UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2024

☐ **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 001-35898

LINDBLAD EXPEDITIONS HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**27-4749725**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

96 Morton Street, 9th Floor, New York, New York, 10014
(Address of principal executive offices) (Zip Code)

(212) 261-9000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	LIND	The NASDAQ Stock Market LLC

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, 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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth 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

As of April 29, 2024, 53,533,132 shares of common stock, par value $0.0001 per share, were outstanding.

LINDBLAD EXPEDITIONS HOLDINGS, INC.

Quarterly Report On Form 10-Q
For The Quarter Ended March 31, 2024

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PART 1. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

LINDBLAD EXPEDITIONS HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

	As of March 31, 2024 (unaudited)	As of December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 177,719	$ 156,845
Restricted cash	46,451	30,499
Prepaid expenses and other current assets	62,394	57,158
Total current assets	286,564	244,502
Property and equipment, net	521,630	526,002
Goodwill	42,017	42,017
Intangibles, net	8,960	9,412
Other long-term assets	8,867	9,364
Total assets	$ 868,038	$ 831,297
LIABILITIES		
Current Liabilities:		
Unearned passenger revenues	$ 290,790	$ 252,199
Accounts payable and accrued expenses	64,962	65,055
Long-term debt - current	46	47
Lease liabilities - current	1,757	1,923
Total current liabilities	357,555	319,224
Long-term debt, less current portion	622,676	621,778
Deferred tax liabilities	2,592	2,118
Other long-term liabilities	1,668	1,943
Total liabilities	984,491	945,063
Commitments and contingencies	-	-
Series A redeemable convertible preferred stock, 165,000 shares authorized; 62,000 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	74,649	73,514
Redeemable noncontrolling interests	36,297	37,784
	110,946	111,298
STOCKHOLDERS' DEFICIT		
Preferred stock, $0.0001 par value, 1,000,000 shares authorized; 62,000 Series A shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	-	-
Common stock, $0.0001 par value, 200,000,000 shares authorized; 53,524,606 and 53,390,082 issued, 53,466,674 and 53,332,150 outstanding as of March 31, 2024 and December 31, 2023, respectively	5	5
Additional paid-in capital	99,059	97,139
Accumulated deficit	(326,463)	(322,208)
Total stockholders' deficit	(227,399)	(225,064)
Total liabilities, mezzanine equity and stockholders' deficit	$ 868,038	$ 831,297

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

LINDBLAD EXPEDITIONS HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)
(unaudited)

	For the three months ended March 31, 2024	2023
Tour revenues	$ 153,614	$ 143,395
Operating expenses:		
Cost of tours	79,302	72,050
General and administrative	32,387	26,419
Selling and marketing	22,758	20,652
Depreciation and amortization	11,317	11,808
Total operating expenses	145,764	130,929
Operating income	7,850	12,466
Other (expense) income:		
Interest expense, net	(11,585)	(10,467)
(Loss) gain on foreign currency	(239)	152
Other income	8	170
Total other expense	(11,816)	(10,145)
(Loss) income before income taxes	(3,966)	2,321
Income tax expense	244	1,543
Net (loss) income	(4,210)	778
Net (loss) income attributable to noncontrolling interest	(231)	157
Net (loss) income attributable to Lindblad Expeditions Holdings, Inc.	(3,979)	621
Series A redeemable convertible preferred stock dividend	1,136	1,069
Net loss available to stockholders	$ (5,115)	$ (448)
Weighted average shares outstanding		
Basic	53,372,171	53,128,100
Diluted	53,372,171	53,128,100
Undistributed loss per share available to stockholders:		
Basic	$ (0.10)	$ (0.01)
Diluted	$ (0.10)	$ (0.01)

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

LINDBLAD EXPEDITIONS HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(unaudited)

	For the three months ended March 31,	
	2024	**2023**
Net (loss) income	$ (4,210)	$ 778
Other comprehensive income:		
Total other comprehensive income	-	-
Total comprehensive (loss) income	(4,210)	778
Less: comprehensive (loss) income attributive to non-controlling interest	(231)	157
Comprehensive (loss) income attributable to stockholders	$ (3,979)	$ 621

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

LINDBLAD EXPEDITIONS HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Deficit
(In thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance as of December 31, 2023	**53,390,082**	**$ 5**	**$ 97,139**	**$ (322,208)**	**$ (225,064)**
Stock-based compensation	-	-	2,116	-	2,116
Net activity related to equity compensation plans	134,524	-	(196)	-	(196)
Redeemable noncontrolling interest	-	-	-	860	860
Series A preferred stock dividend	-	-	-	(1,136)	(1,136)
Net loss attributable to Lindblad Expeditions Holdings, Inc.	-	-	-	(3,979)	(3,979)
Balance as of March 31, 2024	**53,524,606**	**$ 5**	**$ 99,059**	**$ (326,463)**	**$ (227,399)**

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance as of December 31, 2022	**53,177,437**	**$ 5**	**$ 83,850**	**$ (266,530)**	**$ (182,675)**
Stock-based compensation	-	-	2,902	-	2,902
Net activity related to equity compensation plans	65,570	-	(11)	-	(11)
Redeemable noncontrolling interest	-	-	-	2,090	2,090
Series A preferred shares dividend	-	-	-	(1,069)	(1,069)
Net income attributable to Lindblad Expeditions Holdings, Inc.	-	-	-	621	621
Balance as of March 31, 2023	**53,243,007**	**$ 5**	**$ 86,741**	**$ (264,888)**	**$ (178,142)**

