
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

OR

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

For the transition period from _____ to _____

Commission File Number: 001-35784

NORWEGIAN CRUISE LINE HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of incorporation or organization)

98-0691007
(I.R.S. Employer Identification No.)

7665 Corporate Center Drive, Miami, Florida 33126
(Address of principal executive offices)

33126
(zip code)

(305) 436-4000

(Registrant's telephone number, including area code)

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, par value \$0.001 per share	NCLH	The New York Stock Exchange

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller reporting company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 429,040,624 ordinary shares outstanding as of April 30, 2024.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	3
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3. Quantitative and Qualitative Disclosures About Market Risk	34
Item 4. Controls and Procedures	35
<u>PART II. OTHER INFORMATION</u>	
Item 1. Legal Proceedings	35
Item 1A. Risk Factors	35
Item 5. Other Information	36
Item 6. Exhibits	36
<u>SIGNATURES</u>	38

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Operations
(Unaudited)
(in thousands, except share and per share data)

	Three Months Ended	
	March 31,	
	2024	2023
Revenue		
Passenger ticket	\$ 1,459,814	\$ 1,208,841
Onboard and other	731,401	613,098
Total revenue	<u>2,191,215</u>	<u>1,821,939</u>
Cruise operating expense		
Commissions, transportation and other	436,210	409,684
Onboard and other	132,036	119,697
Payroll and related	344,281	304,155
Fuel	197,734	194,868
Food	84,708	95,966
Other	192,454	156,048
Total cruise operating expense	<u>1,387,423</u>	<u>1,280,418</u>
Other operating expense		
Marketing, general and administrative	362,469	336,013
Depreciation and amortization	222,929	194,790
Total other operating expense	<u>585,398</u>	<u>530,803</u>
Operating income	<u>218,394</u>	<u>10,718</u>
Non-operating income (expense)		
Interest expense, net	(218,177)	(171,257)
Other income (expense), net	18,137	(8,955)
Total non-operating income (expense)	<u>(200,040)</u>	<u>(180,212)</u>
Net income (loss) before income taxes	18,354	(169,494)
Income tax benefit (expense)	(1,001)	10,173
Net income (loss)	<u>\$ 17,353</u>	<u>\$ (159,321)</u>
Weighted-average shares outstanding		
Basic	426,803,519	422,655,215
Diluted	<u>431,019,206</u>	<u>422,655,215</u>
Earnings (loss) per share		
Basic	\$ 0.04	\$ (0.38)
Diluted	<u>\$ 0.04</u>	<u>\$ (0.38)</u>

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(in thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Net income (loss)	\$ 17,353	\$ (159,321)
Other comprehensive income (loss):		
Shipboard Retirement Plan	95	64
Cash flow hedges:		
Net unrealized gain (loss)	47,253	(18,475)
Amount realized and reclassified into earnings	(3,333)	(9,874)
Total other comprehensive income (loss)	44,015	(28,285)
Total comprehensive income (loss)	<u>\$ 61,368</u>	<u>\$ (187,606)</u>

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Balance Sheets
(Unaudited)
(in thousands, except share data)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 559,814	\$ 402,415
Accounts receivable, net	282,313	280,271
Inventories	157,879	157,646
Prepaid expenses and other assets	590,148	472,816
Total current assets	1,590,154	1,313,148
Property and equipment, net	16,463,522	16,433,292
Goodwill	98,134	98,134
Trade names	500,525	500,525
Other long-term assets	1,172,853	1,147,891
Total assets	<u>\$ 19,825,188</u>	<u>\$ 19,492,990</u>
Liabilities and shareholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 1,744,221	\$ 1,744,778
Accounts payable	204,971	174,338
Accrued expenses and other liabilities	1,019,620	1,058,919
Advance ticket sales	3,629,707	3,060,666
Total current liabilities	6,598,519	6,038,701
Long-term debt	12,005,296	12,314,147
Other long-term liabilities	859,282	839,335
Total liabilities	19,463,097	19,192,183
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Ordinary shares, \$0.001 par value; 980,000,000 shares authorized; 429,025,827 shares issued and outstanding at March 31, 2024 and 425,546,570 shares issued and outstanding at December 31, 2023	429	425
Additional paid-in capital	7,708,869	7,708,957
Accumulated other comprehensive income (loss)	(464,423)	(508,438)
Accumulated deficit	(6,882,784)	(6,900,137)
Total shareholders' equity	362,091	300,807
Total liabilities and shareholders' equity	<u>\$ 19,825,188</u>	<u>\$ 19,492,990</u>

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Cash flows from operating activities		
Net income (loss)	\$ 17,353	\$ (159,321)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	245,092	210,676
(Gain) loss on derivatives	(1,125)	4,404
Loss on extinguishment of debt	29,000	2,434
Provision for bad debts and inventory obsolescence	1,532	1,199
Gain on involuntary conversion of assets	(2,846)	—
Share-based compensation expense	21,948	28,155
Net foreign currency adjustments on euro-denominated debt	(6,603)	1,021
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,052)	65,391
Inventories	(517)	2,812
Prepaid expenses and other assets	(83,414)	(127,192)
Accounts payable	29,987	(25,926)
Accrued expenses and other liabilities	(31,422)	(168,581)
Advance ticket sales	592,238	668,261
Net cash provided by operating activities	<u>807,171</u>	<u>503,333</u>
Cash flows from investing activities		
Additions to property and equipment, net	(258,851)	(237,676)
Other	3,608	1,320
Net cash used in investing activities	<u>(255,243)</u>	<u>(236,356)</u>
Cash flows from financing activities		
Repayments of long-term debt	(425,339)	(1,821,412)
Proceeds from long-term debt	92,406	1,330,622
Proceeds from employee related plans	—	2,618
Net share settlement of restricted share units	(22,032)	(11,306)
Early redemption premium	(19,163)	—
Deferred financing fees	(20,401)	(13,886)
Net cash used in financing activities	<u>(394,529)</u>	<u>(513,364)</u>
Net increase (decrease) in cash and cash equivalents	157,399	(246,387)
Cash and cash equivalents at beginning of period	402,415	946,987
Cash and cash equivalents at end of period	<u>\$ 559,814</u>	<u>\$ 700,600</u>

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

Norwegian Cruise Line Holdings Ltd.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited)
(in thousands)

	Three Months Ended March 31, 2024				
	Ordinary Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity (Deficit)
Balance, December 31, 2023	\$ 425	\$ 7,708,957	\$ (508,438)	\$ (6,900,137)	\$ 300,807
Share-based compensation	—	21,948	—	—	21,948
Issuance of shares under employee related plans	4	(4)	—	—	—
Net share settlement of restricted share units	—	(22,032)	—	—	(22,032)
Other comprehensive income, net	—	—	44,015	—	44,015
Net income	—	—	—	17,353	17,353
Balance, March 31, 2024	\$ 429	\$ 7,708,869	\$ (464,423)	\$ (6,882,784)	\$ 362,091

	Three Months Ended March 31, 2023				
	Ordinary Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity (Deficit)
Balance, December 31, 2022	\$ 421	\$ 7,611,564	\$ (477,079)	\$ (7,066,315)	\$ 68,591
Share-based compensation	—	28,155	—	—	28,155
Issuance of shares under employee related plans	3	2,615	—	—	2,618
Net share settlement of restricted share units	—	(11,306)	—	—	(11,306)
Other comprehensive loss, net	—	—	(28,285)	—	(28,285)
Net loss	—	—	—	(159,321)	(159,321)
Balance, March 31, 2023	\$ 424	\$ 7,631,028	\$ (505,364)	\$ (7,225,636)	\$ (99,548)

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

Norwegian Cruise Line Holdings Ltd.
Notes to Consolidated Financial Statements
(Unaudited)

Unless otherwise indicated or the context otherwise requires, references in this report to (i) the “Company,” “we,” “our” and “us” refer to NCLH (as defined below) and its subsidiaries, (ii) “NCLC” refers to NCL Corporation Ltd., (iii) “NCLH” refers to Norwegian Cruise Line Holdings Ltd., (iv) “Norwegian Cruise Line” or “Norwegian” refers to the Norwegian Cruise Line brand and its predecessors, (v) “Oceania Cruises” refers to the Oceania Cruises brand and (vi) “Regent” refers to the Regent Seven Seas Cruises brand.

References to the “U.S.” are to the United States of America, and “dollar(s)” or “\$” are to U.S. dollars, the “U.K.” are to the United Kingdom and “euro(s)” or “€” are to the official currency of the Eurozone. We refer you to “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations— Terminology” for the capitalized terms used and not otherwise defined throughout these notes to consolidated financial statements.

1. Description of Business and Organization

We are a leading global cruise company which operates the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands. As of March 31, 2024, we had 32 ships with approximately 66,400 Berths and had orders for five additional ships to be delivered through 2028.

As of March 31, 2024, we had four Prima Class Ships on order with currently scheduled delivery dates from 2025 through 2028, and we had one Allura Class Ship on order for delivery in 2025. Subsequent to March 31, 2024, we announced anticipated additional newbuilds for our fleet.

2. Summary of Significant Accounting Policies

Liquidity

As of March 31, 2024, we had liquidity of approximately \$2.4 billion, including cash and cash equivalents of \$559.8 million and borrowings available under our \$1.2 billion undrawn Revolving Loan Facility and \$650 million undrawn commitment of senior unsecured notes issuable by NCLC less related fees (see Note 6 – “Long-Term Debt”). Additionally, in April 2024, a €200 million commitment became available that can be used for future newbuild payments (see Note 6 – “Long-Term Debt”). We believe that we have sufficient liquidity to fund our obligations and expect to remain in compliance with our financial covenants for at least the next twelve months from the issuance of these financial statements.

We will continue to pursue various opportunities to refinance future debt maturities to reduce interest expense and/or to extend the maturity dates associated with our existing indebtedness and obtain relevant financial covenant amendments or waivers, if needed.

Basis of Presentation

The accompanying consolidated financial statements are unaudited and, in our opinion, contain all normal recurring adjustments necessary for a fair statement of the results for the periods presented.

Our operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire fiscal year. Historically, demand for cruises has been strongest during the Northern Hemisphere’s summer months. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which are included in our most recent Annual Report on Form 10-K filed with the SEC on February 28, 2024.

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) by the basic weighted-average number of shares outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss) and assumed conversion of exchangeable notes by diluted weighted-average shares outstanding.

A reconciliation between basic and diluted earnings (loss) per share was as follows (in thousands, except share and per share data):

	Three Months Ended	
	March 31,	
	2024	2023
Net income (loss) - Basic EPS	\$ 17,353	\$ (159,321)
Basic weighted-average shares outstanding	426,803,519	422,655,215
Dilutive effect of share awards	4,215,687	—
Diluted weighted-average shares outstanding	431,019,206	422,655,215
Basic EPS	\$ 0.04	\$ (0.38)
Diluted EPS	\$ 0.04	\$ (0.38)

Each exchangeable note (see Note 6 – “Long-Term Debt”) is individually evaluated for its dilutive or anti-dilutive impact on EPS as determined under the if-converted method. Only the interest expense and weighted average shares for exchangeable notes that are dilutive are included in the effect of dilutive securities above. During the three months ended March 31, 2024 and 2023, each of the exchangeable notes was anti-dilutive. Share awards are evaluated for a dilutive or anti-dilutive impact on EPS using the treasury stock method. For the three months ended March 31, 2024 and 2023, a total of 91.1 million and 89.4 million shares, respectively, have been excluded from diluted weighted-average shares outstanding because the effect of including them would have been anti-dilutive.

Foreign Currency

The majority of our transactions are settled in U.S. dollars. We remeasure assets and liabilities denominated in foreign currencies at exchange rates in effect at the balance sheet date. The resulting gains or losses are recognized in our consolidated statements of operations within other income (expense), net. We recognized a gain of \$13.3 million and a loss of \$8.7 million for the three months ended March 31, 2024 and 2023, respectively, related to remeasurement of assets and liabilities denominated in foreign currencies. Remeasurements of foreign currency related to operating activities are recognized within changes in operating assets and liabilities in the consolidated statement of cash flows.

Depreciation and Amortization Expense

The amortization of deferred financing fees is included in depreciation and amortization expense in the consolidated statements of cash flows; however, for purposes of the consolidated statements of operations they are included in interest expense, net.

Accounts Receivable, Net

Accounts receivable, net included \$19.8 million and \$20.1 million due from credit card processors as of March 31, 2024 and December 31, 2023, respectively.

Recently Issued Accounting Guidance

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which aims to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 includes additional disclosures on an interim and annual basis and requires that the disclosures be applied to public entities that have a single reportable segment. These provisions are effective for fiscal years beginning after December 15, 2023 and interim periods after December 15, 2024. ASU 2023-07 shall be applied retrospectively unless it

[Table of Contents](#)

is impracticable to do so. We are evaluating the impact of ASU 2023-07 on our notes to the consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information as well as certain other amendments to improve the effectiveness of income tax disclosures. The amendments in this update are effective for annual periods beginning after December 15, 2024 and should be applied on a prospective basis. We are evaluating the impact of ASU 2023-09 on our notes to the consolidated financial statements.

