the operational fleet during 2024.

Business Model

The Company will continue to grow its business by focusing on increasing the profitability of its international guest sourcing, particularly from the global markets, optimally deploying its ships and providing a wide variety of itineraries and on-board activities for its guests.

RCL CRUISES LTD

Strategic report for the year ended 31 December 2024 (continued)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered below:

Operational risks

Disease outbreaks and an increase in concern about the risk of illness could adversely impact our business and results of operations.

Disease outbreaks and increased concern related to illness when traveling to, from, and on our ships, could cause a 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 consumer perception that cruises are more susceptible than other vacation alternatives to the spread of infectious diseases. 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 behaviour, 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, have impacted and could 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, 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.

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Strategic report for the year ended 31 December 2024 (continued)

Principal risks and uncertainties (continued)

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 may be required to alter itineraries and 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 would exacerbate their impact and could 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.

Terrorist attacks, war, and other similar events could have a material adverse impact on our business and results of operations.

The Company is 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.

Tax legislation

The Company has elected to be subject to the United Kingdom tonnage tax regime. Changes in the corporation tax laws could result in higher income taxes being charged against our cruise operations and impact the Company's profitability.

Foreign legislation

The Company is subject to various international, national, state and local laws, regulations and treaties that govern, amongst other things, discharge from the Company's ships, safety standards applicable to the Company's ships, treatment of disabled persons, health and sanitary standards applicable to the Company's guests, security standards on board the Company's ships and at the ship/port interface areas, and financial responsibilities to the Company's guests. These issues are, and the directors believe will continue to be, an area of focus by the relevant authorities throughout the world. This could result in the enactment of more stringent regulation of cruise ships that could subject the Company to an increase in compliance costs in the future and may increase the Company's exposure, if any, to environmental-related litigation.

Economic and geopolitical conditions

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.

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Strategic report for the year ended 31 December 2024 (continued)

Principal risks and uncertainties (continued)

Competition

The Company operates in the vacation market and cruising is one of many alternatives for people choosing a vacation. The Company therefore risks losing business not only to other cruise lines, but also to other vacation operators, which provide other leisure options, including hotels, resorts, internet-based alternative lodging sites, theme parks, sightseeing destinations, package holidays and tours.

The Company faces 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 the Company offers to guests. The Company's principal competitors within the cruise vacation industry include Carnival Corporation & plc, which owns, among other brands, Aida Cruises, Carnival Cruise Line, Costa Cruises, Cunard Line, Holland American Line, P&O Cruises, Princess Cruises and Seabourn; Disney Cruise Line; MSC Cruises; Norwegian Cruise Line Holdings Ltd, which owns Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises; Viking, and Virgin Voyages. The Company's revenues are sensitive to the actions of other cruise lines not only on the Company's revenues, but on overall industry revenues.

In the event that the Company does not effectively market or differentiate its cruise brands from competitors or otherwise compete effectively with other vacation alternatives, the Company's results of operations and financial position could be adversely affected.

The Company increases brand awareness and market penetration of its cruise brands in various ways, including the use of communication strategies and marketing campaigns designed to emphasise the qualities of each brand, especially among target groups. The Company's marketing strategies include the use of travel advisors, traditional media, mobile and digital media as well as social media, influencers, brand websites and sponsorships.

Financial risk management

The Company's operations expose it to a variety of financial risks that include price risk, liquidity risk, interest rate cash flow risk and foreign exchange rate risk. The Company has in place a risk management programme that seeks to limit adverse effects of these risks on the financial performance of the Company. Reference should also be made to RCL's Form 10-K Annual Report for the year ended 31 December 2024, which does not form part of this report, for financial risk factors affecting the RCL group.

Price risk

The Company's 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 the Company's control, including global inflationary pressures. Increases in these operating costs could adversely affect the Company's future profitability.

In addition, many of the Company's 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 the Company's guests, which may adversely impact demand for cruises.

RCL uses a range of financial instruments including fuel swap agreements to mitigate the financial impact of fluctuations in fuel prices, across the entire RCL fleet, for which the Company receives an appropriate share of the benefit or charge.

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Strategic report for the year ended 31 December 2024 (continued)

Principal risks and uncertainties (continued)

Financial risk management (continued)

Liquidity risk

As of December 31, 2024, RCL's liquidity position was \$4.1 billion, which includes cash and cash equivalents and undrawn revolving credit facility capacity.

During the year ended December 31, 2024 the Group executed various financing arrangements. For instance, during the first quarter in 2024, it refinanced its \$1.25 billion of unsecured notes due in 2027 by issuing new \$1.25 billion of unsecured notes due in 2032. During the third quarter, it refinanced its \$1.00 billion senior guaranteed notes and \$1.00 billion senior secured notes due in 2029 by issuing \$2 billion unsecured notes due in 2033, and its \$700 million senior guaranteed notes due in 2030 by issuing \$1.5 billion unsecured notes due in 2031. Additionally, during the quarter ended December 31, 2024, the Group increased the capacity of its unsecured revolving credit facilities due in 2026 and 2028, respectively, by \$355 million utilizing their respective accordion features. Furthermore, RCL completed a privately negotiated exchange with a limited number of holders of its Convertible Senior Notes due 2025. The holders exchanged approximately \$827 million in aggregate principal amount for approximately 11.4 million shares of common stock and \$827 million in cash.

The Company meets its day-to-day working capital requirements through its cash flows from operations and funding from group companies.

The Company believes that it has sufficient financial resources to fund its obligations as they fall due.

Interest rate cash flow risk

The Company has interest bearing assets and liabilities, comprising cash and balances due from and to Group companies, which earned interest at a rate of 6.57% (2023: 0.08%).

Foreign exchange rate risk

The Company is 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 the Company's financial results. The Company's operating results have been and will continue to be impacted, often significantly, by changes in each of these factors.

The Company conducts its business internationally, which exposes it to foreign exchange risks. The Company does not use derivative financial instruments to manage foreign currency rate risk, and as such, no hedge accounting is applied.

The directors will revisit the appropriateness of the above policies should the Company's operations change in size or in nature.

Climate-Related Financial Disclosures

The Company does not meet the requirements set out in 'The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022' to disclose in 2024. However, the Company continues to monitor the thresholds required to comply with them.

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Strategic report for the year ended 31 December 2024 (continued)

Corporate Governance

Large companies as defined by the Companies Act 2006 are required to explain how directors have considered and applied their statutory duty to promote the success of the company under Section 172(1) of the Act. Please see page 12 for our Section 172(1) (s.172(1)) statement.

Results

The Company recorded turnover of \$3,441,990k (31 December 2023: \$2,522,387k) and a profit before taxation of \$344,889k (31 December 2023: a profit of \$115,963k) for the year.

In common with other UK shipping companies, RCL Cruises Ltd's shipping profits are taxed under the UK tonnage tax regime. All other profits are taxed under Corporation tax at a standard rate of 25% (2023: 23.5%).

The Company had accumulated losses of \$1,489,936k (2023: accumulated losses of \$1,820,339k) at the end of the year and a total shareholder's deficit of \$1,449,539k (2023: total shareholder's deficit of \$1,787,267k).

On behalf of the Board

GW Nolan
Director



Date: 1st May 2025



LJ Landis
Director

Date: 1st May 2025

RCL CRUISES LTD

Directors' report for the year ended 31 December 2024

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2024.

Financial risk management and future developments

The Company's future developments are discussed in the Strategic report on page 4 and Financial risk management on page 8.