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

LINDBLAD EXPEDITIONS HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	For the three months ended March 31, 2024	2023
Cash Flows From Operating Activities		
Net (loss) income	$ (4,210)	$ 778
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,317	11,808
Amortization of deferred financing costs and other, net	927	681
Amortization of right-to-use lease assets	417	353
Stock-based compensation	2,116	2,902
Deferred income taxes	474	1,533
Loss (gain) on foreign currency	239	(152)
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	(5,236)	(1,498)
Unearned passenger revenues	38,591	4,532
Other long-term assets	52	(1,041)
Other long-term liabilities	-	(1)
Accounts payable and accrued expenses	(331)	(17,478)
Operating lease liabilities	(440)	(359)
Net cash provided by operating activities	43,916	2,058
Cash Flows From Investing Activities		
Purchases of property and equipment	(6,468)	(6,425)
Sale of securities	-	15,163
Net cash (used in) provided by investing activities	(6,468)	8,738
Cash Flows From Financing Activities		
Repayments of long-term debt	(13)	(5,809)
Payment of deferred financing costs	(17)	(21)
Repurchase under stock-based compensation plans and related tax impacts	(592)	(266)
Net cash used in financing activities	(622)	(6,096)
Net increase in cash, cash equivalents and restricted cash	36,826	4,700
Cash, cash equivalents and restricted cash at beginning of period	187,344	116,024
Cash, cash equivalents and restricted cash at end of period	$ 224,170	$ 120,724
Supplemental disclosures of cash flow information:		
Cash paid during the period:		
Interest	$ 12,320	$ 16,593
Income taxes	91	89
Non-cash investing and financing activities:		
Non-cash preferred stock dividend	1,136	1,069

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

NOTE 1—BUSINESS AND BASIS OF PRESENTATION

Business

Lindblad Expeditions Holdings, Inc.'s and its consolidated subsidiaries' (collectively, the "Company" or "Lindblad") mission is offering life-changing adventures around the world and pioneering innovative ways to allow its guests to connect with exotic and remote places. The Company currently operates a fleet of ten owned expedition ships and six seasonal charter vessels under the Lindblad brand, operates land-based, eco-conscious expeditions and active nature focused tours under the Natural Habitat, Inc. ("Natural Habitat") and Off the Beaten Path, LLC ("Off the Beaten Path") brands, designs handcrafted walking tours under the Classic Journeys, LLC ("Classic Journeys") brand and operates luxury cycling and adventure tours under the DuVine Cycling + Adventure Company ("DuVine") brand.

The Company's common stock is listed on the NASDAQ Capital Market under the symbol "LIND".

The Company operates the following two reportable business segments:

Lindblad Segment. The Lindblad segment primarily provides ship-based expeditions aboard customized, nimble and intimately-scaled vessels that are able to venture where larger cruise ships cannot, thus allowing Lindblad to offer up-close experiences in the planet's wild and remote places and capitals of culture. Each expedition ship is fully equipped with state-of-the-art tools for in-depth exploration and the majority of expeditions involve travel to remote places with limited infrastructure and ports, such as Antarctica and the Arctic, or places that are best accessed by a ship, such as the Galápagos Islands, Alaska, Baja California's Sea of Cortez and Panama, and foster active engagement by guests. The Company has a brand license agreement with National Geographic Partners, LLC ("National Geographic"), which provides for lecturers and National Geographic experts, including photographers, writers, marine biologists, naturalists, field researchers and film crews, to join many of the Company's expeditions.

Land Experiences Segment. The Land Experiences segment includes our four primarily land-based brands, Natural Habitat, DuVine, Off the Beaten Path and Classic Journeys.

- *Natural Habitat* offers over 100 different expedition itineraries in more than 45 countries spanning all seven continents, with eco-conscious expeditions and nature-focused, small-group tours that include polar bear tours in Churchill, Canada, Alaskan grizzly bear adventures, small-group Galápagos Islands tours and African safaris. Natural Habitat has partnered with World Wildlife Fund ("WWF") to offer conservation travel, which is sustainable travel that contributes to the protection of nature and wildlife.

- *Off the Beaten Path* offers active small-group adventures, led by local, experienced guides, with distinct focus on wildlife, hiking national parks and culture. Off the Beaten Path offerings include insider national park experiences in the Rocky Mountains, Desert Southwest, and Alaska, as well as unique trips across Central and South America, Oceania, Europe and Africa.

- *DuVine* offers intimate group cycling and adventure tours around the world with local cycling experts as guides, immersive in local cultural, cuisine and high-quality accommodations. International cycling tours include the exotic Costa Rican rainforests, the rocky coasts of Ireland and the vineyards of Spain while cycling adventures in the United States include cycling beneath the California redwoods, pedaling through Vermont farmland and wine tastings in the world-class vineyards of Napa and Sonoma.

- *Classic Journeys* offers highly curated active small-group and private custom journeys centered around cinematic walks led by expert local guides in over 50 countries around the world. These walking tours are highlighted by expert local guides, luxury boutique accommodations, and handcrafted itineraries that immerse guests into the history and culture of the places they are exploring and the people who live there.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and notes to the unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission (the "SEC") regarding unaudited interim financial information and include the accounts and transactions of the Company. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the Company's financial statements for the periods presented. Operating results for the periods presented are not necessarily indicative of the results of operations to be expected for the full year due to seasonality and other factors. Certain information and note disclosures normally included in the consolidated financial statements in accordance with GAAP have been omitted in accordance with the rules and regulations of the SEC for interim reporting. All intercompany balances and transactions have been eliminated in these unaudited condensed consolidated financial statements. These unaudited condensed consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto for the year ended December 31, 2023 contained in the Company's Annual Report on Form 10-K filed with the SEC on March 6, 2024 (the "2023 Annual Report").

There have been no significant changes to the Company's accounting policies from those disclosed in the 2023 Annual Report.