3. Revenue Recognition

Disaggregation of Revenue

Revenue and cash flows are affected by economic factors in various geographical regions. Revenues by destination were as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
North America	\$ 1,560,772	\$ 1,361,053
Europe	25,236	81,318
Asia-Pacific	397,002	205,662
Other	208,205	173,906
Total revenue	<u>\$ 2,191,215</u>	<u>\$ 1,821,939</u>

North America includes the U.S., the Caribbean, Canada and Mexico. Europe includes the Baltic region, Canary Islands and Mediterranean. Asia-Pacific includes Australia, New Zealand and Asia. Other includes all other international territories.

Segment Reporting

We have concluded that our business has a single reportable segment. Each brand, Norwegian, Oceania Cruises and Regent, constitutes a business for which discrete financial information is available and management regularly reviews the brand level operating results and, therefore, each brand is considered an operating segment. Our operating segments have similar economic and qualitative characteristics, including similar long-term margins, products and services; therefore, we aggregate all of the operating segments into one reportable segment.

Although we sell cruises on an international basis, our passenger ticket revenue is primarily attributed to U.S.-sourced guests who make reservations through the U.S. Revenue attributable to U.S.-sourced guests has approximated 84-87% of total revenue over the preceding three fiscal years. No other individual country's revenues exceed 10% in any given period.

Contract Balances

Receivables from customers are included within accounts receivable, net. As of March 31, 2024 and December 31, 2023, our receivables from customers were \$131.8 million and \$126.4 million, respectively, primarily related to in-transit credit card receivables.

Future cruise credits that have been issued as face value reimbursement for cancelled bookings due to COVID-19 are approximately \$66.0 million. The future cruise credits are not contracts, and therefore, guests who elected this option are excluded from our contract liability balance; however, the credit for the original amount paid is included in advance ticket sales.

[Table of Contents](#)

Our contract liabilities are included within advance ticket sales. As of March 31, 2024 and December 31, 2023, our contract liabilities were \$2.7 billion and \$2.2 billion, respectively. Of the amounts included within contract liabilities as of March 31, 2024, approximately 45% were refundable in accordance with our cancellation policies. Of the deposits included within advance ticket sales, the majority are refundable in accordance with our cancellation policies and it is uncertain to what extent guests may request refunds. For the three months ended March 31, 2024, \$1.7 billion of revenue recognized was included in the contract liability balance at the beginning of the period.

4. Leases

Operating lease balances were as follows (in thousands):

	Balance Sheet location	March 31, 2024	December 31, 2023
Operating leases			
Right-of-use assets	Other long-term assets	\$ 764,045	\$ 753,652
Current operating lease liabilities	Accrued expenses and other liabilities	29,043	23,226
Non-current operating lease liabilities	Other long-term liabilities	648,487	644,646

5. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) for the three months ended March 31, 2024 was as follows (in thousands):

	Three Months Ended March 31, 2024		
	Accumulated Other Comprehensive Income (Loss)	Change Related to Cash Flow Hedges	Change Related to Shipboard Retirement Plan
Accumulated other comprehensive income (loss) at beginning of period	\$ (508,438)	\$ (508,524)	\$ 86
Current period other comprehensive income before reclassifications	47,253	47,253	—
Amounts reclassified into earnings	(3,238)	(3,333)(1)	95 (2)
Accumulated other comprehensive income (loss) at end of period	<u>\$ (464,423)</u>	<u>\$ (464,604)(3)</u>	<u>\$ 181</u>

Accumulated other comprehensive income (loss) for the three months ended March 31, 2023 was as follows (in thousands):

	Three Months Ended March 31, 2023		
	Accumulated Other Comprehensive Income (Loss)	Change Related to Cash Flow Hedges	Change Related to Shipboard Retirement Plan
Accumulated other comprehensive income (loss) at beginning of period	\$ (477,079)	\$ (480,578)	\$ 3,499
Current period other comprehensive loss before reclassifications	(18,475)	(18,475)	—
Amounts reclassified into earnings	(9,810)	(9,874)(1)	64 (2)
Accumulated other comprehensive income (loss) at end of period	<u>\$ (505,364)</u>	<u>\$ (508,927)</u>	<u>\$ 3,563</u>

(1) We refer you to Note 7 – “Fair Value Measurements and Derivatives” for the affected line items in the consolidated statements of operations.

(2) Amortization of prior-service cost and actuarial loss reclassified to other income (expense), net.

(3) Includes \$6.6 million of gains expected to be reclassified into earnings in the next 12 months.

6. Long-Term Debt

In February 2024, NCLC and the purchasers named therein (collectively, the “Commitment Parties”) entered into a third amended and restated commitment letter (the “third amended commitment letter”), which became effective in March 2024. The third amended commitment letter amended and restated the commitment letter dated February 22, 2023 and extended the commitments thereunder through March 2025. Pursuant to the third amended commitment letter, the Commitment Parties have agreed to purchase from NCLC an aggregate principal amount of \$650 million of senior unsecured notes due five years after the issue date (the “Commitment Notes”) at NCLC’s option. If issued, the Commitment Notes will be subject to an issue fee of 0.50% and will bear interest at a rate per annum equal to (A) the greater of (i) the interest rate of the 7.75% senior notes due 2029 (“2029 Unsecured Notes”) and (ii) the then-current secondary trading yield applicable to the 2029 Unsecured Notes plus (B) 200 basis points. The Commitment Notes are subject to a one-time structuring fee of 0.50% and a quarterly commitment fee of 0.75% for so long as the commitments with respect to the Commitment Notes are outstanding.

In connection with the execution of the third amended commitment letter, NCLC agreed to repurchase all of the outstanding \$250 million aggregate principal amount of 9.75% senior secured notes due 2028 (the “2028 Secured Notes”) at a negotiated premium plus accrued and unpaid interest thereon. In March 2024, in connection with the settlement of the repurchase, the aggregate principal amount outstanding under the 2028 Secured Notes was cancelled while also releasing the related collateral. The loss on extinguishment was \$29.0 million, recognized in interest expense, net.

In November 2023, we executed an agreement for a commitment of €200 million in connection with financial support for our newbuilds, which became available in April 2024. The commitment if drawn will pay interest quarterly at a rate per annum based on an applicable margin plus Euribor 3-months. The commitment may be drawn at any time and is payable within 364 days, but no later than July 15, 2025. Any amount repaid prior to July 15, 2025 may be drawn again.

Exchangeable Notes

The following is a summary of NCLC’s exchangeable notes as of March 31, 2024 (in thousands):

	Principal Amount	Unamortized Deferred Financing Fees	Net Carrying Amount	Fair Value	
				Amount	Leveling
2024 Exchangeable Notes (1)	\$ 146,601	\$ (193)	\$ 146,408	\$ 224,238	Level 2
2025 Exchangeable Notes	449,990	(3,383)	446,607	581,270	Level 2
2027 1.125% Exchangeable Notes	1,150,000	(16,544)	1,133,456	1,098,273	Level 2
2027 2.5% Exchangeable Notes	473,175	(7,254)	465,921	464,540	Level 2

(1) Classified within current portion of long-term debt as of March 31, 2024. We expect that the holders of the 2024 Exchangeable Notes will exchange their 2024 Exchangeable Notes for shares.

The following is a summary of NCLC’s exchangeable notes as of December 31, 2023 (in thousands):

	Principal Amount	Unamortized Deferred Financing Fees	Net Carrying Amount	Fair Value	
				Amount	Leveling
2024 Exchangeable Notes (1)	\$ 146,601	\$ (557)	\$ 146,044	\$ 217,790	Level 2
2025 Exchangeable Notes	449,990	(3,963)	446,027	572,567	Level 2
2027 1.125% Exchangeable Notes	1,150,000	(17,921)	1,132,079	1,068,431	Level 2
2027 2.5% Exchangeable Notes	473,175	(7,836)	465,339	453,784	Level 2

(1) Classified within current portion of long-term debt as of December 31, 2023. We expect that the holders of the 2024 Exchangeable Notes will exchange their 2024 Exchangeable Notes for shares.

[Table of Contents](#)

The following provides a summary of the interest expense of NCLC's exchangeable notes (in thousands):

	Three Months Ended March 31,	
	2024	2023
Coupon interest	\$ 14,437	\$ 14,438
Amortization of deferred financing fees	2,903	2,643
Total	<u>\$ 17,340</u>	<u>\$ 17,081</u>

As of March 31, 2024, the effective interest rate is 7.04%, 5.97%, 1.64% and 3.06% for the 2024 Exchangeable Notes, 2025 Exchangeable Notes, 2027 1.125% Exchangeable Notes and 2027 2.5% Exchangeable Notes, respectively.

Debt Repayments

The following are scheduled principal repayments on our long-term debt including exchangeable notes, which can be settled in shares, and finance lease obligations as of March 31, 2024 (in thousands):

Year	Amount
Remainder of 2024	\$ 1,569,504
2025	1,321,130
2026	2,234,657
2027	3,291,131
2028	1,697,619
2029	1,911,513
Thereafter	2,064,110
Total	<u>\$ 14,089,664</u>

Debt Covenants

As of March 31, 2024, we were in compliance with all of our debt covenants. If we do not continue to remain in compliance with our covenants, we would have to seek additional amendments to or waivers of our covenants. However, no assurances can be made that such amendments or waivers would be approved by our lenders. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default and/or cross acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated, which would have a material adverse impact on our operations and liquidity.

7. Fair Value Measurements and Derivatives

Fair value is defined as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Derivatives are generally recorded at fair value. Contracts that are designated as normal purchases and normal sales are not recorded at fair value. The normal purchases and normal sales exception requires, among other things, physical delivery in quantities expected to be used or sold over a reasonable period in the normal course of business. All of our allowance purchase agreements related to the European Union's Emissions Trading System meet the criteria specified for this exception.

Fair Value Hierarchy

The following hierarchy for inputs used in measuring fair value should maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available:

Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement dates.

[Table of Contents](#)

- Level 2 Significant other observable inputs that are used by market participants in pricing the asset or liability based on market data obtained from independent sources.
- Level 3 Significant unobservable inputs we believe market participants would use in pricing the asset or liability based on the best information available.

Derivatives

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. We assess whether derivatives used in hedging transactions are “highly effective” in offsetting changes in the cash flow of our hedged forecasted transactions. We use critical terms match or regression analysis for hedge relationships and high effectiveness is achieved when a statistically valid relationship reflects a high degree of offset and correlation between the fair values of the derivative and the hedged forecasted transaction. Cash flows from the derivatives are classified in the same category as the cash flows from the underlying hedged transaction. If it is determined that the hedged forecasted transaction is no longer probable of occurring, then the amount recognized in accumulated other comprehensive income (loss) is released to earnings. There are no amounts excluded from the assessment of hedge effectiveness, and there are no credit-risk-related contingent features in our derivative agreements. We monitor concentrations of credit risk associated with financial and other institutions with which we conduct significant business. Credit risk, including but not limited to counterparty non-performance under derivatives, is not considered significant, as we primarily conduct business with large, well-established financial institutions with which we have established relationships, and which have credit risks acceptable to us, or the credit risk is spread out among many creditors. We do not anticipate non-performance by any of our significant counterparties.

As of March 31, 2024, we had fuel swaps, which are used to mitigate the financial impact of volatility of fuel prices pertaining to approximately 630 thousand metric tons of our projected fuel purchases, maturing through December 31, 2025.

As of March 31, 2024, we had fuel swaps pertaining to approximately 4 thousand metric tons of our projected fuel purchases which were not designated as cash flow hedges maturing through December 31, 2024.

The derivatives measured at fair value and the respective location in the consolidated balance sheets include the following (in thousands):

Balance Sheet Location	Assets		Liabilities	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Derivative Contracts Designated as Hedging Instruments				
Fuel contracts				
Prepaid expenses and other assets	\$ 22,725	\$ —	\$ 109	\$ —
Other long-term assets	2,839	—	410	—
Accrued expenses and other liabilities	—	4,309	—	11,247
Other long-term liabilities	—	137	—	8,932
Total derivatives designated as hedging instruments	\$ 25,564	\$ 4,446	\$ 519	\$ 20,179
Derivative Contracts Not Designated as Hedging Instruments				
Fuel contracts				
Prepaid expenses and other assets	\$ —	\$ —	\$ 45	\$ —
Accrued expenses and other liabilities	—	141	—	1,031
Other long-term liabilities	—	—	—	280
Total derivatives not designated as hedging instruments	\$ —	\$ 141	\$ 45	\$ 1,311
Total derivatives	\$ 25,564	\$ 4,587	\$ 564	\$ 21,490

[Table of Contents](#)

The fair values of swap and forward contracts are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. The Company determines the value of options and collars utilizing an option pricing model based on inputs that are either readily available in public markets or can be derived from information available in publicly quoted markets. The option pricing model used by the Company is an industry standard model for valuing options and is used by the broker/dealer community. The inputs to this option pricing model are the option strike price, underlying price, risk-free rate of interest, time to expiration, and volatility. The fair value of option contracts considers both the intrinsic value and any remaining time value associated with those derivatives that have not yet settled. The Company also considers counterparty credit risk and its own credit risk in its determination of all estimated fair values.