Dividend payable has not been approved for the year 2024 (2023: \$0k).

2024 performance was exceptionally strong and exceeded the Company expectations. The Company continues to be encouraged by the demand and pricing environment for its vacation experiences. Close-in demand in the fourth quarter remained strong on both a rate and volume basis. Bookings have accelerated, resulting in the best five booking weeks in the company's history. Booked load factors continue to be in line with prior years, and at higher rates. Guest spending onboard and pre-cruise purchases continue to exceed prior years driven by greater participation at higher prices, due to the Company's robust commercial engine.

Directors

The directors who held office during the year and up to the date of signing these financial statements were:

B Bouldin	Resigned 21 June 2024
LJ Landis	
GJ Hawke	
AA Hernandez	Appointed 1 January 2024 and resigned 21 June 2024
DS Dixon	Appointed 19 March 2024
S Eriksen	Appointed 19 March 2024
GW Nolan	Appointed 21 June 2024
A Stephen	Appointed 21 June 2024

The Company had directors' qualifying third party indemnity insurance held by the ultimate parent company Royal Caribbean Cruises Ltd. The indemnity was in force throughout the financial year and up to the date of approval of the financial statements.

Branches outside the United Kingdom

The Company has the following branches outside the United Kingdom:

Australia
Denmark
France
Germany
Italy
New Zealand
Norway
Spain
Sweden

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Directors' report for the year ended 31 December 2024 (continued)

Corporate Governance

Large companies as defined by the Companies Act 2006 are required to explain how directors have considered and applied their statutory duty to promote the success of the company under Section 172(1) of the Act. This section serves as our Section 172(1) (s.172(1)) statement.

Employees

It is the Company's policy not to discriminate against any employee or applicant with regard to any terms or conditions of employment because of an individual's disability or perceived disability so long as the employee can perform the essential functions of the job.

The Company will provide reasonable accommodations to an individual with a disability provided that such accommodation does not constitute an undue hardship on the Company. In the event of any staff becoming disabled while with the Company, their needs and abilities would be assessed and the Company would, where possible, seek to offer alternative employment to them if they were no longer able to continue in their current role.

The Company strives to identify, hire, develop, motivate and retain the best employees, who provide its guests with extraordinary vacations. The Group's Talent and Compensation Committee of Board of Directors oversees the Company's human capital management strategies, which include: current and future talent needs assessments; a thriving culture that values the contribution of individual talents, skills and ideas; robust opportunities for employee growth and development; support for health and well-being; and an active listening strategy to make sure voices are heard and continuous improvement occurs. In 2024, the Company offered a variety of learning and development programs to its workforce, which included a combination of instructor led (classroom and virtual) and web based (self-learning) courses.

The Company strives to maintain a work environment that reinforces collaboration, motivation and innovation. The Company believes that maintaining a strong employee-focused culture is beneficial to the growth and expansion of its business.

Management regularly updates employees through a variety of media regarding the Company's business progress. There is regular consultation with employees so that the employees' views may be taken into account in making decisions that are likely to affect their interests.

Travel agent support and consumer outreach

Travel agencies continue to be a significant source of ticket sales for the Company's ships. The Company believes in the value of this distribution channel and invest in maintaining strong relationships with the Company's travel partners. To accomplish this goal, the Company seeks to ensure that the commission rates and incentive structures remain competitive with the marketplace. The Company continuously works with travel agencies to sell upgrades and add-ons such as air and pre-cruise purchases to improve the retention and profitability of the channel. The Company provides brand dedicated sales representatives who serve as consultants to travel partners. The Company also provides trained customer service representatives, call centres and online training tools.

In addition, the Company continues to operate a Consumer Outreach department, which provides consumers 24-hour access to vacation planners and customer service agents in the Company's call centres. In addition, the Company maintains and invests in our websites, including mobile applications and mobile websites. The Company enables our guests to communicate and book with us through various channels such as phone, web, chat, text message, and/or email.

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Directors' report for the year ended 31 December 2024 (continued)

Protecting the environment

The Company is focused on the health of the environment and communities in which it operates. SEA the Future is the Group's commitment to sustain the planet, energise the communities, and accelerate innovation to improve our planet. Key program includes the Group's Destination Net Zero strategy and Save the Waves Program.

Destination Net Zero is the decarbonization strategy that focuses on how to achieve net zero emissions by 2050 and deliver a net zero capable ship by 2035. This strategy also includes reducing our carbon intensity by double digits by 2025, compared to 2019, which the Group has achieved one year early in 2024. As remain dedicated to reducing its carbon intensity, the Group committed to further reducing its carbon intensity by 15% or greater as compared to 2024 ensuring sustainable and responsible growth. Destination Net Zero's four-pronged approach includes the modernization of the global brands fleet through the introduction of new energy-efficient and alternatively fuelled vessels, continued investment in energy efficiency programs, development of alternative fuel and alternative power solutions, and optimized deployment and integration of strategic shore-based supply chains.

Save the Waves Program focusses on waste management techniques and technologies, along with reuse and recycling programs, to reduce the amount of waste produced on the Group's ships and divert the remaining waste from landfills.

Specifics of this commitment are posted in the Corporate Responsibility section of RCL's website at www.rclinvestor.com. The Destination Net Zero and Save the Waves Programs would result in additional costs in investment of carbon efficient technologies and installation costs.

Streamlined energy and carbon emissions reporting

The Company is subject to various international, regional, and national laws and regulations relating to environmental protection governing air emissions, water and waste management among others. Under such laws and regulations, we are generally prohibited from discharging materials other than food waste and treated effluents into the waterways, while also reducing our emissions. We have made, and will continue to make, capital and other expenditures to comply with environmental laws and regulations.

From time to time, environmental and other regulators consider more stringent regulations, which may affect our operations and increase our compliance costs. We believe that the impact of ships on the global environment will continue to be an area of focus by the relevant authorities throughout the world and, accordingly, may subject us to increasing compliance costs in the future.

Our ships are subject to the International Maritime Organization's ("IMO") regulations under the International Convention for the Prevention of Pollution from Ships (the "MARPOL Regulations") and the International Convention for the Control and Management of Ships Ballast Water and Sediments (Ballast Water Management Convention), in addition to other regional and national regulations such as EU Directives and the US Vessel General Permit, which includes requirements designed to minimize pollution by oil, sewage, garbage, air emissions and the transfer of non-native/non-indigenous species. The Group has obtained the relevant international compliance certificates relating to oil, sewage, air pollution prevention and ballast water for all our ships.

We report our carbon emissions following the Greenhouse Gas Protocol, which incorporates the scope 1 and 2 emissions methodology in accordance with UK Government's Streamlined Energy and Carbon Reporting ('SECR').