Recently Adopted Accounting Pronouncements

During November 2023, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07 — Segment Reporting (Topic 280)–Improvements to Reportable Segment Disclosures. The amendments in this ASU are intended to improve and enhance disclosures about reportable segments' significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. The Company adopted this guidance January 1, 2024 for its annual reporting, as required, and for its interim reporting will adopt January 1, 2025, as required. These amendments require the Company to disclose significant segment expenses that are regularly provided to the chief operating decision maker and are included within each reported measure of segment operating results.

Recent Accounting Pronouncements

During December 2023, FASB issued ASU 2023-09 — Income Taxes (Topic 740)—Improvements to Income Tax Disclosures. The amendments in this ASU are intended to enhance the transparency and decision usefulness of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. The Company will adopt this guidance January 1, 2025 for its annual reporting, as required. These amendments will increase the Company's disclosures related to income taxes.

During March 2024, FASB issued ASU 2024-01 — Compensation—Stock Compensation (Topic 718) - Scope Application of Profits Interest and Similar Awards. The amendments in this ASU add illustrative examples to help demonstrate how an entity should apply the scope guidance in paragraph ASU 718-10-15-3 to determine whether profits interest and similar awards should be accounted for in accordance with Topic 718, Compensation—Stock Compensation. ASU 2024-01 is effective for fiscal years beginning after December 15, 2024. The Company will adopt this guidance January 1, 2025, as required, and does not believe it will have a material impact the Company's financial statements.

NOTE 2—EARNINGS PER SHARE

Earnings (loss) per Common Share

Earnings (loss) per common share is computed using the two-class method related to its Series A Redeemable Convertible Preferred Stock, par value of $0.0001 ("Preferred Stock"). Under the two-class method, undistributed earnings available to stockholders for the period are allocated on a pro rata basis to the common stockholders and to the holders of the Preferred Stock based on the weighted average number of common shares outstanding and number of shares that could be issued upon conversion of the Preferred Stock.

Diluted earnings per share is computed using the weighted average number of common shares outstanding and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the dilutive incremental common shares associated with restricted stock awards and shares issuable upon the exercise of stock options, using the treasury stock method, and the potential common shares that could be issued from conversion of the Preferred Stock, using the if-converted method. When a net loss occurs, potential common shares have an anti-dilutive effect on earnings per share and such shares are excluded from the diluted earnings per share calculation.

For the three months ended March 31, 2024 and 2023, the Company incurred net losses available to stockholders, therefore basic and diluted net loss per share are the same in each respective period. For the three months ended March 31, 2024, 0.8 million unvested restricted shares, 2.2 million shares issuable upon exercise of options and 8.1 million common shares issuable upon the conversion of the Preferred Stock were excluded from the calculation of dilutive potential common shares for the period as they were anti-dilutive. For the three months ended March 31, 2023, 0.8 million unvested restricted shares, 1.9 million shares issuable upon exercise of options and 7.6 million common shares issuable upon the conversion of the Preferred Stock were excluded from the calculation of dilutive potential common shares for the period as they were anti-dilutive.

Earnings (loss) per share was calculated as follows:

	For the three months ended March 31,	
	2024	**2023**
	(unaudited)	
(In thousands, except share and per share data)		
Net (loss) income attributable to Lindblad Expeditions Holdings, Inc.	$ (3,979)	$ 621
Series A redeemable convertible preferred stock dividend	1,136	1,069
Undistributed loss available to stockholders	$ (5,115)	$ (448)
Weighted average shares outstanding:		
Total weighted average shares outstanding, basic	53,372,171	53,128,100
Total weighted average shares outstanding, diluted	53,372,171	53,128,100
Undistributed loss per share available to stockholders:		
Basic	$ (0.10)	$ (0.01)
Diluted	$ (0.10)	$ (0.01)

NOTE 3—REVENUES

Customer Deposits and Contract Liabilities

The Company’s guests remit deposits in advance of tour embarkation. Guest deposits consist of guest ticket revenues as well as revenues from the sale of pre- and post-expedition excursions, hotel accommodations, land-based expeditions and certain air transportation. Guest deposits represent unearned revenues and are reported as unearned passenger revenues when received and are subsequently recognized as tour revenue over the duration of the expedition. Contract liabilities represent the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. The Company does not consider guest deposits to be a contract liability until the guest no longer has the right, resulting from the passage of time, to cancel their reservation and receive a full refund. In conjunction with the suspension or rescheduling of expeditions, the Company provided guests an option of either a refund or future travel certificates, which in some instances exceeded the original cash deposit. The value of future travel certificates in excess of cash received is being recognized as a discount to tour revenues at the time the related expedition occurs. Future travel certificates are valued based on the Company’s expectation that a guest will travel again. As of March 31, 2024 and December 31, 2023, the Company has $290.8 million and $252.2 million, related to unearned passenger revenue, respectively.

	Contract Liabilities
(In thousands)	
Balance as of December 31, 2023	$ 93,906
Recognized in tour revenues during the period	(148,810)
Additional contract liabilities in period	175,234
Balance as of March 31, 2024	$ 120,330

The following table disaggregates our tour revenues by the sales channel it was derived from:

	For the three months ended March 31,	
	2024	2023
	(unaudited)	
Guest ticket revenue:		
Direct	63%	59%
Agencies	22%	23%
Affinity	4%	7%
Guest ticket revenue	89%	89%
Other tour revenue	11%	11%
Tour revenues	100%	100%

Under the brand license agreement between the Company and National Geographic, effective January 1, 2024, National Geographic no longer receives commissions on sales bookings through the former National Geographic sales channel as the co-selling arrangement operates as direct sales through the Company's booking system. In the three months ended March 31, 2023, the National Geographic sales channel accounted for 14% of the Company's consolidated guest ticket revenue. In the table above, 2023 guest ticket revenues through the National Geographic sales channel have been classified as direct sales for comparison purposes.