Our derivatives and financial instruments were categorized as Level 2 in the fair value hierarchy, and we had no derivatives or financial instruments categorized as Level 1 or Level 3. Our derivative contracts include rights of offset with our counterparties. We have elected to net certain assets and liabilities within counterparties when the rights of offset exist. We are not required to post cash collateral related to our derivative instruments.

The following table discloses the gross and net amounts recognized within assets and liabilities (in thousands):

	Gross Amounts	Gross Amounts Offset	Total Net Amounts	Gross Amounts Not Offset	Net Amounts
March 31, 2024					
Assets	\$ 25,564	\$ (564)	\$ 25,000	\$ —	\$ 25,000
December 31, 2023					
Liabilities	\$ 21,490	\$ (4,587)	\$ 16,903	\$ —	\$ 16,903

The effects of cash flow hedge accounting on accumulated other comprehensive income (loss) were as follows (in thousands):

Derivatives	Amount of Gain (Loss) Recognized in Other Comprehensive Loss		Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Expense)	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Expense)	
	Three Months Ended	Three Months Ended		Three Months Ended	Three Months Ended
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
Fuel contracts	\$ 47,253	\$ (29,015)	Fuel	\$ 6,577	\$ 12,597
Fuel contracts	—	—	Other income (expense), net	875	(37)
Foreign currency contracts	—	10,540	Depreciation and amortization	(4,119)	(2,686)
Total gain (loss) recognized in other comprehensive loss	\$ 47,253	\$ (18,475)		\$ 3,333	\$ 9,874

[Table of Contents](#)

The effects of cash flow hedge accounting on the consolidated statements of operations include the following (in thousands):

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Fuel	Depreciation and Amortization	Other Income (Expense), net	Fuel	Depreciation and Amortization	Other Income (Expense), net
Total amounts of income and expense line items presented in the consolidated statements of operations in which the effects of cash flow hedges are recorded	\$ 197,734	\$ 222,929	\$ 18,137	\$ 194,868	\$ 194,790	\$ (8,955)
Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (expense)						
Fuel contracts	6,577	—	—	12,597	—	—
Foreign currency contracts	—	(4,119)	—	—	(2,686)	—
Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (expense) as a result that a forecasted transaction is no longer probable of occurring						
Fuel contracts	—	—	875	—	—	(37)

The effects of derivatives not designated as hedging instruments on the consolidated statements of operations include the following (in thousands):

	Location of Gain (Loss)	Three Months Ended March 31,	
		2024	2023
Derivatives not designated as hedging instruments			
Fuel contracts	Other income (expense), net	\$ 2,199	\$ (596)

Long-Term Debt

As of March 31, 2024 and December 31, 2023, the fair value of our long-term debt, including the current portion, was \$13.3 billion and \$13.5 billion, respectively, which was \$0.8 billion and \$0.9 billion lower, respectively, than the carrying values, excluding deferred financing costs. The difference between the fair value and carrying value of our long-term debt is due to our fixed and variable rate debt obligations carrying interest rates that are above or below market rates at the measurement dates. The fair value of our long-term revolving and term loan facilities was calculated based on estimated rates for the same or similar instruments with similar terms and remaining maturities. The fair value of our exchangeable notes considers observable risk-free rates; credit spreads of the same or similar instruments; and share prices, tenors, and historical and implied volatilities which are sourced from observable market data. The inputs are considered to be Level 2 in the fair value hierarchy. Market risk associated with our long-term variable rate debt is the potential increase in interest expense from an increase in interest rates or from an increase in share values.

Other

The carrying amounts reported in the consolidated balance sheets of all other financial assets and liabilities approximate fair value.

8. Employee Benefits and Compensation Plans

Restricted Share Unit Awards

In March 2024, NCLH granted 4.5 million time-based restricted share unit awards to our employees, which primarily vest in substantially equal installments over three years. Additionally, in March 2024, NCLH granted 0.9 million performance-based restricted share units to certain members of our management team, which vest upon the achievement of certain pre-established performance targets established through 2026 and the satisfaction of an additional time-based vesting requirement that generally requires continued employment through March 1, 2027.

The following is a summary of restricted share unit activity for the three months ended March 31, 2024:

	Number of Time-Based Awards	Weighted- Average Grant Date Fair Value	Number of Performance- Based Awards	Weighted- Average Grant Date Fair Value
Non-vested as of January 1, 2024	9,083,120	\$ 17.39	2,140,134	\$ 19.41
Granted	4,619,945	19.27	945,040	19.29
Vested	(4,288,932)	18.84	(334,888)	31.78
Forfeited or expired	(113,048)	17.44	—	—
Non-vested as of March 31, 2024	<u>9,301,085</u>	<u>17.66</u>	<u>2,750,286</u>	<u>17.86</u>

The compensation expense recognized for share-based compensation for the periods presented include the following (in thousands):

	Three Months Ended March 31,	
	2024	2023
Payroll and related expense	\$ 4,614	\$ 4,457
Marketing, general and administrative expense	17,334	23,698
Total share-based compensation expense	<u>\$ 21,948</u>	<u>\$ 28,155</u>

9. Commitments and Contingencies

Ship Construction Contracts

As of March 31, 2024, for the Norwegian brand, we had four Prima Class Ships on order, each ranging from approximately 156,000 to 169,000 Gross Tons with 3,550 to 3,850 Berths, with currently scheduled delivery dates from 2025 through 2028. As of March 31, 2024, for the Oceania Cruises brand, we had an order for one additional Allura Class Ship to be delivered in 2025, which will be approximately 68,000 Gross Tons and 1,250 Berths. Subsequent to March 31, 2024, we announced anticipated additional newbuilds for our fleet. The impacts of initiatives to improve environmental sustainability and modifications the Company plans to make to its newbuilds and/or other macroeconomic conditions and events have resulted in delays in expected ship deliveries. These and other impacts could result in additional delays in ship deliveries in the future, which may be prolonged.

The combined contract prices, including amendments and change orders, of the five ships on order for delivery as of March 31, 2024 was approximately €5.8 billion, or \$6.3 billion based on the euro/U.S. dollar exchange rate as of March 31, 2024. The combined contract prices of the six new ships with contracts that became effective subsequent to March 31, 2024 (which includes two ships on order for Oceania Cruises, which were scheduled for delivery in 2030 and 2031, respectively, but are expected to be cancelled, and excludes orders for four Norwegian Cruise Line ships, which are not yet effective) was approximately €5.3 billion, or \$5.7 billion based on the euro/U.S. dollar exchange rate as of March 31, 2024. If the two ships on order for Oceania Cruises are cancelled, there will be incremental corresponding adjustments to the purchase price of other applicable newbuilds not to exceed €51 million. For ships on order as of March 31, 2024 and for four of the six ships effective subsequent to March 31, 2024, we have obtained export credit financing which is expected to fund approximately 80% of the contract price of each ship as well as related financing premiums, subject to certain conditions. We do not anticipate any contractual breaches or cancellations to occur, except

[Table of Contents](#)

as noted above. However, if any such events were to occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

Taking into account the six new ship orders with contracts that became effective subsequent to March 31, 2024 (which includes two ships on order for Oceania Cruises that are expected to be cancelled, and excludes orders for four Norwegian Cruise Line ships, which are not yet effective), our minimum annual payments for ship construction contracts, which include non-cancelable contracts or contracts that are cancelable when a replacement agreement is signed with the same party, are as follows (in thousands):

<u>Year</u>	<u>Amount</u>
Remainder of 2024	\$ 390,355
2025	2,040,804
2026	2,181,145
2027	2,205,897
2028	2,119,588
2029	831,316
Thereafter	1,630,747
Total minimum annual payments	<u>\$ 11,399,852</u>

The above presentation reflects the contractual delivery date in the fourth quarter of 2028 of the second Oceania Cruises ship announced subsequent to March 31, 2024. However, it is expected that this delivery date may be moved to early 2029.

Litigation

Investigations

In March 2020, the Florida Attorney General announced an investigation related to the Company's marketing during the COVID-19 pandemic. Following the announcement of the investigation by the Florida Attorney General, we received notifications from other attorneys general and governmental agencies that they are conducting similar investigations. The Company is cooperating with these ongoing investigations, the outcomes of which cannot be predicted at this time.

Helms-Burton Act

On August 27, 2019, a lawsuit was filed against Norwegian Cruise Line Holdings Ltd. in the United States District Court for the Southern District of Florida under Title III of the Cuban Liberty and Solidarity (Libertad) Act of 1996, also known as the Helms-Burton Act. The complaint, filed by Havana Docks Corporation (the "Havana Docks Matter"), alleges it holds an interest in the Havana Cruise Port Terminal, which was expropriated by the Cuban Government. The complaint further alleges that the Company "trafficked" in the property by embarking and disembarking passengers at the facility, as well as profiting from the Cuban Government's possession of the property. The plaintiff seeks all available statutory remedies, including the value of the expropriated property, plus interest, treble damages, attorneys' fees and costs. After various motions challenging the sufficiency of plaintiff's complaint were resolved and voluminous discovery was completed, both sides filed motions for summary judgment. On March 21, 2022, the court issued an order granting plaintiff's motion for summary judgment on the issue of liability and denying the Company's cross-motion for summary judgment. The court scheduled a trial on determination of damages only for November 2022. The plaintiff elected to seek what the court ruled to be its baseline statutory damage amount, which was the amount of the certified claim plus interest, trebled and with attorneys' fees. Given this, there was no fact issue to be tried, and the matter was removed from the trial calendar. On December 30, 2022, the court entered a final judgment of approximately \$112.9 million and, on January 23, 2023, the Company filed a notice of appeal from that judgment. On April 12, 2023, the Company posted a sufficient supersedeas bond with the court to prevent any efforts by the plaintiff to collect on the judgment pending the appeal. On June 30, 2023, the Company filed its opening appellate brief with the United States Court of Appeals for the Eleventh Circuit. On September 29, 2023, the plaintiff filed its answering brief responding to the Company's opening brief in the Eleventh Circuit. The Court has scheduled oral argument on the matter for May 17,

[Table of Contents](#)

2024. We believe that the likelihood of loss related to this matter is reasonably possible but not probable at this time; therefore, no liability has been recorded. The ability to make such estimates and judgments can be affected by various factors including, among other things: lack of legal precedent, stage of the proceedings, legal uncertainties inherent within the litigation process, the availability of appellate remedies, and involvement of numerous parties. We continue to believe we have meritorious defenses to the Havana Docks Matter. However, if the plaintiff prevails in the final outcome of this matter, there may be a material adverse impact on the Company's financial condition, results of operations and/or cash flows.

Other

In the normal course of our business, various other claims and lawsuits have been filed or are pending against us. Most of these claims and lawsuits are covered by insurance and, accordingly, the maximum amount of our liability is typically limited to our deductible amount. Nonetheless, the ultimate outcome of these claims and lawsuits that are not covered by insurance cannot be determined at this time. We have evaluated our overall exposure with respect to all of our threatened and pending litigation and, to the extent required, we have accrued amounts for all estimable probable losses associated with our deemed exposure. We are currently unable to estimate any other potential losses beyond those accrued, as discovery is not complete nor is adequate information available to estimate such range of loss or potential recovery. However, based on our current knowledge, we do not believe that the aggregate amount or range of reasonably possible losses with respect to these matters will be material to our consolidated results of operations, financial condition or cash flows. We intend to vigorously defend our legal position on all claims and, to the extent necessary, seek recovery.

Other Contingencies

The Company also has agreements with its credit card processors that govern approximately \$3.4 billion in advance ticket sales at March 31, 2024 that have been received by the Company relating to future voyages. These agreements allow the credit card processors to require under certain circumstances, including the existence of a material adverse change, excessive chargebacks and other triggering events, that the Company maintain a reserve which would be satisfied by posting collateral. Although the agreements vary, these requirements may generally be satisfied either through a percentage of customer payments withheld or providing cash funds directly to the card processor. Any cash reserve or collateral requested could be increased or decreased. As of March 31, 2024, we had cash reserves of approximately \$51.3 million with credit card processors, which includes approximately \$19.8 million recognized in accounts receivable, net and approximately \$31.5 million recognized in other long-term assets. We may be required to pledge additional collateral and/or post additional cash reserves or take other actions in the future that may adversely affect our liquidity.

10. Other Income (Expense), Net

For the three months ended March 31, 2024 and 2023, other income (expense), net consisted of income of \$18.1 million and expense of \$9.0 million, respectively, primarily due to net gains and losses on foreign currency remeasurements.

11. Supplemental Cash Flow Information

For the three months ended March 31, 2024 and 2023, we had non-cash investing activities consisting of changes in accruals related to property and equipment of \$11.3 million and \$53.4 million, respectively.