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Directors' report for the year ended 31 December 2024 (continued)

Streamlined energy and carbon emissions reporting (continued)

	2024	2024	2024	2023	2023	2023
Green House Gas (GHG) Emissions	UK	Global	Total tCO2e	UK	Global	Total tCO2e
Scope 1						
Emissions from activities for which the Company owns or controls. (Direct GHG emissions) (tCO2e)	147,677	1,681,526	1,829,203	172,166	1,411,222	1,583,388
Scope 2						
Emissions from the purchase of electricity, heat, steam and cooling purchased for the Company's use. (Indirect GHG emissions) (tCO2e)	30	-	30	31	-	31
Total tCO2e	147,707	1,681,526	1,829,233	172,197	1,411,222	1,583,419
Energy consumption used in kWh	641,264,467	6,047,752,618	6,689,017,085	618,955,680	5,072,281,201	5,691,236,881
Intensity Ratio:						
Total Available lower berth-kilometer			7,738,375,836			6,754,144,902
Total tCO2e per ALB-KM (tCO2e)			0.000236			0.000234

Scope 1 covers direct combustion of all types of fuels, collected onboard each ship through the voyage reporting system following the requirements of IMO's data collection system and the GHG protocol and loss of refrigerants, collected onboard each ship through the MARPOL Annex VI Log Book, from ships owned by the company. The report includes the global emissions and local emissions which are all emissions generated based on voyages starting and/or ending in UK.

The different type of fuels and refrigerants used on our ships have been considered and converted in accordance to the UK Government's 'Greenhouse gas reporting conversion factors 2024'.

Scope 2 covers emissions from electricity purchased for own use based in UK only. Energy consumption data is captured through meter reads provided by the landlord.

Our reporting emissions have been calculated using an intensity metric based on available lower berth-kilometer ("ALB-KM") which will enable us to monitor emissions on a comparable basis year-on-year.

The total tCO2e increased by 15.5% in 2024 over 2023. However, the total tCO2e per ALB-KM slightly increased by 0.8% when compared to the total available lower berth-kilometer, compared to an increase by 1.3% in 2023 over 2022. The Group has reduced its carbon intensity by double digits in 2024. The Company's increase is due to the increased number of ships operated by the Company in 2024 (2024:16 vs 2023:12).

The Company continues to evaluate the impact of its carbon emissions and it is committed to the Group's Destination Net Zero strategy which includes the introduction of new energy-efficient and alternatively fuelled vessels and development of alternative fuel and alternative power solutions. Please refer to discussion on 'Protecting the environment' section above. Specifics of this commitment is posted in the Sustainability section of RCL's website at www.rclinvestor.com.

Directors' report for the year ended 31 December 2024 (continued)

Business conduct

The Company has adopted a Code of Business Conduct and Ethics that applies to all of the Company's employees and directors. A copy of the Code of Business Conduct and Ethics is posted in the corporate governance section of RCL's website at www.rclinvestor.com.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

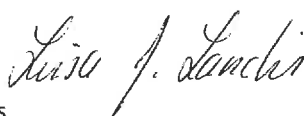
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board

GW Nolan

Director

Date: 1st May 2025



LJ Landis

Director

Date: 1st May 2025

Independent auditors' report to the members of RCL Cruises Ltd

Report on the audit of the financial statements

Opinion

In our opinion, RCL Cruises Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2024; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

RCL CRUISES LTD

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK and International tax regulations, including UK tonnage tax legislation and compliance with industry regulatory body requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries in the underlying books and records and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Identifying and testing of journal entries, in particular those having unusual account combinations;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws, regulations or fraud and review of correspondence with regulatory bodies;
- Challenging assumptions and judgements made by management in accounting estimates; and
- Financial statement review procedures against Companies Act 2006 requirements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

RCL CRUISES LTD

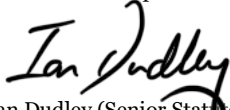
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
01 May 2025

RCL CRUISES LTD

Financial statements for the year ended 31 December 2024 Profit and loss account for the year ended 31 December 2024

	Note	Year ended 31 December 2024 \$'000s	Year ended 31 December 2023 \$'000s
Turnover	5	3,441,990	2,522,387
Cost of sales		(490,754)	(314,778)
Gross profit		2,951,236	2,207,609
Ship operating expenses		(2,399,347)	(1,921,706)
Other operating expenses		(133,725)	(173,731)
Operating profit	6	418,164	112,172
Income from shares in group undertakings	12	31,650	6,600
Gain from disposal of shares in group undertakings		12,253	73
Impairment in group undertakings	12	(5,637)	(3,166)
Interest receivable and similar income	8	171	300
Interest payable and similar expenses	8	(111,712)	(16)
Profit before taxation		344,889	115,963
Tax on profit	9	(11,704)	(737)
Profit for the financial year		333,185	115,226

The above results are derived from continuing operations.

There is no difference between the profit before taxation and the profit for the financial year and their historical costs equivalents.

RCL CRUISES LTD

Statement of comprehensive income For the year ended 31 December 2024

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
Profit for the financial year	333,185	115,226
Other comprehensive expense:		
Exchange adjustments offset in reserves (translation of overseas branches)	(2,782)	(1,212)
Other comprehensive expense for the year, net of tax	(2,782)	(1,212)
Total comprehensive income for the year	330,403	114,014

RCL CRUISES LTD

Balance sheet as at 31 December 2024

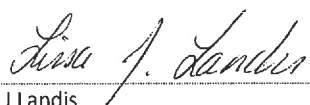
Registered no: 07366612

	Note	2024 \$'000s	2023 \$'000s
Fixed assets			
Intangible assets	10	11,708	13,646
Tangible assets	11	33,304	14,258
Investments	12	942,150	881,697
		987,162	909,601
Current assets			
Stocks	13	87,716	65,348
Debtors (including \$249k (2023: \$650k) amounts falling due after more than one year)	14	153,876	122,976
Cash at bank and in hand		23,904	23,451
		265,496	211,775
Creditors: amounts falling due within one year	16	(2,547,744)	(2,783,363)
Net current liabilities		(2,282,248)	(2,571,588)
Total assets less current liabilities		(1,295,086)	(1,661,987)
Creditors: amounts falling due after more than one year	16	(35,275)	(27,845)
Provisions for liabilities	17	(119,178)	(101,256)
Net liabilities		(1,449,539)	(1,791,088)
Capital and reserves			
Called up share capital	18	1	1
Share premium account		37,761	26,615
Capital contribution reserve	18	2,635	2,635
Profit and loss account		(1,489,936)	(1,820,339)
Total shareholders' deficit		(1,449,539)	(1,791,088)

The financial statements on pages 19 to 51 were approved by the Board of Directors on 1st May 2025 and were signed on its behalf by:



GW Nolan
Director



LJ Landis
Director

RCL CRUISES LTD

Statement of changes in equity For the year ended 31 December 2024

	Called up share capital	Share premium account	Profit and loss account	Capital contribution reserve	Total shareholders' deficit
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance as at 1 January 2023	1	26,191	(1,934,353)	2,635	(1,905,526)
Profit for the financial year	-	-	115,226	-	115,226
Other comprehensive expense for the year	-	-	(1,212)	-	(1,212)
Total comprehensive income for the year	-	-	114,014	-	114,014
Total transactions with owners, recognised directly in equity	-	424	-	-	424
At 31 December 2023	1	26,615	(1,820,339)	2,635	(1,791,088)
Adjustment in respect of prior years*		3,821			3,821
At 1 January 2024	1	30,436	(1,820,339)	2,635	(1,787,267)
Profit for the financial year	-	-	333,185	-	333,185
Other comprehensive expense for the year	-	-	(2,782)	-	(2,782)
Total comprehensive income for the year	-	-	330,403	-	330,403
Total transactions with owners, recognised directly in equity	-	7,325	-	-	7,325
At 31 December 2024	1	37,761	(1,489,936)	2,635	(1,449,539)

*In the current year, it was noted that there was an immaterial adjustment impacting the current year opening balance. Instead of restating the current year, an adjustment has been included in the movement schedule above.