NOTE 4—FINANCIAL STATEMENT DETAILS

The following is a reconciliation of cash, cash equivalents and restricted cash to the statement of cash flows:

	As of March 31,	
	2024	2023
(In thousands)	(unaudited)	
Cash and cash equivalents	$ 177,719	$ 83,984
Restricted cash	46,451	36,740
Total cash, cash equivalents and restricted cash as presented in the statement of cash flows	$ 224,170	$ 120,724

Restricted cash consists of the following:

	As of March 31, 2024	As of December 31, 2023
(In thousands)	(unaudited)	
Credit card processor reserves	$ 12,750	$ 20,250
Federal Maritime Commission and other escrow	32,000	8,958
Certificates of deposit and other restricted securities	1,701	1,291
Total restricted cash	$ 46,451	$ 30,499

Prepaid expenses and other current assets are as follows:

	As of March 31, 2024	As of December 31, 2023
(In thousands)	(unaudited)	
Prepaid tour expenses	$ 31,856	$ 26,123
Other	30,538	31,035
Total prepaid expenses and other current assets	$ 62,394	$ 57,158

Accounts payable and accrued expenses are as follows:

(In thousands)	As of March 31, 2024 (unaudited)	As of December 31, 2023
Accrued other expense	$ 43,918	$ 48,901
Accounts payable	21,044	16,154
Total accounts payable and accrued expenses	$ 64,962	$ 65,055

NOTE 5—LONG-TERM DEBT

	As of March 31, 2024 (unaudited)			As of December 31, 2023		
(In thousands)	Principal	Deferred Financing Costs, net	Balance	Principal	Deferred Financing Costs, net	Balance
6.75% Notes	$ 360,000	$ (6,223)	$ 353,777	$ 360,000	$ (6,771)	$ 353,229
9.00% Notes	275,000	(6,120)	268,880	275,000	(6,481)	268,519
Other	65	-	65	77	-	77
Total long-term debt	635,065	(12,343)	622,722	635,077	(13,252)	621,825
Less current portion	(46)	-	(46)	(47)	-	(47)
Total long-term debt, non-current	$ 635,019	$ (12,343)	$ 622,676	$ 635,030	$ (13,252)	$ 621,778

For the three months ended March 31, 2024 and 2023, $0.9 million and $0.7 million, respectively, of deferred financing costs were charged to interest expense.

6.75% Notes

On February 4, 2022, the Company issued $360.0 million aggregate principal amount of 6.75% senior secured notes due 2027 (the "6.75% Notes") in a private offering. The 6.75% Notes bear interest at a rate of 6.75% per year, payable semiannually in arrears on February 15 and August 15 of each year. The 6.75% Notes will mature on February 15, 2027, subject to earlier repurchase or redemption. The Company used the net proceeds from the offering to prepay in full all outstanding borrowings under its prior credit agreement, including the term facility, Main Street Loan, and revolving credit facility, to pay any related premiums and to terminate in full its prior credit agreement and the commitments thereunder. The 6.75% Notes are senior secured obligations of the Company and are guaranteed on a senior secured basis by the Company and certain of the Company's subsidiaries (collectively, the "Guarantors") and secured by first-priority *pari passu* liens, subject to permitted liens and certain exceptions, on substantially all the assets of the Company and the Guarantors. The 6.75% Notes may be redeemed by the Company, at set redemption prices and premiums, plus accrued and unpaid interest, if any.

Revolving Credit Facility

On February 4, 2022, the Company entered into a senior secured revolving credit facility (the "Revolving Credit Facility"), which provides for an aggregate principal amount of commitments of $45.0 million, maturing February 2027, including a letter of credit sub-facility in an aggregate principal amount of up to $5.0 million. The obligations under the Revolving Credit Facility are guaranteed by the Company and the Guarantors and are secured by first-priority *pari passu* liens, subject to permitted liens and certain exceptions, on substantially all the assets of the Company and the Guarantors. Borrowings under the Revolving Credit Facility, if any, will bear interest at a rate per annum equal to, at the Company's option, an adjusted Secured Overnight Financing Rate ("SOFR") rate plus a spread or a base rate plus a spread. The Company is required to pay a 0.5% quarterly commitment fee on undrawn amounts under the Revolving Credit Facility. As of March 31, 2024, the Company had no borrowings under the Revolving Credit Facility.

9.00% Notes

On May 2, 2023, the Company issued $275.0 million aggregate principal amount of 9.00% senior secured notes due 2028 (the "9.00% Notes") in a private offering. The 9.00% Notes bear interest at a rate of 9.00% per year, payable semiannually in arrears on May 15 and November 15 of each year. The 9.00% Notes will mature on May 15, 2028, subject to earlier repurchase or redemption. The Company used the net proceeds from the offering to prepay in full all outstanding borrowings under its prior senior secured credit agreements, to pay any related premiums and to terminate in full its prior senior secured credit agreements and the commitments thereunder. The 9.00% Notes are senior unsecured obligations of the Company and are guaranteed (i) on a senior secured basis by certain of the Company's subsidiaries (collectively, the "Secured Guarantors") and secured by a first-priority lien, subject to permitted liens and certain exceptions, on the equity and substantially all the assets of the Secured Guarantors, and (ii) on a senior unsecured basis by certain other subsidiaries of the Company. The 9.00% Notes may be redeemed by the Company, at set redemption prices and premiums, plus accrued and unpaid interest, if any.