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

Cautionary Statement Concerning Forward-Looking Statements

Some of the statements, estimates or projections contained in this report are “forward-looking statements” within the meaning of the U.S. federal securities laws intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained, or incorporated by reference, in this report, including, without limitation, our expectations regarding our future financial position, including our liquidity requirements and future capital expenditures, plans, prospects, actions taken or strategies being considered with respect to our liquidity position, including with respect to refinancing, amending the terms of, or extending the maturity of our indebtedness, our ability to comply with covenants under our debt agreements, expectations regarding our exchangeable notes, valuation and appraisals of our assets, expected fleet additions and cancellations, including expected timing thereof, our expectations regarding the impact of macroeconomic conditions and recent global events, and expectations relating to our sustainability program and decarbonization efforts may be forward-looking statements. Many, but not all, of these statements can be found by looking for words like “expect,” “anticipate,” “goal,” “project,” “plan,” “believe,” “seek,” “will,” “may,” “forecast,” “estimate,” “intend,” “future” and similar words. Forward-looking statements do not guarantee future performance and may involve risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in those forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to the impact of:

- adverse general economic factors, such as fluctuating or increasing levels of interest rates, inflation, unemployment, underemployment and the volatility of fuel prices, declines in the securities and real estate markets, and perceptions of these conditions that decrease the level of disposable income of consumers or consumer confidence;
- implementing precautions in coordination with regulators and global public health authorities to protect the health, safety and security of guests, crew and the communities we visit and to comply with related regulatory restrictions;
- our indebtedness and restrictions in the agreements governing our indebtedness that require us to maintain minimum levels of liquidity and be in compliance with maintenance covenants and otherwise limit our flexibility in operating our business, including the significant portion of assets that are collateral under these agreements;
- our ability to work with lenders and others or otherwise pursue options to defer, renegotiate, refinance or restructure our existing debt profile, near-term debt amortization, newbuild related payments and other obligations and to work with credit card processors to satisfy current or potential future demands for collateral on cash advanced from customers relating to future cruises;
- our need for additional financing or financing to optimize our balance sheet, which may not be available on favorable terms, or at all, and our outstanding exchangeable notes and any future financing which may be dilutive to existing shareholders;
- the unavailability of ports of call;
- future increases in the price of, or major changes, disruptions or reduction in, commercial airline services;
- changes involving the tax and environmental regulatory regimes in which we operate, including new regulations aimed at reducing greenhouse gas emissions;
- the accuracy of any appraisals of our assets;

[Table of Contents](#)

- our success in controlling operating expenses and capital expenditures;
- trends in, or changes to, future bookings and our ability to take future reservations and receive deposits related thereto;
- adverse events impacting the security of travel, or customer perceptions of the security of travel, such as terrorist acts, armed conflict, such as Russia’s invasion of Ukraine or the Israel-Hamas war, or threats thereof, acts of piracy, and other international events;
- public health crises, including the COVID-19 pandemic, and their effect on the ability or desire of people to travel (including on cruises);
- adverse incidents involving cruise ships;
- our ability to maintain and strengthen our brand;
- breaches in data security or other disturbances to our information technology systems and other networks or our actual or perceived failure to comply with requirements regarding data privacy and protection;
- changes in fuel prices and the type of fuel we are permitted to use and/or other cruise operating costs;
- mechanical malfunctions and repairs, delays in our shipbuilding program, maintenance and refurbishments and the consolidation of qualified shipyard facilities;
- the risks and increased costs associated with operating internationally;
- our inability to recruit or retain qualified personnel or the loss of key personnel or employee relations issues;
- impacts related to climate change and our ability to achieve our climate-related or other sustainability goals;
- our inability to obtain adequate insurance coverage;
- pending or threatened litigation, investigations and enforcement actions;
- volatility and disruptions in the global credit and financial markets, which may adversely affect our ability to borrow and could increase our counterparty credit risks, including those under our credit facilities, derivatives, contingent obligations, insurance contracts and new ship progress payment guarantees;
- any further impairment of our trademarks, trade names or goodwill;
- our reliance on third parties to provide hotel management services for certain ships and certain other services;
- fluctuations in foreign currency exchange rates;
- our expansion into new markets and investments in new markets and land-based destination projects;
- overcapacity in key markets or globally; and
- other factors set forth under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 28, 2024 (“Annual Report on Form 10-K”).

[Table of Contents](#)

The above examples are not exhaustive and new risks emerge from time to time. There may be additional risks that we consider immaterial or which are unknown. Such forward-looking statements are based on our current beliefs, assumptions, expectations, estimates and projections regarding our present and future business strategies and the environment in which we expect to operate in the future. These forward-looking statements speak only as of the date made. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based, except as required by law.

Solely for convenience, certain trademark and service marks referred to in this report appear without the ® or ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and service marks.

Terminology

This report includes certain non-GAAP financial measures, such as Adjusted Gross Margin, Net Yield, Net Cruise Cost, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted EPS. Definitions of these non-GAAP financial measures are included below. For further information about our non-GAAP financial measures including detailed adjustments made in calculating our non-GAAP financial measures and a reconciliation to the most directly comparable GAAP financial measure, we refer you to “Results of Operations” below.

Unless otherwise indicated in this report, the following terms have the meanings set forth below:

- *2024 Exchangeable Notes*. On May 8, 2020, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$862.5 million aggregate principal amount of exchangeable senior notes due 2024.
- *2025 Exchangeable Notes*. On July 21, 2020, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$450.0 million aggregate principal amount of exchangeable senior notes due 2025.
- *2027 1.125% Exchangeable Notes*. On November 19, 2021, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$1,150.0 million aggregate principal amount of exchangeable senior notes due 2027.
- *2027 2.5% Exchangeable Notes*. On February 15, 2022, pursuant to an indenture among NCLC, as issuer, NCLH, as guarantor, and U.S. Bank National Association, as trustee, NCLC issued \$473.2 million aggregate principal amount of exchangeable senior notes due 2027.
- *Adjusted EBITDA*. EBITDA adjusted for other income (expense), net and other supplemental adjustments.
- *Adjusted EPS*. Adjusted Net Income (Loss) divided by the number of diluted weighted-average shares outstanding.
- *Adjusted Gross Margin*. Gross margin adjusted for payroll and related, fuel, food, other and ship depreciation. Gross margin is calculated pursuant to GAAP as total revenue less total cruise operating expense and ship depreciation.
- *Adjusted Net Cruise Cost Excluding Fuel*. Net Cruise Cost Excluding Fuel adjusted for supplemental adjustments.
- *Adjusted Net Income (Loss)*. Net income (loss) adjusted for the effect of dilutive securities and other supplemental adjustments.

[Table of Contents](#)

- *Allura Class Ships.* Oceania Cruises' Vista and Oceania Cruises' Allura.
- *Berths.* Double occupancy capacity per cabin (single occupancy per studio cabin) even though many cabins can accommodate three or more passengers.
- *Capacity Days.* Berths available for sale multiplied by the number of cruise days for the period for ships in service.
- *Dry-dock.* A process whereby a ship is positioned in a large basin where all of the fresh/sea water is pumped out in order to carry out cleaning and repairs of those parts of a ship which are below the water line.
- *EBITDA.* Earnings before interest, taxes, and depreciation and amortization.
- *EPS.* Earnings (loss) per share.
- *GAAP.* Generally accepted accounting principles in the U.S.
- *Gross Cruise Cost.* The sum of total cruise operating expense and marketing, general and administrative expense.
- *Gross Tons.* A unit of enclosed passenger space on a cruise ship, such that one gross ton equals 100 cubic feet or 2.831 cubic meters.
- *Net Cruise Cost.* Gross Cruise Cost less commissions, transportation and other expense and onboard and other expense.
- *Net Cruise Cost Excluding Fuel.* Net Cruise Cost less fuel expense.
- *Net Yield.* Adjusted Gross Margin per Capacity Day.
- *Occupancy or Occupancy Percentage.* The ratio of Passenger Cruise Days to Capacity Days. A percentage greater than 100% indicates that three or more passengers occupied some cabins.
- *Passenger Cruise Days.* The number of passengers carried for the period, multiplied by the number of days in their respective cruises.
- *Prima Class Ships.* Norwegian Prima, Norwegian Viva, Norwegian Aqua and three additional ships on order.
- *Revolving Loan Facility.* \$1.2 billion senior secured revolving credit facility.
- *SEC.* U.S. Securities and Exchange Commission.
- *Shipboard Retirement Plan.* An unfunded defined benefit pension plan for certain crew members which computes benefits based on years of service, subject to certain requirements.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures, such as Adjusted Gross Margin, Net Yield, Net Cruise Cost, Adjusted Net Cruise Cost Excluding Fuel, Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted EPS, to enable us to analyze our performance. See "Terminology" for the definitions of these and other non-GAAP financial measures. We utilize Adjusted Gross Margin and Net Yield to manage our business on a day-to-day basis because they reflect revenue earned net of certain direct variable costs. We also utilize Net Cruise Cost and Adjusted Net Cruise Cost Excluding Fuel

[Table of Contents](#)

to manage our business on a day-to-day basis. In measuring our ability to control costs in a manner that positively impacts net income (loss), we believe changes in Adjusted Gross Margin, Net Yield, Net Cruise Cost and Adjusted Net Cruise Cost Excluding Fuel to be the most relevant indicators of our performance.

We believe that Adjusted EBITDA is appropriate as a supplemental financial measure as it is used by management to assess operating performance. We also believe that Adjusted EBITDA is a useful measure in determining our performance as it reflects certain operating drivers of our business, such as sales growth, operating costs, marketing, general and administrative expense and other operating income and expense. In addition, management uses Adjusted EBITDA as a performance measure for our incentive compensation. Adjusted EBITDA is not a defined term under GAAP nor is it intended to be a measure of liquidity or cash flows from operations or a measure comparable to net income (loss), as it does not take into account certain requirements such as capital expenditures and related depreciation, principal and interest payments and tax payments and it includes other supplemental adjustments.

In addition, Adjusted Net Income (Loss) and Adjusted EPS are non-GAAP financial measures that exclude certain amounts and are used to supplement GAAP net income (loss) and EPS. We use Adjusted Net Income (Loss) and Adjusted EPS as key performance measures of our earnings performance. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparison to our historical performance. In addition, management uses Adjusted EPS as a performance measure for our incentive compensation. The amounts excluded in the presentation of these non-GAAP financial measures may vary from period to period; accordingly, our presentation of Adjusted Net Income (Loss) and Adjusted EPS may not be indicative of future adjustments or results.

You are encouraged to evaluate each adjustment used in calculating our non-GAAP financial measures and the reasons we consider our non-GAAP financial measures appropriate for supplemental analysis. In evaluating our non-GAAP financial measures, you should be aware that in the future we may incur expenses similar to the adjustments in our presentation. Our non-GAAP financial measures have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of our non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our non-GAAP financial measures may not be comparable to other companies. Please see a historical reconciliation of these measures to the most comparable GAAP measure presented in our consolidated financial statements below in the "Results of Operations" section.

Financial Presentation

We categorize revenue from our cruise and cruise-related activities as either "passenger ticket" revenue or "onboard and other" revenue. Passenger ticket revenue and onboard and other revenue vary according to product offering, the size of the ship in operation, the length of cruises operated and the markets in which the ship operates. Our revenue is seasonal based on demand for cruises, which has historically been strongest during the Northern Hemisphere's summer months. Passenger ticket revenue primarily consists of revenue for accommodations, meals in certain restaurants on the ship, certain onboard entertainment, government taxes, fees and port expenses and includes revenue for service charges and air and land transportation to and from the ship to the extent guests purchase these items from us. Onboard and other revenue primarily consists of revenue from casino, beverage sales, shore excursions, specialty dining, retail sales, spa services and Wi-Fi services. Our onboard revenue is derived from onboard activities we perform directly or that are performed by independent concessionaires, from which we receive a share of their revenue.

Our cruise operating expense is classified as follows:

- Commissions, transportation and other primarily consists of direct costs associated with passenger ticket revenue. These costs include travel advisor commissions, air and land transportation expenses, related credit card fees, certain government taxes, fees and port expenses and the costs associated with shore excursions and hotel accommodations included as part of the overall cruise purchase price.

[Table of Contents](#)

- Onboard and other primarily consists of direct costs incurred in connection with onboard and other revenue, including casino, beverage sales and shore excursions.
- Payroll and related consists of the cost of wages, benefits and logistics for shipboard employees and costs of certain inventory items, including food, for a third party that provides crew and other hotel services for certain ships.
- Fuel includes fuel costs, the impact of certain fuel hedges and fuel delivery costs.
- Food consists of food costs for passengers and crew on certain ships.
- Other consists of repairs and maintenance (including Dry-dock costs), ship insurance and other ship expenses.

Critical Accounting Policies

For a discussion of our critical accounting policies and estimates, see “Critical Accounting Policies” included in our Annual Report on Form 10-K under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We have made no significant changes to our critical accounting policies and estimates from those described in our Annual Report on Form 10-K.

Financing Transactions and Newbuild Orders

In February 2024, NCLC and the Commitment Parties entered into the third amended commitment letter, which became effective in March 2024. Pursuant to the third amended commitment letter, the Commitment Parties have agreed to purchase from NCLC an aggregate principal amount of \$650 million of senior unsecured notes due five years after the issue date at NCLC’s option, which option is available through March 2025. In connection with the execution of the third amended commitment letter, NCLC agreed to repurchase all of the outstanding \$250 million aggregate principal amount of 9.75% senior secured notes due 2028 at a negotiated premium plus accrued and unpaid interest thereon. See Note 6 – “Long-Term Debt” for more information.