RCL CRUISES LTD

Notes to the financial statements For the year ended 31 December 2024

1 General Information

RCL Cruises Ltd (the “Company”) is a cruise ship operator, ship charterer and a sales and marketing representative for the Royal Caribbean International and Celebrity Cruises brands on behalf of the Royal Caribbean Cruises Ltd (“RCL”) group (“the Group”).

The Company is a private company, limited by shares and incorporated and domiciled in the United Kingdom. The address of its registered office is 7 The Heights, Brooklands, Weybridge, Surrey, KT13 0XW, England.

2 Statement of Compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

FRS 102 allows a qualifying entity certain disclosure exemptions. As the Company is included in the publicly available consolidated financial statements of the RCL group, it has taken advantage of the following exemptions for qualifying entities:

- (i) Requirement to prepare a statement of cash flows
- (ii) Certain disclosure requirements of section 26 in respect of share based payments
- (iii) Disclosure of key management personnel compensation in total

RCL CRUISES LTD

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

(b) Going concern

The Company meets its day-to-day working capital requirements through its cash flows from operations or from continuing support from the parent company, Royal Caribbean Cruises Ltd (“RCL”). The Company has received formal confirmation from the parent company that it will provide financial support as necessary to the Company for a period of at least 12 months from the date of signing these financial statements, to ensure the Company is able to meet its obligations as they fall due.

As of December 31, 2024, RCL’s liquidity position was \$4.1 billion, which includes cash and cash equivalents and undrawn revolving credit facility capacity.

During the year ended December 31, 2024 the Group executed various financing arrangements. For instance, during the first quarter in 2024, it refinanced its \$1.25 billion of unsecured notes due in 2027 by issuing new \$1.25 billion of unsecured notes due in 2032. During the third quarter, it refinanced its \$1.00 billion senior guaranteed notes and \$1.00 billion senior secured notes due in 2029 by issuing \$2 billion unsecured notes due in 2033, and its \$700 million senior guaranteed notes due in 2030 by issuing \$1.5 billion unsecured notes due in 2031. Additionally, during the quarter ended December 31, 2024, the Group increased the capacity of its unsecured revolving credit facilities due in 2026 and 2028, respectively, by \$355 million utilizing their respective accordion features. Furthermore, RCL completed a privately negotiated exchange with a limited number of holders of its Convertible Senior Notes due 2025. The holders exchanged approximately \$827 million in aggregate principal amount for approximately 11.4 million shares of common stock and \$827 million in cash.

RCL continue to support its assertion that its strong liquidity position provides sufficient liquidity to support its obligations in excess of the one year period following the issuance date of the financial statements.

The directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Consolidated financial statements

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiary undertakings are fully consolidated into the financial statements of its ultimate parent company, RCL, a company incorporated in Liberia.

These financial statements are the Company’s separate financial statements.

Consolidated financial statements of RCL and its subsidiaries, including this Company, are publicly available by visiting RCL’s Investor Relations website at www.rclinvestor.com or the Securities and Exchange Commission’s website at www.sec.gov.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

(d) Foreign currency

(i) *Functional and presentation currency*

The reporting currency of the Company is the United States dollar (“\$”), which is also the functional currency of the UK head office. The functional currency of each of the individual branches is the local currency, in which it conducts its business activities.

(ii) *Transactions and balances*

Transactions in currencies other than the functional and reporting currency are translated at the rates of exchange ruling at the transaction date or at an average rate for the year if this is not materially different.

Monetary assets and liabilities are translated at the exchange rate at the balance sheet date. All such exchange gains and losses arising are taken to the profit and loss account in the year in which they arise. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences arising from the translation from functional to reporting currency are shown as a movement in reserves.

(e) Revenue recognition

Turnover, which excludes trade discounts and sales taxes, represents charter, gross ticket and shipboard revenues and fees for other services provided. Gross ticket turnover is based on return date and pro-rated at year end.

Commission revenue and fees in respect of other services provided are recognised in the profit and loss account according to the accounting period in which they are earned.

Gross ticket, charter and shipboard revenues in respect of voyages spanning the year end are recognised on a straight line basis over the duration of the voyage.

Our payment terms generally require an upfront deposit to confirm a reservation, with the balance due prior to the cruise. Deposits received on sales of passenger cruises are initially recorded as deferred income within the balance sheet and subsequently recognised as gross ticket revenue during the duration of the cruise.

Transfer pricing and revenue is recognised on a cost plus basis for management and support services. Revenue is recognised over time as costs are incurred. In addition, revenue is recognised on resale of air tickets costs.

RCL CRUISES LTD

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

(f) Cost of sales

Cost of sales relates to items incurred that are directly attributable to cruise passenger costs, such as commissions, including travel advisors commissions, air and other transportation expenses and related credit card fees.

(g) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plan.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company contributes to defined contribution schemes in respect of certain of its employees. The pension charge in respect of the defined contribution schemes represents the amount payable by the Company in the year.

(iii) Share-based payments

Employees of the Company participate in share option, restricted share unit and performance share unit plans operated by RCL. These cash-settled share options are measured at fair value at the balance sheet date. The Company recognises a liability at the balance sheet date based on these fair values, taking into account the estimated number of options that will actually vest and the current proportion of the vesting period. Changes in the value of this liability are recognised in the income statement. The Company has taken advantage of the exemption for qualifying entities for certain disclosure requirements of section 26 in respect of share based payments.

(h) Taxation

The ship operations of the Company are subject to the UK tonnage tax regime, which provides for fixed charges based on the tonnage of each ship. All other activities are subject to corporation tax.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

RCL CRUISES LTD

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

(h) Taxation (continued)

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to FRS 102 section 29, issued in July 2023.

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities at the date of acquisition less accumulated amortisation and provision for impairment.

Goodwill is amortised on a straight-line basis over its estimated useful economic life of 20 years.

(j) Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

(i) Depreciation

Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets over their expected useful economic life, which are re-assessed periodically, as follows:

Leasehold improvements	Shorter of remaining lease term or useful life
Fixtures, fittings and equipment	20% straight line

(ii) Dry dock

Dry docking costs are capitalised when incurred and depreciated over the period until the next scheduled dry dock. Routine dry docks occur every thirty to sixty months.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

(k) Leased assets

(i) Operating leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

(ii) Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

(l) Investments

Investments in subsidiary and associate undertakings and jointly controlled entities are stated at cost less any provision for impairment. Impairment reviews are performed by the directors when there have been any events or circumstances which would indicate that the carrying value may not be recoverable.

Transfer of investments between related undertakings are made at the carrying amount of the investment. The carrying amount of the investment is transferred between directly held undertakings during a group reorganisation.

(m) Impairment of non-financial assets

The carrying values of tangible fixed assets and intangible fixed assets with finite lives are reviewed for impairment when events or changes in circumstance indicate the carrying value may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

(n) Inventories

Inventories consist of hotel consumables and fuel and is carried at the lower of cost (weighted-average) or net realisable value.

(o) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the financial statements (continued) For the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

(p) Distributions to equity holders and dividend income

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved and paid by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

Dividend income is recognised when the right to receive payment is established.

(q) Related party transactions

The Company has taken advantage of the exemption contained in FRS 102 as it is a wholly owned subsidiary of RCL. Therefore, the Company has not disclosed transactions or balances with wholly owned entities that form part of the Group headed by RCL.