Other

The Company's DuVine subsidiary has a EUR 0.1 million State Assistance Loan related to the financial consequences of the COVID- 19 pandemic, for the purpose of employment preservation. This loan matures August 2025, with monthly payments, and bears an interest rate of 0.53% annually.

Covenants

The Company's 6.75% Notes, Revolving Credit Facility and 9.00% Notes contain covenants that include, among others, limits on additional indebtedness and make certain dividend payments, distributions, investments and other restricted payments. These covenants are subject to a number of important exceptions and qualifications set forth in the 6.75% Notes, Revolving Credit Facility and 9.00% Notes. The Company was in compliance with its covenants in effect as of March 31, 2024.

NOTE 6—FAIR VALUE MEASUREMENTS

The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses, approximate fair value due to the short-term nature of these instruments. The Company estimates the approximate fair value of its long-term debt as of March 31, 2024 to be $644.2 million based on the terms of the agreements and comparable market data as of March 31, 2024. As of March 31, 2024 and December 31, 2023, the Company had no other significant liabilities that were measured at fair value on a recurring basis.

NOTE 7—STOCKHOLDERS' EQUITY

Stock Repurchase Plan

The Company's Board of Directors approved a stock and warrant repurchase plan ("Repurchase Plan") in November 2015 and increased the Repurchase Plan to $35.0 million in November 2016. The Repurchase Plan authorizes the Company to purchase, from time to time, the Company's outstanding common stock and previously outstanding warrants. Any shares purchased will be retired. The Repurchase Plan has no time deadline and will continue until otherwise modified or terminated at the sole discretion of the Company's Board of Directors. These repurchases exclude shares repurchased to settle statutory employee tax withholding related to the exercise of stock options and vesting of stock awards. The Company has cumulatively repurchased 875,218 shares of common stock for $8.3 million and 6,011,926 warrants for $14.7 million, since plan inception. The remaining balance for the Repurchase Plan was $12.0 million as of March 31, 2024.

Preferred Stock

In August 2020, the Company issued and sold 85,000 shares of Preferred Stock for $1,000 per share for gross proceeds of $85.0 million. The Preferred Stock has senior and preferential ranking to the Company's common stock. The Preferred Stock is entitled to cumulative dividends of 6.00% per annum, and for the first two years the dividends were required to be paid-in-kind. After the second anniversary of the issuance date, the dividends may be paid-in-kind or be paid in cash at the Company's option. During 2024, the Company thus far has continued to pay Preferred Stock dividends in-kind. At any time after the third anniversary of the issuance, the Company may, at its option, convert all, but not less than all, of the Preferred Stock into common stock if the closing price of shares of common stock is at least 150% of the conversion price for 20 out of 30 consecutive trading days. The Preferred Stock is convertible at any time, at the holder's election, into a number of shares of common stock of the Company equal to the quotient obtained by dividing the then-current accrued value by the conversion price of $9.50. The Preferred Stock deferred issuance costs were $2.1 million as of March 31, 2024, recorded as reduction to preferred stock. The Company recorded accrued dividends for Preferred Stock of $1.1 million for each of the three months ended March 31, 2024 and 2023. As of March 31, 2024, the 62,000 shares of Preferred Stock outstanding and accumulated dividends could be converted at the option of the holders into 8.1 million shares of the Company's common stock.

NOTE 8—STOCK BASED COMPENSATION

The Company is authorized to issue up to 4.7 million shares of common stock under the 2021 Long-Term Incentive Plan ("the Plan") which was approved by shareholders in September 2021. As of March 31, 2024, 2.1 million shares were available to be granted under the Plan.

The Company recorded stock-based compensation expense of $2.1 million and $2.8 million for the three months ended March 31, 2024 and 2023, respectively.

Long-Term Incentive Compensation

During the three months ended March 31, 2024, the Company awarded 159,660 restricted stock units ("RSUs") with a weighted average grant price of $9.33. The RSUs will primarily vest equally over three years on the anniversary of the grant date, subject to the recipient's continued employment or service with the Company on the applicable vesting date. The number of shares were determined based upon the closing price of our common stock on the date of the award.

During the three months ended March 31, 2024, the Company awarded 159,564 performance-based restricted share units ("PSUs") with a weighted average grant price of $9.33. The PSUs generally vest three years following the date of grant based on the attainment of performance- or market-based goals, all of which are subject to a service condition. The Company does not deliver the shares associated with the PSUs to the employee, non-employee director or other service providers until the performance and vesting conditions are met.

Options

Stock option information for the three months ended March 31, 2024 is below.

	Stock Option Grants 2024
Number of options awarded	1,300,000
Stock price	$ 8.44
Exercise price	$ 8.44
Dividend yield	0.00%
Expected Volatility	77.2
Risk-free interest rate	4.33%
Expected term (in years)	5.0

As of March 31, 2024 and December 31, 2023, options to purchase an aggregate of 2.2 million and 0.9 million shares of the Company's common stock, respectively, with a weighted average exercise price of $9.28 and $10.55, respectively, were outstanding. As of March 31, 2024, 1,697,434 options were exercisable.