In April 2024, we obtained export credit financing for 80% of the contract price of two new Regent Seven Seas Cruises ship orders and two new Oceania Cruises ship orders as well as related premiums. Contemporaneously, the ship orders became effective. The Norwegian brand also expects a four-ship order to replace a separate, effective, two-ship order for Oceania Cruises initially placed to secure availability with the shipyard. The four-ship order for Norwegian is still being finalized and is subject to financing. We refer you to “—Liquidity and Capital Resources— Future Capital Commitments” and “—Liquidity and Capital Resources— Material Cash Requirements” for details regarding our newbuild orders.

Additionally, in April 2024, a €200 million commitment became available that can be used for future newbuild payments. See Note 6 – “Long-Term Debt” for more information.

Update on Bookings

The Company continues to experience healthy consumer demand across all revenue streams and had record bookings during the three months ended March 31, 2024 leading to a continued record booked position for the next twelve months. This strong demand is expected to almost fully offset the impact from the redeployed voyages related to the Middle East and Red Sea in 2024.

Macroeconomic Trends and Uncertainties

As a result of conditions associated with global macroeconomic events, the global economy, including the financial and credit markets, has experienced volatility and disruptions, including impacts to inflation rates, fuel prices, foreign currencies and interest rates. Our costs have been and may be adversely impacted by these factors. We have used, and may continue to use, derivative instruments to attempt to mitigate the risk of volatility in fuel prices and interest rates. In

an attempt to mitigate risks related to inflation, our supply chain department has negotiated contracts with varying terms, with a goal of providing us with the ability to take advantage of cost declines when they occur, and diversified our sourcing options. These strategies may not fully offset the impact of current macroeconomic conditions; however, during 2024, we continued to see progress from our ongoing margin enhancement initiative. The Company continues to prioritize identifying and evaluating a variety of initiatives to improve its cost structure and margin profile, while preserving its brand equity and optimal guest satisfaction levels. Furthermore, we are exposed to fluctuations in the euro exchange rate for certain portions of ship construction contracts that have not been hedged. See “Item 1A. Risk Factors” in our Annual Report on Form 10-K for additional information.

Climate Change

We believe the increasing focus on climate change, including the Company’s recently established targets for greenhouse gas reductions, and evolving regulatory requirements will materially impact our future capital expenditures and results of operations. We have set interim targets to guide us on our path to net zero and provide more details about them in our annual Sail & Sustain Report. We expect to incur significant expenses related to these regulatory requirements and commitments, which may include expenses related to greenhouse gas emissions reduction initiatives, including modifications to our ships, and the purchase of emissions allowances, among other things. We have and may continue to be required to change certain operating procedures, for example slowing the speed of our ships, to meet regulatory requirements, which could adversely impact our operations. We are evaluating the effects of global climate change related requirements, which are still evolving, including our ability to mitigate certain future expenses through initiatives to reduce greenhouse gas emissions; consequently, the full impact to the Company is not yet known. Additionally, our ships, port facilities, corporate offices and island destinations have in the past and may again be adversely affected by an increase in the frequency and intensity of adverse weather conditions caused by climate change. For example, certain ports have become temporarily unavailable to us due to hurricane damage and other destinations have either considered or implemented restrictions on cruise operations due to environmental concerns. Refer to “Impacts related to climate change may adversely affect our business, financial condition and results of operations” in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for further information.

Quarterly Overview

Three months ended March 31, 2024 (“2024”) compared to three months ended March 31, 2023 (“2023”)

- Total revenue increased 20.3% to \$2.2 billion compared to \$1.8 billion.
- Net income (loss) and diluted EPS were \$17.4 million and \$0.04, respectively, compared to \$(159.3) million and \$(0.38), respectively.
- Operating income was \$218.4 million compared to \$10.7 million.
- Gross margin increased 65.5% to \$595.7 million compared to \$360.0 million. Adjusted Gross Margin increased 25.6% to \$1.6 billion compared to \$1.3 billion.
- Adjusted Net Income and Adjusted EPS were \$69.5 million and \$0.16, respectively, in 2024, which included \$52.2 million of adjustments primarily related to losses on extinguishment and modification of debt and share-based compensation. Adjusted Net Loss and Adjusted EPS were \$(127.7) million and \$(0.30), respectively, in 2023, which included \$31.6 million of adjustments primarily related to share-based compensation.
- Adjusted EBITDA improved 98.1% to \$464.0 million compared to \$234.2 million.

We refer you to our “Results of Operations” below for a calculation of Adjusted Gross Margin, Adjusted Net Income (Loss), Adjusted EPS and Adjusted EBITDA.

Results of Operations

The following table sets forth selected statistical information:

	Three Months Ended March 31,	
	2024	2023
Passengers carried	736,559	633,910
Passenger Cruise Days	6,112,370	5,497,106
Capacity Days	5,841,015	5,415,547
Occupancy Percentage	104.6 %	101.5 %

Adjusted Gross Margin and Net Yield were calculated as follows (in thousands, except Capacity Days and Yield data):

	Three Months Ended March 31,	
	2024	2023
Total revenue	\$ 2,191,215	\$ 1,821,939
Less:		
Total cruise operating expense	1,387,423	1,280,418
Ship depreciation	208,094	181,569
Gross margin	595,698	359,952
Ship depreciation	208,094	181,569
Payroll and related	344,281	304,155
Fuel	197,734	194,868
Food	84,708	95,966
Other	192,454	156,048
Adjusted Gross Margin	\$ 1,622,969	\$ 1,292,558
Capacity Days	5,841,015	5,415,547
Gross margin per Capacity Day	\$ 101.99	\$ 66.47
Net Yield	\$ 277.86	\$ 238.68

[Table of Contents](#)

Gross Cruise Cost, Net Cruise Cost, Net Cruise Cost Excluding Fuel and Adjusted Net Cruise Cost Excluding Fuel were calculated as follows (in thousands, except Capacity Days and per Capacity Day data):

	Three Months Ended	
	March 31,	
	2024	2023
Total cruise operating expense	\$ 1,387,423	\$ 1,280,418
Marketing, general and administrative expense	362,469	336,013
Gross Cruise Cost	1,749,892	1,616,431
Less:		
Commissions, transportation and other expense	436,210	409,684
Onboard and other expense	132,036	119,697
Net Cruise Cost	1,181,646	1,087,050
Less: Fuel expense	197,734	194,868
Net Cruise Cost Excluding Fuel	983,912	892,182
Less Other Non-GAAP Adjustments:		
Non-cash deferred compensation (1)	719	578
Non-cash share-based compensation (2)	21,948	28,155
Adjusted Net Cruise Cost Excluding Fuel	\$ 961,245	\$ 863,449
Capacity Days	5,841,015	5,415,547
Gross Cruise Cost per Capacity Day	\$ 299.59	\$ 298.48
Net Cruise Cost per Capacity Day	\$ 202.30	\$ 200.73
Net Cruise Cost Excluding Fuel per Capacity Day	\$ 168.45	\$ 164.74
Adjusted Net Cruise Cost Excluding Fuel per Capacity Day	\$ 164.57	\$ 159.44

- (1) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense.
- (2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.

Adjusted Net Income (Loss) and Adjusted EPS were calculated as follows (in thousands, except share and per share data):

	Three Months Ended	
	March 31,	
	2024	2023
Net income (loss)	\$ 17,353	\$ (159,321)
Non-GAAP Adjustments:		
Non-cash deferred compensation (1)	1,233	1,010
Non-cash share-based compensation (2)	21,948	28,155
Extinguishment and modification of debt (3)	29,000	2,434
Adjusted Net Income (Loss)	\$ 69,534	\$ (127,722)
Diluted weighted-average shares outstanding - Net income (loss) and Adjusted Net Income (Loss)	431,019,206	422,655,215
Diluted EPS	\$ 0.04	\$ (0.38)
Adjusted EPS	\$ 0.16	\$ (0.30)

- (1) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense and other income (expense), net.
- (2) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.
- (3) Losses on extinguishment of debt and modification of debt are included in interest expense, net.

[Table of Contents](#)

EBITDA and Adjusted EBITDA were calculated as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Net income (loss)	\$ 17,353	\$ (159,321)
Interest expense, net	218,177	171,257
Income tax (benefit) expense	1,001	(10,173)
Depreciation and amortization expense	222,929	194,790
EBITDA	459,460	196,553
Other (income) expense, net (1)	(18,137)	8,955
Other Non-GAAP Adjustments:		
Non-cash deferred compensation (2)	719	578
Non-cash share-based compensation (3)	21,948	28,155
Adjusted EBITDA	\$ 463,990	\$ 234,241

- (1) Primarily consists of gains and losses, net for foreign currency remeasurements.
- (2) Non-cash deferred compensation expenses related to the crew pension plan and other crew expenses, which are included in payroll and related expense.
- (3) Non-cash share-based compensation expenses related to equity awards, which are included in marketing, general and administrative expense and payroll and related expense.

Three months ended March 31, 2024 (“2024”) compared to three months ended March 31, 2023 (“2023”)**Revenue**

Total revenue increased to \$2.2 billion in 2024 compared to \$1.8 billion in 2023 primarily due to an increase in Capacity Days and improved pricing. Gross margin per Capacity Day increased 53.4% and Adjusted Gross Margin increased 25.6% to \$1.6 billion in 2024 compared to \$1.3 billion in 2023 due to an increase in Capacity Days of 7.9% and reflects an increase in passenger ticket pricing and onboard spending. The increase in Capacity Days was primarily related to the delivery of three new ships in 2023.

Expense

Total cruise operating expense increased 8.4% and Gross Cruise Cost increased 8.3% in 2024 compared to 2023 primarily related to the delivery of three new ships in 2023. Total other operating expense increased 10.3% in 2024 compared to 2023 largely related to the delivery of three new ships and also reflects an increase in general and administrative costs related to a consulting project.

Interest expense, net was \$218.2 million in 2024 compared to \$171.3 million in 2023. The increase in interest expense reflects higher losses in 2024 from extinguishment of debt and debt modification costs, which were \$29.0 million in 2024 compared to \$2.4 million in 2023. Excluding these losses, interest expense increased primarily as a result of higher debt outstanding and higher rates.

Other income (expense), net was income of \$18.1 million in 2024 compared to expense of \$9.0 million in 2023. The income and expense primarily related to net gains and losses on foreign currency remeasurements.

Liquidity and Capital Resources**General**

As of March 31, 2024, our liquidity was approximately \$2.4 billion, including cash and cash equivalents of \$559.8 million and borrowings available under our \$1.2 billion fully undrawn Revolving Loan Facility and \$650 million

[Table of Contents](#)

undrawn commitment less related fees. Our primary ongoing liquidity requirements are to finance working capital, capital expenditures and debt service.

In February 2024, NCLC and the Commitment Parties entered into the third amended commitment letter, which became effective in March 2024. Pursuant to the third amended commitment letter, the Commitment Parties have agreed to purchase from NCLC an aggregate principal amount of \$650 million of senior unsecured notes due five years after the issue date at NCLC's option, which option is available through March 2025. In connection with the execution of the third amended commitment letter, NCLC agreed to repurchase all of the outstanding \$250 million aggregate principal amount of 9.75% senior secured notes due 2028 at a negotiated premium plus accrued and unpaid interest thereon.

Additionally, in April 2024, a €200 million commitment became available that can be used for future newbuild payments.

See Note 6 – “Long-Term Debt” for further details about the above financing transactions.

Based on our liquidity estimates and our current resources, we have concluded we have sufficient liquidity to satisfy our obligations for at least the next 12 months. There can be no assurance that the accuracy of the assumptions used to estimate our liquidity requirements will be correct, and our ability to be predictive is uncertain due to the dynamic nature of the current operating environment, including any current macroeconomic events and conditions such as inflation, rising fuel prices and higher interest rates. We intend to refinance the \$565.0 million 3.625% senior unsecured notes due in December 2024 prior to September 2024. Within the next twelve months, we may pursue other refinancings in order to reduce interest expense and/or extend debt maturities. There is no assurance that cash flows from operations and additional financings will be available in the future to fund our future obligations. Beyond the next 12 months, we will pursue refinancings and other balance sheet optimization transactions in order to reduce interest expense and/or extend debt maturities. Refer to Item 1A, “Risk Factors” in our Annual Report on Form 10-K for further details regarding risks and uncertainties that may cause our results to differ from our expectations.

At March 31, 2024, we were in compliance with all of our debt covenants. If we do not continue to remain in compliance with our covenants, we would have to seek additional amendments to or waivers of the covenants. However, no assurances can be made that such amendments or waivers would be approved by our lenders. Generally, if an event of default under any debt agreement occurs, then pursuant to cross default and/or cross acceleration clauses, substantially all of our outstanding debt and derivative contract payables could become due, and all debt and derivative contracts could be terminated, which would have a material adverse impact to our operations and liquidity.