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

(r) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued) For the year ended 31 December 2024

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, which are described in the accounting policies note, the directors have made no individual judgements that have a significant impact upon the financial statements apart from those involving estimations which are dealt with below.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) *Impairment of investments*

The Company considers whether investments in related undertakings are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the investments' value in use or net assets. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

(ii) *Self-insurance reserve*

Provision is made for all known incidents for which there is self-insurance using management's best estimate of the likely settlement of these incidents. The estimated settlement is reviewed on a regular basis with independent actuarial advice and the amount provided (including the Incurred But Not Reported (IBNR) element) is adjusted as required.

Provision is allocated to the Company based on 'Passenger Cruise Days' ("PCDs") for ships operated by the Company during the year.

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Notes to the financial statements (continued) For the year ended 31 December 2024

5 Turnover

Turnover arising wholly in respect of the principal activities of the Company and by residence of customer is derived as follows:

Year ended 31 December 2024

	North America	United Kingdom	Rest of Europe	Rest of the world	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Gross ticket, charter, and shipboard revenue	1,921,064	394,900	127,951	870,639	3,314,554
Management and support service	98,882	-	-	-	98,882
Marketing and other revenue	28,554	-	-	-	28,554
	2,048,500	394,900	127,951	870,639	3,441,990

Year ended 31 December 2023

	North America	United Kingdom	Rest of Europe	Rest of the world	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Gross ticket, charter, and shipboard revenue	1,421,945	357,464	51,023	527,315	2,357,747
Management and support service	135,428	-	-	-	135,428
Marketing and other revenue	29,212	-	-	-	29,212
	1,586,585	357,464	51,023	527,315	2,522,387

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

6 Operating profit

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
Operating profit is stated after charging/(crediting):		
Wages and salaries	36,117	28,215
Social security costs	4,802	3,188
Other pension costs (note 20)	3,204	2,522
Share-based payments	3,731	1,451
Staff costs	47,854	35,376
Depreciation of owned tangible fixed assets (note 11)	687	715
Depreciation of dry dock costs (note 11)	11,149	7,620
Amortisation of goodwill and other intangible assets (note 10)	1,938	1,939
(Provision release) / Impairment of trade debtors	(338)	87
Inventory recognised as an expense	685,443	602,902
Operating leases		
– land and buildings	1,475	1,166
– plant and machinery	21	7
– ships	764,359	558,966
– other	412	383
Foreign exchange (gain)/loss	(19,981)	33,052

All the costs above are included in 'other operating expenses' in the Profit and loss account. In addition, wages and salaries of shipboard employees who had contracts of service with the Group but worked on the Company's ships during the year amount to \$220,331k (2023: \$182,032k). This is included in 'ship operating expenses' in the Profit and loss account.

Services provided by the Company's auditors and its associates

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
During the year the Company obtained the following services from the Company's auditors:		
Fees payable to Company's auditors for the audit of the Company financial statements	342	328
Audit-related assurance services	51	47
	393	375

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

7 Employees and Directors

Employees

The average monthly number of persons employed by the Company during the year was:

	Year ended 31 December 2024	Year ended 31 December 2023
	Number	Number
By activity:		
Sales and marketing	235	236
Administration	105	101
Marine	18	16
	358	353

Directors

The directors' emoluments were as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
Aggregate emoluments	2,280	2,317
Pension costs paid into a defined contribution scheme	158	153
	2,438	2,470

The highest paid director's accrued emoluments were \$712k (year ended 31 December 2023: \$581k) and accrued pension contributions to the value of \$14k (year ended 31 December 2023: \$28k).

During the year there were 6 directors (year ended 31 December 2023: 5) accruing benefits in the defined contribution scheme.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

8 Net interest expense

(a) Interest receivable and similar income

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
On amounts owed by Group undertakings	-	182
Bank interest receivable	104	118
Interest income on tax-related matters	67	-
Total interest receivable and similar income	171	300

(b) Interest payable and similar expenses

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
On amounts owed to Group undertakings*	111,666	-
Bank interest payable	-	16
Interest on tax liabilities	46	-
Total interest payable and similar expenses	111,712	16

*The increase in interest expense on amounts owed to Group undertakings during the year is due to a change in the interest rate at 6.57% (2023: 0.08%).

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

9 Tax on profit

(a) Tax charge included in profit or loss

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
Current tax:		
United Kingdom		
Corporation tax for the year	963	848
Adjustments in respect of prior years	(24)	(260)
Global minimum tax	10,000	-
	10,939	588
Foreign tax		
Corporation tax for the year	388	893
Adjustments in respect of prior years	9	(774)
	397	119
Total current tax for the year	11,336	707
Deferred tax:		
Origination and reversal of timing differences– UK	(9)	97
Adjustment in respect of prior year – UK	(76)	(12)
Origination and reversal of timing differences – Foreign	16	112
Adjustment in respect of prior year - Foreign	437	(167)
Total deferred tax charge for the year	368	30
Tax on profit	11,704	737

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

9 Tax on profit (continued)

(b) Reconciliation of tax charge

The tax assessed for the year is lower (2023: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2024 of 25% (Year ended 31 December 2023: 23.5%). The differences are explained below:

	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000s	\$'000s
Profit before taxation	344,889	115,963
Profit before taxation multiplied by the standard effective rate of corporation tax in the UK 25% (2023: 23.5%)	86,222	27,251
Effects of:		
Profits under tonnage tax	(76,902)	(26,186)
Tonnage tax charge	321	245
Non-taxable impact of impairment of investment	1,409	727
Non-taxable impact of net gain on disposal of shares of investment	(3,063)	-
Foreign tax charge on disposal of shares	-	599
Impact of disallowable expenditure	1,257	815
Adjustments in respect of prior years	346	(1,213)
Impact of foreign tax rates	26	50
Exempt dividend income	(7,912)	(1,551)
Global minimum tax	10,000	-
Total tax charge	11,704	737

(c) Tax rate changes

An increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 was enacted in Finance Act 2021. For the financial year ended 31 December 2024, the weighted averaged tax rate was 25% (2023: weighted averaged tax rate was 23.5%).

(d) Global Minimum Tax

The Organization for Economic Co-operation and Development (OECD) has issued Pillar Two model rules introducing a new global minimum tax of 15% with certain aspects of Pillar 2 effective January 1, 2024 and other aspects

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

9 Tax on profit (continued)

(d) Global Minimum Tax (continued)

effective January 1, 2025. The UK has agreed to adopt these provisions and they are enacted to apply for 2024 onwards.

The Pillar Two rules are effective for the Company for the first time in 2024. The UK Pillar Two rules have adopted the International Shipping Income exclusion rules under the OECD model rules, which will exclude most of the Company's earnings from additional Pillar Two taxes. The Company has recorded a \$10 million tax charge in the year related to Pillar Two. We are continuing to evaluate the impact of the proposed and enacted legislative changes and the associated guidance, which continue to evolve.