In connection with the 2016 acquisition of Natural Habitat, Mr. Bressler's employment agreement, as amended, provides Mr. Bressler, President of Natural Habitat, with an equity incentive opportunity to earn an award of options based on the future financial performance of Natural Habitat, where if the final year equity value of Natural Habitat, as defined in Mr. Bressler's employment agreement, as amended, exceeds $25.0 million, effective as of December 31, 2025, Mr. Bressler will be granted options with a fair value equal to 10.1% of such excess, subject to certain conditions. The actual number of options granted will be determined by the calculated final year equity value of Natural Habitat and the Black-Scholes per share option value, factoring in the Company's stock price on the date of the grant, its volatility and an appropriate risk-free rate. During the three months ended March 31, 2024, Mr. Bressler exercised a one-time right to elect to receive 50% of such award early, which is calculated based on performance through December 31, 2023. As of result of the early exercise, during the three months ended March 31, 2024, the Company granted 1.3 million options, with an exercise price of $8.44, to Mr. Bressler. The options vested on the grant date and have a term of ten years. During 2023, the Company determined it was probable the performance condition would be met related to this award and recorded all expense related to it. The expense related to the remaining equity incentive opportunity through December 31, 2025 was also deemed probable in 2023 and is being expensed over Mr. Bressler's service period. For the three months ended March 31, 2024, stock-based compensation expense related to this award was $0.6 million.

NOTE 9—INCOME TAXES

As of March 31, 2024 and December 31, 2023, the Company had no unrecognized tax benefits recorded. The Company's effective tax rate for the three months ended March 31, 2024 was an expense of 6.2%, versus an expense of 66.5% for the three months ended March 31, 2023. In 2024, the effective income tax expense differs from the statutory rate primarily due to temporary timing differences related to interest expense, depreciation and stock-based compensation expense. In 2023, the effective income tax expense was impacted by a $ 1.5 million discrete tax expense.

NOTE 10—COMMITMENTS AND CONTINGENCIES

Redeemable Non-Controlling Interest

The Company has controlling interests in its Natural Habitat, Off the Beaten Path, DuVine and Classic Journeys consolidated subsidiaries. The noncontrolling interests are subject to put/call agreements. The put options enable the minority holders, but do not obligate them, to sell the remaining interests to the Company. The Company has call options which enable it, but does not obligate it, to acquire the remaining interests in the subsidiaries, subject to certain dates, expirations and similar redemption value purchase measurements as the put options. See “Subsequent Events” for additional information.

Since the redemption of the noncontrolling interests are not solely in the Company’s control, the Company is required to record the redeemable noncontrolling interest outside of stockholders’ equity but after its total liabilities. In addition, if it is probable that the instrument will become redeemable, solely due to the passage of time, the redeemable noncontrollable interest should be adjusted to the redemption value via one of two measurement methods. The Company elected the income classification-excess adjustment and accretion methods for recognizing changes in the redemption value of the put options. Under this methodology, a calculation of the present value of the redemption value is compared to the carrying value of the redeemable noncontrolling interest, and the carrying value of the redeemable noncontrolling interest is adjusted to the redemption value’s present value. Any adjustments to the carrying value of the redeemable noncontrolling interest, up to the redemption value of the noncontrolling interest, are classified to retained earnings. Adjustments in excess of the redemption value of the noncontrolling interest are treated as a decrease to net income available to common stockholders.

The redemption value of the put options were determined using a discounted cash flow model. The redemption values were adjusted to their present value using the Company’s weighted average cost of capital.

The following is a rollforward of redeemable non-controlling interest:

	For the three months ended March 31, 2024	2023
(In thousands)	(unaudited)	
Beginning balance	$ 37,784	$ 27,886
Net (loss) income attributable to noncontrolling interest	(231)	157
Redemption value adjustment of put option	(860)	(2,090)
Distribution	(396)	(255)
Ending balance	$ 36,297	$ 25,698

Brand License Agreement – National Geographic

The Company is party to a brand license agreement with National Geographic, effective January 1, 2024, which includes a co-selling and co-marketing arrangement through which National Geographic promotes the Company’s offerings in its marketing campaigns across web-based, email, print and other marketing platforms and distributes the Company’s expeditions through the Disney Signature Experiences platform and also allows the Company to use the National Geographic name and logo. In return for these rights, the Company is charged a royalty fee, which is included within selling and marketing expense. The fee is calculated based upon a percentage of substantially all ticket revenues, less travel agent commission, including the revenues received from cancellation fees and any revenues received from the sale of pre- and post-expedition extensions. Beginning in 2026, the agreement has minimum royalties that increase annually through the end of the agreement term, which based on current performance are expected to be exceeded. During 2023, the Company operated under its former alliance and license agreement with National Geographic, where National Geographic sold the Company’s expeditions through its internal travel division in return for a commission fee and also allowed the Company to use the National Geographic name and logo in return for a royalty fee. Both the commission and royalty fees were recorded within selling and marketing expense.

Charter Commitments

From time to time, the Company enters into agreements to charter vessels onto which it holds its tours and expeditions. Future minimum payments on its charter agreements as of March 31, 2024 are as follows:

For the years ended December 31,		**Amount**
(In thousands)		
2024 (nine months)	$	7,592
2025		18,618
Total	$	26,210

NOTE 11—SEGMENT INFORMATION

The Company is primarily a specialty cruise and experiential travel operator with operations in two reportable segments, Lindblad and Land Experiences. The Company evaluates the performance of the business based largely on the results of its operating segments. The chief operating decision maker and management review operating results monthly and base operating decisions on the total results at a consolidated level, as well as at a segment level. The reports provided to the Board of Directors are at a consolidated level and contain information regarding the separate results of both segments.

The Company evaluates the performance of its business segments based largely on tour revenues and operating income without allocating other income and expenses, net, income taxes and interest expense, net. Operating results for the Company's reportable segments were as follows:

	For the three months ended March 31,			
	2024		**2023**	
(In thousands)	(unaudited)			
Tour revenues:				
Lindblad	$	118,303	$	115,498
Land Experiences		35,311		27,897
Total tour revenues	$	153,614	$	143,395
Operating income:				
Lindblad	$	7,783	$	12,118
Land Experiences		67		348
Total operating income	$	7,850	$	12,466

For the three months ended March 31, 2024 and 2023, there was $2.8 million and $2.5 million, respectively, of intercompany tour revenues between the Lindblad and Land Experiences reportable segments, which were eliminated in consolidation.