Our Moody's long-term issuer rating is B2, our senior secured rating is B1 and our senior unsecured rating is Caa1. Our S&P Global issuer credit rating is B+, our issue-level rating on our \$1.2 billion Revolving Loan Facility, \$600 million 8.375% senior secured notes due 2028 and \$790 million 8.125% senior secured notes due 2029 is BB, our issue-level rating on our other senior secured notes is BB- and our senior unsecured rating is B. If our credit ratings were to be downgraded as has occurred in the past, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt or equity financing will be negatively impacted. We also have capacity to incur additional indebtedness under our debt agreements and may issue additional ordinary shares from time to time, subject to our authorized number of ordinary shares. However, there is no guarantee that debt or equity financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations.

As of March 31, 2024, we had advance ticket sales of \$3.8 billion, including the long-term portion, which included approximately \$66.0 million of future cruise credits that have been issued as face value reimbursement for cancelled bookings due to COVID-19. We also have agreements with our credit card processors that, as of March 31, 2024, governed approximately \$3.4 billion in advance ticket sales that had been received by the Company relating to future voyages. These agreements allow the credit card processors to require under certain circumstances, including the existence of a material adverse change, excessive chargebacks and other triggering events, that the Company maintain a reserve which would be satisfied by posting collateral. Although the agreements vary, these requirements may generally be satisfied either through a percentage of customer payments withheld or providing cash funds directly to the card processor. Any cash reserve or collateral requested could be increased or decreased. As of March 31, 2024, we had cash

[Table of Contents](#)

collateral reserves of approximately \$51.3 million with credit card processors, which includes \$19.8 million recognized in accounts receivable, net and \$31.5 million recognized in other long-term assets. We may be required to pledge additional collateral and/or post additional cash reserves or take other actions in the future that may adversely affect our liquidity.

Sources and Uses of Cash

In this section, references to “2024” refer to the three months ended March 31, 2024 and references to “2023” refer to the three months ended March 31, 2023.

Net cash provided by operating activities was \$807.2 million in 2024 as compared to \$503.3 million in 2023. The net cash provided by operating activities included net income (losses) and timing differences in cash receipts and payments relating to operating assets and liabilities. Advance ticket sales increased by \$592.2 million in 2024 and by \$668.3 million in 2023.

Net cash used in investing activities was \$255.2 million in 2024 and \$236.4 million in 2023. The net cash used in investing activities was primarily related to newbuild payments and ship improvements in 2024. The net cash used in investing activities was primarily related to newbuild payments in 2023.

Net cash used in financing activities was \$394.5 million in 2024 primarily due to repayments of newbuild loans and our 2028 Secured Notes. Net cash used in financing activities was \$513.4 billion in 2023 primarily due to debt repayments and a net decrease in our Revolving Loan Facility partially offset by the proceeds of \$850 million from our various note offerings.

Future Capital Commitments

Future capital commitments consist of contracted commitments, including ship construction contracts. Anticipated expenditures related to ship construction contracts (which includes two ships on order for Oceania Cruises that are expected to be cancelled, and excludes orders for four Norwegian Cruise Line ships, which are not yet effective) were \$0.5 billion for the remainder of 2024 and \$2.2 billion and \$2.4 billion for the years ending December 31, 2025 and 2026, respectively, reflecting delays in certain scheduled ship delivery dates. The Company has export credit financing in place for the anticipated expenditures related to ship construction contracts of \$0.3 billion for the remainder of 2024 and \$1.6 billion and \$1.5 billion for the years ending December 31, 2025 and 2026, respectively. Anticipated non-newbuild capital expenditures for the remainder of 2024 are approximately \$460 million. Future expected capital expenditures will significantly increase our depreciation and amortization expense.

Newbuilds

The following chart discloses details about our newbuild program. The impacts of initiatives to improve environmental sustainability and modifications the Company plans to make to its newbuilds and/or other macroeconomic conditions and events have resulted in delays in expected ship deliveries. These and other impacts could result in additional delays in ship deliveries in the future, which may be prolonged. Expected delivery dates for our most recently announced newbuilds are preliminary and subject to change. Orders announced after March 31, 2024 are in bold.

Year	Brand	Class	Ship Name	Gross Tons ⁽¹⁾	Berths ⁽¹⁾	Status
2025	Norwegian Cruise Line	Next Generation Prima Class	Norwegian Aqua	~156,000	~3,550	Contract effective / financed ⁽⁴⁾
2025	Oceania Cruises	Allura Class	Allura	~68,000	~1,250	Contract effective / financed ⁽⁴⁾
2026	Norwegian Cruise Line	Next Generation Prima Class	To come	~156,000	~3,550	Contract effective / financed ⁽⁴⁾

2026	Regent Seven Seas	New Class	To come	~77,000	~850	Contract effective / financed ⁽⁴⁾
2027	Norwegian Cruise Line	Next Gen "Methanol-Ready" ⁽²⁾ Prima Class	To come	~169,000	~3,850	Contract effective / financed ⁽⁴⁾
2027	Oceania Cruises	New Class	To come	~86,000	~1,450	Contract effective / financed ⁽⁴⁾
2028	Norwegian Cruise Line	Next Gen "Methanol-Ready" ⁽²⁾ Prima Class	To come	~169,000	~3,850	Contract effective / financed ⁽⁴⁾
Expected 2029 ⁽³⁾	Oceania Cruises	New Class	To come	~86,000	~1,450	Contract effective / financed ⁽⁴⁾
2029	Regent Seven Seas	New Class	To come	~77,000	~850	Contract effective / financed ⁽⁴⁾
2030	Norwegian Cruise Line	New Class	To come	~200,000	~5,000	Contract not yet effective / subject to financing ⁽⁵⁾
2030	Oceania Cruises	New Class	—	~86,000	~1,450	Contract effective, but not financed. Order expected to be cancelled and replaced by listed Norwegian Cruise Line orders from 2030 – 2036 ⁽⁵⁾
2031	Oceania Cruises	New Class	—	~86,000	~1,450	Contract effective, but not financed. Order expected to be cancelled and replaced by listed Norwegian Cruise Line orders from 2030 – 2036 ⁽⁵⁾
2032	Norwegian Cruise Line	New Class	To come	~200,000	~5,000	Contract not yet effective / subject to financing ⁽⁵⁾
2034	Norwegian Cruise Line	New Class	To come	~200,000	~5,000	Contract not yet effective / subject to financing ⁽⁵⁾
2036	Norwegian Cruise Line	New Class	To come	~200,000	~5,000	Contract not yet effective / subject to financing ⁽⁵⁾

- (1) Berths and gross tons are preliminary and subject to change as we approach delivery.
- (2) Designs for the final two Prima Class ships have been lengthened and reconfigured to accommodate the use of green methanol as a future fuel source. Additional modifications will be needed to fully enable the use of green methanol.
- (3) Delivery for the second Oceania Cruises ship is contractually scheduled for the fourth quarter of 2028, but may be delayed to 2029.
- (4) We have obtained export credit financing which is expected to fund approximately 80% of the contract price of each ship as well as related financing premiums, subject to certain conditions.
- (5) We expect the four ship Norwegian Cruise Line order to replace the separate, effective, two ship order for Oceania Cruises. The four-ship order for Norwegian Cruise Line is still being finalized and is subject to financing.

As of March 31, 2024, the combined contract prices, including amendments and change orders, of the five ships on order for delivery was approximately €5.8 billion, or \$6.3 billion based on the euro/U.S. dollar exchange rate as of March 31, 2024. The combined contract prices of the six new ships with contracts that became effective subsequent to March 31, 2024 (which includes the two ships on order for Oceania Cruises, which were scheduled for delivery in 2030 and 2031, respectively, but are expected to be cancelled, and excludes the orders for the four Norwegian Cruise Line ships, which are not yet effective) was approximately €5.3 billion, or \$5.7 billion based on the euro/U.S. dollar exchange rate as of March 31, 2024. If the two ships on order for Oceania Cruises are cancelled, there will be incremental corresponding adjustments to the purchase price of other applicable newbuilds not to exceed €51 million. We do not anticipate any contractual breaches or cancellations to occur, except as noted above. However, if any such events were to occur, it could result in, among other things, the forfeiture of prior deposits or payments made by us and potential claims and impairment losses which may materially impact our business, financial condition and results of operations.

Capitalized interest for the three months ended March 31, 2024 and 2023 was \$10.1 million and \$14.7 million, respectively, primarily associated with the construction of our newbuild ships.

Material Cash Requirements

As of March 31, 2024, our material cash requirements for debt and ship construction were as follows (in thousands):

	Remainder of							Total
	2024	2025	2026	2027	2028	2029	Thereafter	
Long-term debt (1)	\$ 1,961,710	\$ 1,882,085	\$ 2,695,301	\$ 3,638,843	\$ 1,941,473	\$ 2,040,805	\$ 2,239,004	\$ 16,399,221
Ship construction contracts (2)	190,481	1,861,993	1,297,001	1,244,929	1,159,580	—	—	5,753,984
Total	\$ 2,152,191	\$ 3,744,078	\$ 3,992,302	\$ 4,883,772	\$ 3,101,053	\$ 2,040,805	\$ 2,239,004	\$ 22,153,205

- (1) Includes principal as well as estimated interest payments with Term SOFR held constant as of March 31, 2024. Includes exchangeable notes which can be settled in shares. Excludes the impact of any future possible refinancings and undrawn export-credit backed facilities.
- (2) Ship construction contracts are for our newbuild ships based on the euro/U.S. dollar exchange rate as of March 31, 2024. As of March 31, 2024, we have committed undrawn export-credit backed facilities of approximately \$5.3 billion which funds approximately 80% of our ship construction contracts. Taking into account the six new ship orders with contracts that became effective subsequent to March 31, 2024 (which includes the two ships on order for Oceania Cruises that are expected to be cancelled, and excludes the orders for the four Norwegian Cruise Line ships, which are not yet effective), our material cash requirements for ship construction contracts are as follows (in thousands):

	Remainder of							Total
	2024	2025	2026	2027	2028	2029	Thereafter	
Ship construction contracts	\$ 390,355	\$ 2,040,804	\$ 2,181,145	\$ 2,205,897	\$ 2,119,588	\$ 831,316	\$ 1,630,747	\$ 11,399,852

The above presentation reflects the contractual delivery date in the fourth quarter of 2028 of the second Oceania Cruises ship announced subsequent to March 31, 2024. However, it is expected that this delivery date may be moved to early 2029.

Funding Sources

Certain of our debt agreements contain covenants that, among other things, require us to maintain a minimum level of liquidity, as well as limit our net funded debt-to-capital ratio and maintain certain other ratios. Substantially all of our ships are pledged as collateral for certain of our debt. We believe we were in compliance with our covenants as of March 31, 2024.

In addition, our existing debt agreements restrict, and any of our future debt arrangements may restrict, among other things, the ability of our subsidiaries, including NCLC, to make distributions and/or pay dividends to NCLH and NCLH's ability to pay cash dividends to its shareholders. NCLH is a holding company and depends upon its subsidiaries for their ability to pay distributions to it to finance any dividend or pay any other obligations of NCLH. However, we do not believe that these restrictions have had or are expected to have an impact on our ability to meet any cash obligations.

We believe our cash on hand, the availability under the Revolving Loan Facility and undrawn commitment less related fees, expected future operating cash inflows and our ability to issue debt securities or additional equity securities, will be sufficient to fund operations, debt payment requirements, capital expenditures and maintain compliance with covenants under our debt agreements over the next 12-month period. Refer to "—Liquidity and Capital Resources—General" for further information regarding liquidity.

Other

Certain service providers may require collateral in the normal course of our business. The amount of collateral may change based on certain terms and conditions.

As a routine part of our business, depending on market conditions, exchange rates, pricing and our strategy for growth, we regularly consider opportunities to enter into contracts for the building of additional ships. We may also consider the sale of ships, potential acquisitions and strategic alliances. If any of these transactions were to occur, they may be financed through the incurrence of additional permitted indebtedness, through cash flows from operations, or through the issuance of debt, equity or equity-related securities.

We refer you to “—Liquidity and Capital Resources—General” for information regarding collateral provided to our credit card processors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

General

We are exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. We attempt to minimize these risks through a combination of our normal operating and financing activities and through the use of derivatives. The financial impacts of these derivative instruments are primarily offset by corresponding changes in the underlying exposures being hedged. We achieve this by closely matching the notional, term and conditions of the derivatives with the underlying risk being hedged. We do not hold or issue derivatives for trading or other speculative purposes. Derivative positions are monitored using techniques including market valuations and sensitivity analyses.

Interest Rate Risk

As of March 31, 2024 and December 31, 2023, 95% of our debt was fixed and 5% was variable. Based on our March 31, 2024 outstanding variable rate debt balance, a one percentage point increase in annual Term SOFR interest rates would increase our annual interest expense by approximately \$6.5 million excluding the effects of capitalization of interest.