10 Intangible assets

	Goodwill
	\$'000s
<hr/>	
At 1 January 2024	
Cost	38,773
Accumulated amortisation	(25,127)
Net book amount	13,646
<hr/>	
Year ended 31 December 2024	
Opening net book amount	13,646
Amortisation	(1,938)
Closing net book amount	11,708
<hr/>	
At 31 December 2024	
Cost	38,773
Accumulated amortisation	(27,065)
Net book amount	11,708

The above amounts relate to goodwill arising from the purchase of the net assets of Royal Caribbean Cruise Line A/S, Royal Caribbean Cruises Espana SL, Royal Caribbean Cruises (Australia) Pty Ltd and Latitude Sud in 2011.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

11 Tangible assets

	Leasehold improvements \$'000s	Fixtures, fittings and equipment \$'000s	Dry dock \$'000s	Total \$'000s
At 1 January 2024				
Cost	2,279	6,352	29,883	38,514
Accumulated depreciation	(532)	(4,984)	(18,740)	(24,256)
Net book amount	<u>1,747</u>	<u>1,368</u>	<u>11,143</u>	<u>14,258</u>
Cost				
At 1 January 2024				
	2,279	6,352	29,883	38,514
Additions	-	135	32,201	32,336
Disposals	(17)	(1)	(13,223)	(13,241)
Foreign exchange impact on cost in overseas branches	(43)	(160)	-	(203)
At 31 December 2024	<u>2,219</u>	<u>6,326</u>	<u>48,861</u>	<u>57,406</u>
Accumulated depreciation				
At 1 January 2024				
	532	4,984	18,740	24,256
Depreciation	255	432	11,149	11,836
Disposals	-	(1)	(11,875)	(11,876)
Foreign exchange impact on accumulated depreciation in overseas branches	(11)	(103)	-	(114)
At 31 December 2024	<u>776</u>	<u>5,312</u>	<u>18,014</u>	<u>24,102</u>
At 31 December 2024				
Cost	2,219	6,326	48,861	57,406
Accumulated depreciation	(776)	(5,312)	(18,014)	(24,102)
Closing net book amount	<u>1,443</u>	<u>1,014</u>	<u>30,847</u>	<u>33,304</u>

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

12 Investments

	2024	2023
Investment in subsidiaries and associates	\$'000s	\$'000s
As at 1 January	881,697	903,900
Additions	25	21,061
Capital contributions	78,817	9,071
Disposals	(12,752)	(49,169)
Impairment of investments	(5,637)	(3,166)
As at 31 December	942,150	881,697

Analysed as:

Subsidiaries:

Greensboro SL	-	3,820
Royal Caribbean Cruises Hong Kong Limited	64	64
Royal Caribbean Manning India Private Ltd	1	1
Royal Celebrity Mexico Crucero S de R L de CV	-	-
Catalonia Cruise Terminal G. S.L	-	1,065
PDI Lelepa Ltd	-	-
RCL Japan Holdings Ltd	1,514	1,514
RCL TUI Cruises German Holding GmbH & Co KG	849,538	849,538
RCL TUI Cruises German Verwaltungs GmbH	-	-
RCL Cruises (Cyprus) Ltd	1	1
Cielo Asoleado S. de R.L. de C.V.	43,550	-
Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V.	17,760	-
Frontier International GmbH	25	-

Associates:

Torcatt Enterprises SA	-	6,179
Fiumicino Waterfront Srl	23,765	16,618
Holistica Destinations Ltd	-	-
Ravenna Civitas Cruise Port Srl	77	77
Cruise Terminals International Ltd	5,855	2,820
	942,150	881,697

The directors believe that the carrying values of the investments are supported by their underlying net assets or future trading forecasts.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

12 Investments (continued)

Movements in investments analysed as:

	Additions	Capital contributions	Disposals	Impairment of investments
	\$'000s	\$'000s	\$'000s	\$'000s
Cruise Terminals International Ltd	-	3,035	-	-
Fiumicino Waterfront Srl	-	7,147	-	-
Catalonia Cruise Terminal G. S.L.	-	-	(1,065)	-
Greensboro SL	-	-	(3,820)	-
Torcatt Enterprises SA	-	7,325	(7,867)	(5,637)
Cielo Asoleado S. de R.L. de C.V.	-	43,550	-	-
Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V.	-	17,760	-	-
Frontier International GmbH	25	-	-	-
	25	78,817	(12,752)	(5,637)

Fixed asset investments comprise equity shares in Royal Celebrity Mexico Cruceros S de R L de CV, Royal Caribbean Cruises Hong Kong Limited, Royal Caribbean Manning India Private Ltd, PDI Lelepa Ltd, RCL Japan Holdings Ltd, RCL TUI Cruises German Holding GmbH & Co KG, RCL TUI Cruises German Verwaltungs GmbH, Holistica Destinations Ltd, Fiumicino Waterfront Srl, Ravenna Civitas Cruise Port Srl, Cruise Terminals International Ltd, RCL Cruises (Cyprus) Ltd, Cielo Asoleado S. de R.L. de C.V., Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V. and Frontier International GmbH none of which are publicly traded.

Catalonia Cruise Terminal G. S.L.

In the year the Company disposed of its 51%, owned direct ordinary shares, of the equity share capital of Catalonia Cruise Terminal G. S.L. A gain of \$16,072k was recognised on the disposal.

Greensboro SL

In the year the Company received a dividend distribution of \$9,284k. Subsequently, Greensboro SL was dissolved and the Company recognised a loss of \$3,820k on the disposal of its 100% of the equity share capital of Greensboro SL.

Torcatt Enterprises SA

During the year the Company increased its investments in Torcatt Enterprises SA by \$7,325k and entered into a purchase agreement to sell all of its interests in Torcatt Enterprise SA. Prior to the sale, the Company owned 47% of the equity share capital of Torcatt Enterprise SA (2023: 29%). In 2024, an impairment of \$5,637k was recognised, and its 47% of the equity share capital of Torcatt Enterprise SA was reclassified as a current asset as a result of the disposal, which was completed in January 2025.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

12 Investments (continued)

Cruise Terminals International Ltd

The Company owns 10% of the equity share capital of Cruise Terminals International Ltd (2023: 10%). Cruise Terminals International Ltd is incorporated in UK. During the year the Company increased its investment in Cruise Terminals International Ltd by a total of \$3,035k.

Ravenna Civitas Cruise Port Srl

The Company owns 10.9% (1.0% direct and 9.9% indirect) of the entity share capital of Ravenna Civitas Cruise Port Srl (2023: 10.9%). Ravenna Civitas Cruise Port Srl is incorporated in Italy.

Fiumicino Waterfront Srl

The Company owns 49% (43.33% direct and 5.67% indirect) of the entity share capital of Fiumicino Waterfront Srl (2023: 49%). Fiumicino Waterfront Srl. is incorporated in Italy. During the year the Company increased its direct investment in Fiumicino Waterfront Srl by a total of \$7,147k.

Royal Celebrity Mexico Cruceros S de R L de CV

The Company owns 100% of the equity share capital of Royal Celebrity Mexico Cruceros S de R L de CV (2023: 100%). Royal Celebrity Mexico Cruceros S de R L de CV is incorporated in Mexico.

Royal Caribbean Cruises Hong Kong Limited

The Company owns 100% of the equity share capital of Royal Caribbean Cruises Hong Kong Limited (2023: 100%). Royal Caribbean Cruises Hong Kong Limited is incorporated in Hong Kong.

Royal Caribbean Manning India Private Ltd

The Company owns 100% of the equity share capital of Royal Caribbean Manning India Private Ltd (2023: 100%). Royal Caribbean Manning India Private Ltd is incorporated in India.

PDI Lelepa Ltd

The Company owns 100% of the equity share capital of PDI Lelepa Ltd (2023: 100%). PDI Lelepa Ltd is incorporated in Vanuatu.

RCL Japan Holdings Ltd

The Company owns 100% of the equity share capital of RCL Japan Holdings Ltd (2023: 100%). RCL Japan Holdings Ltd is incorporated in Japan.