Depreciation and amortization are included in segment operating income as shown below:

	For the three months ended March 31,			
	2024		**2023**	
(In thousands)	(unaudited)			
Depreciation and amortization:				
Lindblad	$	10,482	$	11,152
Land Experiences		835		656
Total depreciation and amortization	$	11,317	$	11,808

The following table presents our total assets, intangibles, net and goodwill by segment:

(In thousands)		As of March 31, 2024 (unaudited)		As of December 31, 2023
Total Assets:				
Lindblad	$	686,355	$	675,432
Land Experiences		181,683		155,865
Total assets	$	868,038	$	831,297
Intangibles, net:				
Lindblad	$	1,571	$	1,592
Land Experiences		7,389		7,820
Total intangibles, net	$	8,960	$	9,412
Goodwill:				
Lindblad	$	-	$	-
Land Experiences		42,017		42,017
Total goodwill	$	42,017	$	42,017

NOTE 12—SUBSEQUENT EVENTS

During April 2024, Mr. Bressler exercised a portion of the put option on Natural Habitat, allowing the Company to acquire an additional 9.95% of Natural Habitat for $15.2 million, increasing its ownership to 90.1%.

During April 2024, the Company exercised a portion of its call option on DuVine, acquiring an additional 5% of the business and increasing its total ownership of DuVine to 75%, for $1.5 million.

During April 2024, the Company announced an agreement for the acquisition of Wineland-Thomson Adventures, Inc, an adventure travel group that primarily operates Tanzania safaris, camp and tours. The aggregate purchase price for Wineland-Thompson Adventures, which includes one U.S.-based company and four Tanzanian-based companies, will be approximately $30 million and will be financed through at least $24 million in cash and Lindblad stock of up to $6 million, with the final cash and stock amounts to be determined prior to the close of the transaction. The purchase price for the Tanzanian-based companies is approximately $11.2 million. The Company expects to complete the acquisition following required Tanzanian regulatory review and approval.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and analysis addresses material changes in the financial condition and results of operations of the Company for the periods presented. This discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q ("Form 10-Q"), as well as the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 6, 2024 (the "2023 Annual Report"). Unless the context otherwise requires, in this Form 10-Q, "Company," "Lindblad," "we," "us," "our," and "ours" refer to Lindblad Expeditions Holdings, Inc., and its subsidiaries.

Cautionary Note Regarding Forward-Looking Statements

Any statements in this Form 10-Q about our expectations, beliefs, plans, objectives, prospects, financial condition, assumptions or future events or performance are not historical facts and are "forward-looking statements" as that term is defined under the federal securities laws. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "should," "intend," "plan," "will," "expects," "estimates," "projects," "positioned," "strategy," "outlook" and similar words. You should read the statements that contain these types of words carefully. Such forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what is expressed or implied in such forward-looking statements. There may be events in the future that we are not able to predict accurately or over which we have no control. Potential risks and uncertainties include, but are not limited to:

- adverse general economic factors, such as fluctuating or increasing levels of interest rates, inflation, unemployment and perceptions of these and similar conditions that decrease the level of disposable income of consumers or consumer confidence that negatively impact the ability or desire of people to travel;
- suspended operations, cancelling or rescheduling of voyages and other potential disruptions to our business and operations related to the COVID-19 virus or other health pandemic, the civil unrest in Ecuador, the Israel-Hamas war, the Russia-Ukraine conflict, political unrest, terrorism, war or another unexpected event in destinations we visit;
- events and conditions around the world, including war and other military actions, such as the civil unrest in Ecuador, the Israel-Hamas war, the current conflict between Russia and Ukraine, inflation, higher fuel prices, higher interest rates and other general concerns about the state of the economy or other events impacting the ability or desire of people to travel;
- increases in fuel prices, changes in fuels consumed and availability of fuel supply in the geographies in which we operate or in general;
- the loss of key employees, our inability to recruit or retain qualified shoreside and shipboard employees and increased labor costs;
- the impact of delays or cost overruns with respect to anticipated or unanticipated drydock, maintenance, modifications or other required construction related to any of our vessels;
- unscheduled disruptions in our business due to civil unrest, travel restrictions, weather events, mechanical failures, pandemics or other events;
- changes adversely affecting the business in which we are engaged;
- management of our growth and our ability to execute on our planned growth, including our ability to successfully integrate acquisitions;
- our business strategy and plans;
- our ability to maintain our relationships with National Geographic and/or World Wildlife Fund;
- compliance with new and existing laws and regulations, including environmental regulations and travel advisories and restrictions;

- our substantial indebtedness and our ability to remain in compliance with the financial and/or operating covenants in such arrangements;
- the impact of severe or unusual weather conditions, including climate change, on our business;
- adverse publicity regarding the travel and cruise industry in general;
- loss of business due to competition;
- the inability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them;
- the result of future financing efforts;
- our common stock ranks junior to our Series A Convertible Preferred Stock with respect to dividends and amounts payable in the event of our liquidation, dissolution or winding-up of our affairs; and
- those risks discussed herein and in Item 1A. Risk Factors in our 2023 Annual Report.

We urge you not to place undue reliance on these forward-looking statements, which speak only as of the date of this Form 10-Q. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or uncertainties after the date hereof or to reflect the occurrence of unanticipated events.

Business Overview

We provide expedition cruising and land-based adventure travel fostering a spirit of exploration and discovery, using itineraries featuring up-close encounters with wildlife and nature, history and culture and promote guest empowerment, human connections and interactivity. Our mission is to offer life-changing adventures around the world and pioneer innovative ways to allow our guests to connect with exotic and remote places.