Foreign Currency Exchange Rate Risk

We use foreign currency derivatives to hedge the exposure to volatility in foreign currency exchange rates related to our ship construction contracts denominated in euros; however, as of March 31, 2024 and December 31, 2023, we had no foreign currency derivatives. As of March 31, 2024, the payments not hedged aggregated €5.3 billion, or \$5.7 billion based on the euro/U.S. dollar exchange rate as of March 31, 2024. As of December 31, 2023, the payments not hedged aggregated €5.4 billion, or \$6.0 billion, based on the euro/U.S. dollar exchange rate as of December 31, 2023. The change from December 31, 2023 to March 31, 2024 was due to a payment on a newbuild agreement. We estimate that a 10% change in the euro as of March 31, 2024 would result in a \$0.6 billion change in the U.S. dollar value of the foreign currency denominated remaining payments.

Fuel Price Risk

Our exposure to market risk for changes in fuel prices relates to the forecasted purchases of fuel on our ships. Fuel expense, as a percentage of our total cruise operating expense, was 14.3% and 15.2% for the three months ended March 31, 2024 and 2023, respectively. We use fuel derivative agreements to mitigate the financial impact of fluctuations in fuel prices and as of March 31, 2024, we had hedged approximately 55% and 22% of our remaining 2024 and 2025 projected metric tons of fuel purchases, respectively. As of December 31, 2023, we had hedged approximately 53% and 21% of our 2024 and 2025 projected metric tons of fuel purchases, respectively. The percentage of fuel purchases hedged changed between December 31, 2023 and March 31, 2024 primarily due to an update to projected purchases.

We estimate that a 10% increase in our weighted-average fuel price would increase our anticipated 2024 fuel expense by \$48.6 million. This increase would be offset by an increase in the fair value of all our fuel swap agreements of \$28.5 million. Fair value of our derivative contracts is derived using valuation models that utilize the income valuation

[Table of Contents](#)

approach. These valuation models take into account the contract terms such as maturity, as well as other inputs such as fuel types, fuel curves, creditworthiness of the counterparty and the Company, as well as other data points.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of March 31, 2024. There are inherent limitations in the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2024 to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only the reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Our threshold for disclosing material environmental legal proceedings involving a governmental authority where potential monetary sanctions are involved is \$1 million.

See the section titled "Litigation" in "[Item 1—Financial Statements—Notes to Consolidated Financial Statements—Note 9 Commitments and Contingencies](#)" in Part I of this quarterly report for information about legal proceedings.

Item 1A. Risk Factors

We refer you to our Annual Report on Form 10-K for a discussion of the risk factors that affect our business and financial results. We caution you that the risk factors discussed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K, elsewhere in this report or other SEC filings, could cause future results to differ materially from those stated in any forward-looking statements. You should not interpret the disclosure of a risk to imply that the risk has not already materialized. The impact of macroeconomic conditions and global conflicts have also had the effect of heightening many of the other risks described in the "Risk Factors" included in our Annual Report on Form 10-K, such as those relating to our need to generate sufficient cash flows to service our indebtedness, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

[Table of Contents](#)

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K.

Item 5. Other Information

10b5-1 Trading Arrangements

During the three months ended March 31, 2024, none of our directors or officers subject to Section 16 of the Securities Exchange Act of 1934 adopted or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (in each case, as defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits

- 10.1 [Third Amended and Restated Commitment Letter, dated as of February 23, 2024 and effective as of March 11, 2024, among NCL Corporation Ltd. and the purchasers named therein \(incorporated herein by reference to Exhibit 10.1 to Norwegian Cruise Line Holdings Ltd.’s Form 8-K filed on March 12, 2024 \(File No. 001-35784\)\)](#)
- 10.2 [SACE Facility Agreement, dated April 4, 2024, among Oceania Next I, LLC, as borrower, NCL Corporation Ltd., as guarantor, the lenders party thereto, Banco Santander, S.A., BNP Paribas, Caixabank S.A., Cassa Depositi e Prestiti S.P.A., Crédit Agricole Corporate and Investment Bank, KfW IpeX-Bank GMBH, as joint mandated lead arrangers, and Crédit Agricole Corporate and Investment Bank, as facility agent, ECA agent and security agent \(incorporated herein by reference to Exhibit 10.1 to Norwegian Cruise Line Holdings Ltd.’s Form 8-K filed on April 8, 2024 \(File No. 001-35784\)\)#](#)
- 10.3 [SACE Facility Agreement, dated April 4, 2024, among Oceania Next II, LLC, as borrower, NCL Corporation Ltd., as guarantor, the lenders party thereto, Banco Santander, S.A., BNP Paribas, Caixabank S.A., Cassa Depositi e Prestiti S.P.A., Crédit Agricole Corporate and Investment Bank, HSBC Bank PLC, JPMorgan Chase Bank, N.A., London Branch, KfW IpeX-Bank GMBH, as joint mandated lead arrangers, and Crédit Agricole Corporate and Investment Bank, as facility agent, ECA agent and security agent \(incorporated herein by reference to Exhibit 10.2 to Norwegian Cruise Line Holdings Ltd.’s Form 8-K filed on April 8, 2024 \(File No. 001-35784\)\)#](#)
- 10.4 [SACE Facility Agreement, dated April 4, 2024, among DaVinci One, LLC, as borrower, NCL Corporation Ltd., as guarantor, the lenders party thereto, Banco Santander, S.A., BNP Paribas, Caixabank S.A., Cassa Depositi e Prestiti S.P.A., Citibank, N.A., London Branch, Crédit Agricole Corporate and Investment Bank, KfW IpeX-Bank GMBH, as joint mandated lead arrangers, and Crédit Agricole Corporate and Investment Bank, as facility agent, ECA agent and security agent \(incorporated herein by reference to Exhibit 10.3 to Norwegian Cruise Line Holdings Ltd.’s Form 8-K filed on April 8, 2024 \(File No. 001-35784\)\)#](#)
- 10.5 [SACE Facility Agreement, dated April 4, 2024, among DaVinci Two, LLC, as borrower, NCL Corporation Ltd., as guarantor, the lenders party thereto, Banco Santander, S.A., BNP Paribas, Caixabank S.A., Cassa Depositi e Prestiti S.P.A., Crédit Agricole Corporate and Investment Bank, HSBC Bank PLC, JPMorgan Chase Bank, N.A., London Branch, KfW IpeX-Bank GMBH, as joint mandated lead arrangers, and Crédit Agricole Corporate and Investment Bank, as facility agent, ECA agent and security agent \(incorporated herein by reference to Exhibit 10.4 to Norwegian Cruise Line Holdings Ltd.’s Form 8-K filed on April 8, 2024 \(File No. 001-35784\)\)#](#)
- 10.6 [Form of Norwegian Cruise Line Holdings Ltd. Time-based Restricted Share Unit Award Agreement \(2024\)†](#)
- 10.7 [Form of Norwegian Cruise Line Holdings Ltd. Performance-based Restricted Share Unit Award Agreement \(2024\)†](#)
- 31.1* [Certification of the President and Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934](#)

[Table of Contents](#)

- 31.2* [Certification of the Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934](#)
- 32.1** [Certifications of the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer pursuant to Rule 13a-14\(b\) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code](#)
- 101* The following unaudited consolidated financial statements from Norwegian Cruise Line Holdings Ltd.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, formatted in Inline XBRL:
- (i) the Consolidated Statements of Operations for the three months ended March 31, 2024 and 2023;
 - (ii) the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023;
 - (iii) the Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023;
 - (iv) the Consolidated Statements of Cash Flows for the three months ended March 31, 2024 and 2023;
 - (v) the Consolidated Statements of Changes in Shareholders' Equity (Deficit) for the three months ended March 31, 2024 and 2023; and
 - (vi) the Notes to the Consolidated Financial Statements.
- 104* The cover page from Norwegian Cruise Line Holdings Ltd.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL and included in the interactive data files submitted as Exhibit 101.

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan.

Certain portions of this document that constitute confidential information have been redacted in accordance with Regulation S-K Item 601(b)(10).

SIGNATURES

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

NORWEGIAN CRUISE LINE HOLDINGS LTD.
(Registrant)

By: /s/ HARRY SOMMER
Name: Harry Sommer
Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ MARK A. KEMPA
Name: Mark A. Kempa
Title: Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: May 7, 2024

**FORM OF NORWEGIAN CRUISE LINE HOLDINGS LTD.
AMENDED AND RESTATED 2013 PERFORMANCE INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD AGREEMENT**

THIS RESTRICTED SHARE UNIT AWARD AGREEMENT (this “**Agreement**”) is dated as of [_____] by and between Norwegian Cruise Line Holdings Ltd., a company organized under the laws of Bermuda (the “**Company**”), and [Name] (the “**Participant**”).

W I T N E S S E T H

WHEREAS, pursuant to the Norwegian Cruise Line Holdings Ltd. Amended and Restated 2013 Performance Incentive Plan (the “**Plan**”), the Company has granted to the Participant effective as of the date hereof (the “**Award Date**”), a credit of restricted share units under the Plan (the “**Award**”), upon the terms and conditions set forth herein and in the Plan.

NOW THEREFORE, in consideration of services rendered and to be rendered by the Participant, and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. Grant. Subject to the terms of this Agreement, the Company hereby grants to the Participant an Award with respect to an aggregate of [_____] restricted share units (subject to adjustment as provided in Section 7.1 of the Plan) (the “**Share Units**”). As used herein, the term “share unit” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Ordinary Share of the Company (subject to adjustment as provided in Section 7.1 of the Plan) solely for purposes of the Plan and this Agreement. The Share Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Share Units vest pursuant to Section 3. The Share Units shall not be treated as property or as a trust fund of any kind.

3. Vesting. Subject to Section 8 and the paragraphs in this Section below, the Award shall vest and become nonforfeitable with respect to [one-third of the total number of Share Units (subject to adjustment under Section 7.1 of the Plan) on each of the first, second, and third anniversaries of the Award Date]. If the Participant is a party to an employment or similar agreement with the Company or any Subsidiary that includes provisions addressing the vesting of equity awards, the Award shall also become vested as provided in such agreement (including, without limitation, in connection with certain qualifying terminations of the Participant’s employment and/or qualifying change in control transactions).

Unless otherwise provided by an employment agreement or similar agreement with the Company that addresses the vesting of equity awards in the event of the Participant’s death or disability, upon a termination of the Participant’s employment with the Company by the Company due to Participant’s death or disability, the number of Share Units specified in Section 2 that are then outstanding and unvested shall vest. Disability as used in this paragraph shall

mean a physical or mental impairment which, as reasonably determined by the Company, renders Participant unable to perform the essential functions of Participant's employment with the Company, even with a reasonable accommodation that does not impose an undue hardship on the Company, for more than 90 days in any 180-day period, unless a longer period is required by federal, state or local law, in which case that longer period would apply.

4. Continuation of Employment/Service. Except as provided in Section 3, the vesting schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement. Except as provided in Section 3, employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 8 below or under the Plan.

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or services, or affects the right of the Company or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

5. Dividend and Voting Rights.

(a) **Limitations on Rights Associated with Units.** The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Share Units and any Ordinary Shares underlying or issuable in respect of such Share Units until such Ordinary Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Ordinary Shares underlying or issuable in respect of such Share Units.

(b) **Dividend Equivalent Rights Distributions.** As of any date that the Company pays an ordinary cash dividend on its Ordinary Shares, the Company shall credit the Participant with an additional number of Share Units equal to (i) the per share cash dividend paid by the Company on its Ordinary Shares on such date, multiplied by (ii) the total number of Share Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 7.1 of the Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the fair market value of an Ordinary Share on the date of payment of such dividend. Any Share Units credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Share Units to which they relate. No crediting of Share Units shall be made pursuant to this Section 5(b) with respect to any Share Units which, as of such record date, have either been paid pursuant to Section 7 or terminated pursuant to Section 8.

6. Restrictions on Transfer. Neither the Award, nor any interest therein or amount or shares payable in respect thereof (until such shares underlying the Award have been issued) may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Company, or (b) transfers by will or the laws of descent and distribution.

7. Timing and Manner of Payment of Share Units. On or as soon as administratively practical following each vesting of the applicable portion of the total Award pursuant to Section 3 hereof or Section 7 of the Plan (and in all events not later than two and one-half months after the applicable vesting date), the Company shall deliver to the Participant a number of whole Ordinary Shares (with any fractional shares rounded down), either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its discretion, equal to the number of Share Units subject to this Award that vest on the applicable vesting date, unless such Share Units terminate prior to the given vesting date pursuant to Section 8. The Company's obligation to deliver Ordinary Shares or otherwise make payment with respect to vested Share Units is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any shares with respect to the vested Share Units deliver to the Company any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any Share Units that are paid or that terminate pursuant to Section 8.

8. Effect of Termination of Employment or Service. Except as provided in Section 3, the Participant's Share Units shall terminate and be forfeited to the extent such units have not become vested prior to the first date the Participant is no longer employed by or in service to the Company or one of its Subsidiaries, regardless of the reason for the termination of the Participant's employment or service with the Company or a Subsidiary, whether voluntarily or involuntarily. If any unvested Share Units are terminated hereunder, such Share Units shall automatically terminate and be forfeited as of the applicable termination date without payment of any consideration by the Company and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

9. Adjustments Upon Specified Events. Upon the occurrence of certain events relating to the Company's shares contemplated by Section 7.1 of the Plan (including, without limitation, an extraordinary cash dividend on such Ordinary Share), the Administrator shall make adjustments in accordance with such section in the number of Share Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which dividend equivalents are credited pursuant to Section 5(b).