RCL TUI Cruises German Holding GmbH & Co KG

The Company owns 100% of the equity share capital of RCL TUI Cruises German Holding GmbH & Co KG (2023: 100%). RCL TUI Cruises German Holding GmbH & Co KG is incorporated in Germany.

RCL TUI Cruises German Verwaltungs GmbH

The Company owns 100% of the equity share capital of RCL TUI Cruises German Verwaltungs GmbH (2023: 100%). RCL TUI Cruises German Verwaltungs GmbH is incorporated in Germany.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

12 Investments (continued)

Holistica Destinations Ltd

The Company owns 50% of the equity share capital of Holistica Destinations Ltd (2023: 50%). Holistica Destinations Ltd is incorporated in the United Kingdom.

RCL Cruises (Cyprus) Ltd

The Company owns 100% of the equity share capital of RCL Cruises (Cyprus) Ltd (2023:100%). RCL Cruises (Cyprus) Ltd is incorporated in the United Kingdom.

Cielo Asoleado S. de R.L. de C.V.

The Company owns 99% of the equity share capital of Cielo Asoleado S. de R.L. de C.V. (2023: 99%). Cielo Asoleado S. de R.L. de C.V. is incorporated in Mexico. During the year the Company increased its investment in Cielo Asoleado S. de R.L. de C.V. by a total of \$43,550k. The Company will build a private destination in Mahahual, Costa Maya. Please see note 24 "Events after the end of the reporting period".

Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V.

The Company acquired 99% of the equity share capital of Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V. in the year. Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V. is incorporated in Mexico. Later, during the year, the Company increased its investment in Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V. by a total of \$17,760k. The Company will conduct real estate operations in Mexico related to the opening of the Royal Beach Club Cozumel. Please see note 24 "Events after the end of the reporting period".

Frontier International GmbH

The Company acquired 100% of the equity share capital of Frontier International GmbH for \$25k in the year. Frontier International GmbH is incorporated in Switzerland.

13 Stocks

	31 December 2024	31 December 2023
	\$'000s	\$'000s
Hotel inventory	68,039	50,169
Fuel	19,677	15,179
	87,716	65,348

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

14 Debtors

	31 December 2024	31 December 2023
	\$'000s	\$'000s
Amounts falling due after more than one year		
Other debtors*	104	-
Deferred tax (note 15)	249	650
	353	650
Amounts falling due within one year		
Trade debtors	5,595	6,698
Corporation tax recoverable	-	389
Other debtors*	62,187	44,167
Prepayments and accrued income	85,741	71,072
	153,523	122,326
Total debtors	153,876	122,976

Trade debtors are stated after provisions for impairment of \$1,328k (2023: \$1,666k)

*Other debtors in 'Amounts falling due after more than one year' refer to a payment advance made for an unsecured loan to Ravenna Civitas Cruise Port S.r.l. This advance represents the Company's commitment to providing financial support under the terms on the loan agreement. The loan is repayable on the date falling 8 years after the first disbursement. Interest on the loan will accrue daily, calculated on the basis of a year of 365 days, and shall be computed at the lower of: (i) 8% per annum, and (ii) the maximum rate of interest applicable in compliance with Law No. 108/1996 (Italian law).

*Other debtors in 'Amounts falling within one year' includes and amount of 35,062k (2023: \$35,059k) of insurance recoveries. Please see note 17 "Provisions for liabilities".

*In addition, Other debtors in 'Amounts falling within one year', includes an amount of \$7,867k, which represents an asset held for sale. This asset relates to the disposal of the Company's investment in Torcatt Enterprise SA, which was completed in January 2025, following the disposal agreement signed in June 2024. Please see note 12 "Investments".

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

15 Deferred tax

The deferred tax consists of the following deferred tax assets:

	2024	2023
	\$'000s	\$'000s
Deferred capital allowances and other timing differences	117	575
Carried forward tax losses and foreign tax credits	132	70
Foreign exchange in overseas branches	-	5
Net deferred tax asset at 31 December	249	650

Some of RCL Cruises Ltd's overseas branches have unused carried forward tax losses from prior years for which a deferred tax asset has been established. There are no unused UK tax losses.

In the UK, the company has an unrecognised deferred asset relating to unused carried forward foreign tax credits.

None of the group's deferred tax attributes (recognised or unrecognised) are subject to expiration.

The net deferred tax asset is expected to reverse in the following years. This primarily relates to the reversal of timing differences on deferred capital allowances and other timing differences as well as the utilisation of carried forward tax losses.

16 Creditors

	31 December 2024	31 December 2023
	\$'000s	\$'000s
Amounts falling due after more than one year		
Deferred income	35,275	27,845
	35,275	27,845
Amounts falling due within one year		
Trade creditors	12,200	18,790
Amounts owed to Group undertakings	1,750,428	2,126,636
Corporation tax payable	9,919	-
Other taxation and social security	573	474
Accruals and deferred income	774,624	637,463
	2,547,744	2,783,363
Total creditors	2,583,019	2,811,208

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

16 Creditors (continued)

Amounts owed to group undertakings comprise debtor and creditor balances which the company and the counter party have the right and intention to settle on a net basis. This net creditor balance is unsecured, has no fixed date of repayment and is repayable on demand. Interest payable was calculated at an average interest rate of 6.57% for the year ended 31 December 2024 (year ended 31 December 2023: 0.08%).

At 31 December 2024, there was £895k owing to IATA, which was settled on 8th January 2025 through its Billing and Settlement Plan (BSP) (2023: £2,473k).

17 Provisions for liabilities

	Self -insurance \$'000	Dilapidations \$'000s	Total \$'000s
As at 1 January 2024	100,963	293	101,256
Additions	149,574	-	149,574
Utilised	(127,287)	-	(127,287)
Released	(4,355)	(17)	(4,372)
Unwind of discount	-	12	12
Changes in foreign exchange rates	-	(5)	(5)
As at 31 December 2024	118,895	283	119,178

Dilapidations

The dilapidations provision is in respect of leasehold premises at Building 7, The Heights, Weybridge. The release of the provision is due to a change in interest risk free rate at 4.57% (2023: 3.87%).

Self-insurance

The Self-insurance claims provision arises from estimated exposures for incidents occurring prior to the balance sheet date in respect of guests, crew and other third parties. The provision is estimated based on specific individual claims and actuarial estimates based on historical claims experience across the wider group. It included a balance of \$35,062k (2023: \$35,059k) which is recoverable from insurance companies and a receivable is included in Other Debtors in note 14. If global health care costs or injury compensation awards increase significantly, insurance companies may increase in future years. There are no other significant assumptions impacting the estimate.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

18 Called up share capital and capital contribution reserves

	31 December 2024	31 December 2023
	\$'000s	\$'000s
Allotted and fully paid		
1,071 (2023: 1,061) ordinary shares of \$1 each	1	1
Capital contribution reserve		
Arising on the acquisition of Royal Caribbean Cruises Espana S.L	2,635	2,635

19 Financial commitments

As of 31 December 2024, The Company has no financial commitments with joint ventures.