10. Tax Withholding. Subject to Section 8.1 of the Plan, upon any distribution of Ordinary Shares in respect of the Share Units, the Company shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any applicable withholding obligations of the Company or its Subsidiaries with respect to such distribution of shares at any applicable withholding rates. In the event that the Company cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or

any other withholding event in respect of the Share Units, the Company (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

11. Notices. Any notice to be given under the terms of this Agreement shall be in writing or any electronic form approved by the General Counsel and addressed to the Company at its principal office to the attention of the General Counsel or to any designee approved by the General Counsel, and to the Participant at the Participant's last address reflected on the Company's records, or at such other address as either party may hereafter properly designate to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of or in service to the Company, shall be deemed to have been duly given by the Company when sent to the last physical or email address reflected on the Company's records.

12. Plan. The Award and all rights of the Participant under this Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Agreement. The Participant acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Agreement. Unless otherwise expressly provided in other sections of this Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

13. Entire Agreement. This Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

14. Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Share Units, and rights no greater than the right to receive the Ordinary Shares as a general unsecured creditor with respect to Share Units, as and when payable hereunder.

15. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. Section Headings. The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of Bermuda without regard to conflict of law principles thereunder.

18. Section 409A and 457A. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A or 457A of the Code. This Agreement shall be construed and interpreted consistent with that intent. If the Participant is a “specified employee” within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Participant’s “separation from service” (within the meaning of Section 409A of the Code), the Participant shall not be entitled to any payment pursuant to Section 7 until the earlier of (i) the date which is six (6) months after the Participant’s separation from service for any reason other than death, or (ii) the date of the Participant’s death. The provisions of this Section shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code.

19. Clawback Policy. The Share Units are subject to the terms of the Company’s recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Share Units or any Ordinary Shares or other cash or property received with respect to the Share Units (including any value received from a disposition of the shares acquired upon payment of the Share Units).

20. No Advice Regarding Grant. The Participant is hereby advised to consult with his or her own tax, legal and/or investment advisors with respect to any advice the Participant may determine is needed or appropriate with respect to the Share Units (including, without limitation, to determine the foreign, state, local, estate and/or gift tax consequences with respect to the Award). Neither the Company nor any of its officers, directors, affiliates or advisors makes any representation (except for the terms and conditions expressly set forth in this Award Agreement) or recommendation with respect to the Award. Except for the withholding rights set forth in Section 10 above, the Participant is solely responsible for any and all tax liability that may arise with respect to the Award.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Participant has hereunto set his or her hand as of the date and year first above written.

NORWEGIAN CRUISE LINE HOLDINGS LTD., a Bermuda Company	PARTICIPANT
By: _____	_____ <i>Signature</i>
Print Name: _____	
Its: _____	_____ <i>Print Name</i>

**FORM OF NORWEGIAN CRUISE LINE HOLDINGS LTD.
AMENDED AND RESTATED 2013 PERFORMANCE INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD AGREEMENT**

THIS RESTRICTED SHARE UNIT AWARD AGREEMENT (this “**Agreement**”) is dated as of [_____] by and between Norwegian Cruise Line Holdings Ltd., a company organized under the laws of Bermuda (the “**Company**”), and [Name] (the “**Participant**”).

W I T N E S S E T H

WHEREAS, pursuant to the Norwegian Cruise Line Holdings Ltd. Amended and Restated 2013 Performance Incentive Plan (the “**Plan**”), the Company has granted to the Participant effective as of the date hereof (the “**Award Date**”), a credit of restricted share units under the Plan (the “**Award**”), upon the terms and conditions set forth herein and in the Plan.

NOW THEREFORE, in consideration of services rendered and to be rendered by the Participant, and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. Grant. Subject to the terms of this Agreement, the Company hereby grants to the Participant an Award with respect to an aggregate target number of [_____] restricted share units (subject to adjustment as provided in Section 7.1 of the Plan) (the “**Share Units**”). As used herein, the term “share unit” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Ordinary Share of the Company (subject to adjustment as provided in Section 7.1 of the Plan) solely for purposes of the Plan and this Agreement. The Share Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Share Units vest pursuant to Section 3. The Share Units shall not be treated as property or as a trust fund of any kind.

3. Vesting. Subject to Section 8 and the paragraphs in this Section below, the Award shall vest and become nonforfeitable upon, and subject to, the achievement of the performance hurdles and applicable time-based vesting requirements described in Annex A. The Administrator shall determine whether the applicable performance hurdles have been achieved, and the vesting of the Share Units is subject to the Administrator’s determination. If the Participant is a party to an employment or similar agreement with the Company or any Subsidiary that includes provisions addressing the vesting of equity awards, the Award shall also become vested as provided in such agreement (including, without limitation, in connection with certain qualifying terminations of the Participant’s employment and/or qualifying change in control transactions). Any portion of the Award that is not considered eligible to vest following the Administrator’s determination following the end of the applicable performance period as a result of performance results for the performance period, all as determined in accordance with Annex A, shall terminate and be forfeited following the Administrator’s determination.

Unless otherwise provided by an employment agreement or similar agreement with the Company that addresses the vesting of equity awards in the event of the Participant's death or disability, upon a termination of the Participant's employment with the Company by the Company due to Participant's death or disability, Participant will vest in a pro-rata portion of the target number of Share Units specified in Section 2 ("Target Shares") that are then outstanding and unvested. The pro-rata portion will be calculated as follows: (Target Shares ÷ number of days from Award Date to original vesting date specified in Annex A (including both beginning and end date)) x number of days from the Award Date to the date of termination due to death or disability. Any partial shares will be rounded down to the nearest whole share. Disability as used in this paragraph shall mean a physical or mental impairment which, as reasonably determined by the Company, renders Participant unable to perform the essential functions of Participant's employment with the Company, even with a reasonable accommodation that does not impose an undue hardship on the Company, for more than 90 days in any 180-day period, unless a longer period is required by federal, state or local law, in which case that longer period would apply.

4. Continuance of Employment/Service. Except as provided in Section 3, the vesting schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement. Except as provided in Section 3, employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 8 below or under the Plan.

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or services, or affects the right of the Company or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

5. Dividend and Voting Rights.

(a) **Limitations on Rights Associated with Units.** The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Share Units and any Ordinary Shares underlying or issuable in respect of such Share Units until such Ordinary Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Ordinary Shares underlying or issuable in respect of such Share Units.

(b) **Dividend Equivalent Rights Distributions.** As of any date that the Company pays an ordinary cash dividend on its Ordinary Shares, the Company shall credit the Participant with an additional number of Share Units equal to (i) the per share cash dividend paid by the Company on its Ordinary Shares on such date, multiplied by (ii) the total number of Share

Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 7.1 of the Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the fair market value of an Ordinary Share on the date of payment of such dividend. Any Share Units credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Share Units to which they relate. No crediting of Share Units shall be made pursuant to this Section 5(b) with respect to any Share Units which, as of such record date, have either been paid pursuant to Section 7 or terminated pursuant to Section 3 or Section 8.

6. Restrictions on Transfer. Neither the Award, nor any interest therein or amount or shares payable in respect thereof (until such shares underlying the Award have been issued) may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Company, or (b) transfers by will or the laws of descent and distribution.

7. Timing and Manner of Payment of Share Units. On or as soon as administratively practical following each vesting of the applicable portion of the total Award pursuant to Section 3 hereof or Section 7 of the Plan (and in all events not later than two and one-half months after the applicable vesting date), the Company shall deliver to the Participant a number of whole Ordinary Shares (with any fractional shares rounded down), either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its discretion, equal to the number of Share Units subject to this Award that vest on the applicable vesting date, unless such Share Units terminate prior to the given vesting date pursuant to Section 3 or Section 8. To the extent required to comply with the short-term deferral exception under Section 457A of the Code, in the event the Participant becomes entitled to vest in any Share Units pursuant to an employment or similar agreement with the Company or any Subsidiary that includes provisions permitting performance-based equity awards to remain outstanding and eligible to vest following a qualifying termination of employment that occurs in the calendar year this Award is made, the Company shall deliver a number of Ordinary Shares equal to its best estimate of the number of vested Share Units prior to the end of the calendar year following the year this Award is made. The Company's obligation to deliver Ordinary Shares or otherwise make payment with respect to vested Share Units is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any shares with respect to the vested Share Units deliver to the Company any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any Share Units that are paid or that terminate pursuant to Section 3 or Section 8.

8. Effect of Termination of Employment or Service. Except as provided in Section 3, the Participant's Share Units shall terminate and be forfeited to the extent such units have not become vested prior to the first date the Participant is no longer employed by or in service to the Company or one of its Subsidiaries, regardless of the reason for the termination of the Participant's employment or service with the Company or a Subsidiary, whether voluntarily or involuntarily. If any unvested Share Units are terminated hereunder, such Share Units shall automatically terminate and be forfeited as of the applicable termination date without payment of any consideration by the Company and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

9. Adjustments Upon Specified Events. Upon the occurrence of certain events relating to the Company's shares contemplated by Section 7.1 of the Plan (including, without limitation, an extraordinary cash dividend on such Ordinary Share), the Administrator shall make adjustments in accordance with such section in the number of Share Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which dividend equivalents are credited pursuant to Section 5(b). Each of the performance hurdles referred to in Section 3 shall also be subject to equitable and proportionate adjustment under Section 7.1 of the Plan.

10. Tax Withholding. Subject to Section 8.1 of the Plan, upon any distribution of Ordinary Shares in respect of the Share Units, the Company shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any applicable withholding obligations of the Company or its Subsidiaries with respect to such distribution of shares at any applicable withholding rates. In the event that the Company cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or any other withholding event in respect of the Share Units, the Company (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

11. Notices. Any notice to be given under the terms of this Agreement shall be in writing or any electronic form approved by the General Counsel and addressed to the Company at its principal office to the attention of the General Counsel or to any designee approved by the General Counsel, and to the Participant at the Participant's last address reflected on the Company's records, or at such other address as either party may hereafter properly designate to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of or in service to the Company, shall be deemed to have been duly given by the Company when sent to the last physical or email address reflected on the Company's records.

12. Plan. The Award and all rights of the Participant under this Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Agreement. The Participant acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Agreement. Unless otherwise expressly provided in other sections of this Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

13. Entire Agreement. This Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to

the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

14. Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Share Units, and rights no greater than the right to receive the Ordinary Shares as a general unsecured creditor with respect to Share Units, as and when payable hereunder.

15. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. Section Headings. The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of Bermuda without regard to conflict of law principles thereunder.

18. Section 409A and 457A. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A or 457A of the Code. This Agreement shall be construed and interpreted consistent with that intent. If the Participant is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Participant's "separation from service" (within the meaning of Section 409A of the Code), the Participant shall not be entitled to any payment pursuant to Section 7 until the earlier of (i) the date which is six (6) months after the Participant's separation from service for any reason other than death, or (ii) the date of the Participant's death. The provisions of this Section shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code.

19. Clawback Policy. The Share Units are subject to the terms of the Company's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Share Units or any Ordinary Shares or other cash or property received with respect to the Share Units (including any value received from a disposition of the shares acquired upon payment of the Share Units).

20. No Advice Regarding Grant. The Participant is hereby advised to consult with his or her own tax, legal and/or investment advisors with respect to any advice the Participant may determine is needed or appropriate with respect to the Share Units (including, without limitation, to determine the foreign, state, local, estate and/or gift tax consequences with respect to the Award). Neither the Company nor any of its officers, directors, affiliates or advisors makes any representation (except for the terms and conditions expressly set forth in this Award Agreement)

or recommendation with respect to the Award. Except for the withholding rights set forth in Section 10 above, the Participant is solely responsible for any and all tax liability that may arise with respect to the Award.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Participant has hereunto set his or her hand as of the date and year first above written.

NORWEGIAN CRUISE LINE HOLDINGS LTD., a Bermuda Company	PARTICIPANT
By: _____	_____ <i>Signature</i>
Print Name: _____	
Its: _____	_____ <i>Print Name</i>

[Insert Performance Vesting Terms.]

CERTIFICATION

I, Harry Sommer, certify that:

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

Dated: May 7, 2024

/s/ Harry Sommer

Name: Harry Sommer

Title: President and Chief Executive Officer

CERTIFICATION

I, Mark A. Kempa, certify that:

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

Dated: May 7, 2024

/s/ Mark A. Kempa

Name: Mark A. Kempa

Title: Executive Vice President and Chief Financial Officer

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C.
SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of Harry Sommer, the President and Chief Executive Officer, and Mark A. Kempa, the Executive Vice President and Chief Financial Officer of Norwegian Cruise Line Holdings Ltd. (the "Company"), does hereby certify, that, to such officer's knowledge:

The Quarterly Report on Form 10-Q of the Company, for the quarter ended March 31, 2024 (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2024

By: /s/ Harry Sommer

Name: Harry Sommer

Title: President and Chief Executive Officer

By: /s/ Mark A. Kempa

Name: Mark A. Kempa

Title: Executive Vice President and Chief
Financial Officer