The Company had the following future minimum payments under non-cancellable operating leases and cruise vessel charters for each of the following periods:

	31 December 2024	31 December 2023
	\$'000s	\$'000s
Land and buildings		
Within one year	1,560	1,573
Within two to five years	4,425	5,474
Over five years	1,164	1,933
Cruise vessel		
Within one year	786,666	436,482
Within one to two years	264,970	193,691
Other assets		
Within one year	231	324
Within two to five years	291	397
Total	1,059,307	639,874

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

20 Pension

Defined contribution scheme

The Company contributes to defined contribution pension schemes for the benefit of certain of its employees. These schemes require contributions to be made into independently administered funds. Contributions to these funds are charged to the profit and loss account in the year in which they become payable under the rules of the schemes.

The amount recognised as an expense for the defined contribution scheme was:

	2024 \$'000s	2023 \$'000s
Current year contributions	3,204	2,522

21 Related parties

The Company has taken advantage of the exemption contained in FRS 102 as it is a wholly owned subsidiary of RCL. Therefore, the Company has not disclosed transactions or balances with wholly owned entities that form part of the Group headed by RCL.

During the year the Company has received a dividend payment of \$0k (2023: \$6,600k) from Barcelona Port Investments SL.

During the year the Company has received a dividend payment of \$22,365k (2023: \$0k) from RCL TUI Cruises Holding GmbH & Co KG.

During the year the Company has received a dividend distribution of \$9,284k (2023: \$0k) from Greensboro SL.

As of 31 December 2024, the Company holds an outstanding balance receivable of \$104k (2023: \$0k) due to a payment advance of the same amount for an unsecured loan provided to Ravenna Civitas Cruise Port S.r.l.

There were no other transactions or balances with not wholly owned entities.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

22 Controlling parties

The immediate parent undertaking, ultimate parent undertaking and controlling party is RCL, a company incorporated in Liberia.

RCL is the only parent undertaking to consolidate these financial statements at 31 December 2024. The consolidated financial statements of RCL are available at www.rclcorporate.com or upon written request at its registered address: 1050 Caribbean Way, Miami, Florida 33132, USA.

23 Subsidiaries and significant undertakings

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiary undertakings are fully consolidated into the financial statements of its ultimate parent company, RCL, a company incorporated in Liberia.

Consolidated financial statements of RCL and its subsidiaries, including this Company, are publicly available from 1050 Caribbean Way, Miami, Florida 33132, United States of America and at www.rclinvestor.com.

The list of subsidiaries and other significant undertakings is as follows:

<u>Name</u>	<u>Address of registered office</u>	<u>Percentage Held</u>
Royal Caribbean Cruises Hong Kong Limited	Suite 2001, 20th Floor, Tower 1 The Gateway, Harbour City Canton Road, Tsim Sha Tsui Kowloon Hong Kong	100% ordinary shares (Direct)
Royal Celebrity Mexico Crucero S de R L de CV	Blvd. Manuel Avila Camacho 36 Piso 20 Lomas de Chapultepec CP 11000, Mexico D.F. Mexico	100% ordinary shares (Direct)
Royal Caribbean Manning India Private Ltd	Satellite Gazebo, 002 Ground Floor Andheri Ghatkopar Link Road Chakala, Andheri East Mumbai Mumbai City MH 400093 IN	100% ordinary shares (Direct)
RCL Japan Holdings Ltd	3-22-10-201 Toranomom Minato-ku Tokyo Japan	100% ordinary shares (Direct)

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

23 Subsidiaries and significant undertakings (continued)

PDI Lelepa Ltd	2 nd Floor Raffea House Lini Highway PO Box 782 Port Vila Vanuatu	100% ordinary shares (Direct)
RCL TUI Cruises Holding GmbH &Co KG	Heidenkampsweg 58 20097 Hamburg Germany	100% ordinary shares (Direct)
RCL TUI Cruises Verwaltungs GmbH	Heidenkampsweg 58 20097 Hamburg Germany	100% ordinary shares (Direct)
Holistica Destinations Ltd	Friary Court, 65 Crutched Friars London United Kingdom	50% ordinary shares (Direct)
Fiumicino Waterfront Srl	Via Nazionale 00184 Roma Italy	43.33% ordinary shares (Direct) 5.67% ordinary shares (Indirect)
Ravenna Civitas Cruise Port Srl	Viale Sergio Cavina 19 CAP 48123 Ravenna (RA) Italy	1.0% ordinary shares (Direct) 9.9% ordinary shares (Indirect)
Cruise Terminals International Ltd	15 Golden Square 5 th Floor London, England, W1F 9JG UK	10% ordinary shares (Direct)
RCL Cruises (Cyprus) Ltd	Arch. Makariou III, 195 Neocleous House 3030, Limassol, Cyprus	100% ordinary shares (Direct)
Cielo Asoleado S. de R.L. de C.V	Vito Alessio Robles 51, int. 203 Exhacienda de Guadalupe Chimalistac, Alvaro Obregon 01050, Ciudad de Mexico Mexico	99% ordinary shares (Direct)
Desarrolladora Turistica L 18 de Mexico, S. de R.L. de C.V.	Vito Alessio Robles 51, int. 203 Exhacienda de Guadalupe Chimalistac, Alvaro Obregon 01050, Ciudad de Mexico Mexico	99% ordinary shares (Direct)

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

23 Subsidiaries and significant undertakings (continued)

Frontier International GmbH	Findea AG Zweigniederlassung Basel Steinenvorstadt 3 4051 Basel	100% ordinary shares (Direct)
TUI Cruises GmbH	Heidenkampsweg 58 20097 Hamburg Germany	50% ordinary shares (Indirect)
Catalonia Cruise Terminal G. S.L.	c/Provenza 392 5º planta 08025 – Barcelona Spain	4.9% ordinary shares (Indirect)

24 Events after the end of the reporting period

Turismos y Hoteles Navarinos SpA (Lakutaia)

In January 2025, RCL Cruises Ltd entered into a secured term loan agreement, on behalf of Silversea Holding (UK), with Turismos y Hoteles Navarinos SpA (Lakutaia) to provide a financing commitment of up to \$22,500k.

Promociones Turisticas Mahahual S.A. de C.V (Mexico)

In September 2024, RCL Cruises Ltd entered into agreements to acquire the Port of Costa Maya and adjacent land in Mahahual, Mexico for approximately \$221,000k. The transaction is expected to close in the third quarter of 2025, subject to regulatory approval and customary closing conditions.

The Company will build a private destination in Mahahual, Costa Maya, similar to the existing Perfect Day in the Bahamas. Perfect Day Mexico will open in 2027 and will feature a waterpark, pools and beaches, restaurants, bars, live music and more. It will open up the short cruise market from Galveston, Texas.

Royal Beach Club Cozumel

During the year, the Directors of RCL Cruises Ltd acquired 99% of the equity share of capital of Desarrolladora Turistica L. 18 de Mexico, incorporated in Mexico, to conduct real estate operations in Mexico related to the opening of the Royal Beach Club Cozumel. The Royal Beach Club is expected to open in 2026 in Cozumel, Mexico.

RCL CRUISES LTD

Notes to the financial statements (continued) For the year ended 31 December 2024

24 Events after the end of the reporting period (continued)

RCL Japan Holding Ltd – Intercompany Settlement

During January 2025, RCL Japan Holdings Ltd settled its intercompany balances with RCL Cruises Ltd for \$30,230k. The transaction has resulted in an increase in the value of the investment in RCL Japan that is likely to be impaired during 2025.

Torcatt Enterprises SA

As discussed in the note 12, 'Investments', the sale of Torcatt Enterprise SA was completed in January 2025. As of December 31, 2024, the investment in Torcatt Enterprise SA was recognised as a current asset, following the disposal agreement signed in June 2024.