We currently operate a fleet of ten owned expedition ships and operate six seasonal charter vessels under the Lindblad Expeditions, LLC. ("Lindblad") brand. Each expedition ship is fully equipped with state-of-the-art tools for in-depth exploration and the majority of our expeditions involve travel to remote places, such as voyages to Alaska, the Arctic, Antarctic, the Galápagos Islands, Baja's Sea of Cortez, the South Pacific, Costa Rica and Panama. We have a longstanding relationship with the National Geographic Society dating back to 2004, which is based on a shared interest in exploration, research, technology and conservation. This relationship, which was recently expanded and extended in November 2023 to the end of 2040 through a Brand License Agreement with National Geographic Partners, LLC ("National Geographic"), includes a co-selling, co-marketing and global branding arrangement whereby National Geographic promotes our offerings in its marketing campaigns across web-based, email, print and other marketing platforms and distributes our expeditions through the Disney Signature Experiences platform and our owned vessels carry the National Geographic name. We collaborate with National Geographic on voyage planning to enhance the guest experience by having National Geographic experts, including photographers, writers, marine biologists, naturalists, field researchers and film crews, join our expeditions. Guests have the ability to interact with these experts through lectures, excursions, dining and other experiences throughout their voyage.

We operate land-based nature adventure travel expeditions around the globe, with unique itineraries designed to offer intimate encounters with nature and the planet's wild destinations and the animals and people who live there.

Natural Habitat, Inc. ("Natural Habitat") provides eco-conscious expeditions and nature-focused, small-group experiences that include polar bear tours in Churchill, Canada, Alaskan grizzly bear adventures, small-group Galápagos Islands tours and African safaris. Natural Habitat has partnered with World Wildlife Fund ("WWF") to offer conservation travel, which is sustainable travel that contributes to the protection of nature and wildlife.

Off the Beaten Path, LLC ("Off the Beaten Path") provides small group travel, led by local, experienced guides, with distinct focus on wildlife, hiking national parks and culture. Off the Beaten Path offerings include insider national park experiences in the Rocky Mountains, Desert Southwest, and Alaska, as well as unique trips across Central and South America, Oceania, Europe and Africa.

DuVine Cycling + Adventure Company ("DuVine") provides intimate cycling adventures and travel experiences, led by expert guides, with a focus on connecting with local character and culture, including high-quality local cuisine and accommodations. International cycling tours include the exotic Costa Rican rainforests, the rocky coasts of Ireland and the vineyards of Spain, while cycling adventures in the United States include cycling beneath the California redwoods, pedaling through Vermont farmland and wine tastings in the world-class vineyards of Napa and Sonoma.

Classic Journeys, LLC ("Classic Journeys") offers highly curated active small-group and private custom journeys centered around cinematic walks led by expert local guides in over 50 countries around the world. These walking tours are highlighted by luxury boutique accommodations, and handcrafted itineraries that immerse guests into the history and culture of the places they are exploring and the people who live there.

We operate two segments consisting of (i) the Lindblad segment, which consists of the operations of our Lindblad brand, and (ii) the Land Experiences segment, consisting of our Natural Habitat, DuVine, Off the Beaten Path and Classic Journeys brands.

2024 Highlights

During the first quarter we provided immersive expeditions to our guests across all of our ships including voyages to Antarctica, Patagonia, South Georgia and the Falkland Islands, Baja California's Sea of Cortez, the Galápagos Islands, Central America, Australia, New Zealand, the South Pacific and elsewhere.

During April 2024, we increased our ownership of Natural Habitat to 90.1% for $15.2 million, as Mr. Bressler exercised a portion of his put option, and we exercised a portion of our call option on DuVine, increasing our ownership to 75% for $1.5 million.

During April 2024, we announced an agreement for the acquisition of Wineland-Thomson Adventures, Inc, an adventure travel company that primarily operates Tanzania safaris, camp and tours, for approximately $30.0 million in cash and Lindblad stock. We expect to complete the acquisition following required Tanzanian regulatory review and approval, which is expected to take at least three months.

We have substantial advanced reservations for future travel with bookings for the full year 2024 4% ahead of the bookings for 2024 at the same point in 2023 and over 20% ahead excluding carryover bookings in 2023.

The discussion and analysis of our results of operations and financial condition are organized as follows :

- a description of certain line items and operational and financial metrics we utilize to assist us in managing our business;
- results and a comparable discussion of our consolidated and segment results of operations;
- a discussion of our liquidity and capital resources, including future capital and contractual commitments and potential funding sources; and
- a review of our critical accounting policies.

Financial Presentation

Description of Certain Line Items

Tour revenues

Tour revenues consist of the following:

- Guest ticket revenues recognized from the sale of guest tickets; and
- Other tour revenues from the sale of pre- or post-expedition excursions, hotel accommodations, air transportation to and from the ships and excursions, goods and services rendered onboard that are not included in guest ticket prices, trip insurance, and cancellation fees.

Cost of tours

Cost of tours includes the following:

- Direct costs associated with revenues, including cost of pre- or post-expedition excursions, hotel accommodations, and land-based expeditions, air and other transportation expenses, and cost of goods and services rendered onboard;
- Payroll costs and related expenses for shipboard and expedition personnel;
- Food costs for guests and crew, including complimentary food and beverage amenities for guests;

- Fuel costs and related costs of delivery, storage and safe disposal of waste; and
- Other tour expenses, such as land costs, port costs, repairs and maintenance, equipment expense, drydock, ship insurance, and charter hire costs.

Selling and marketing

Selling and marketing expenses include commissions, royalties and a broad range of advertising and promotional expenses.

General and administrative

General and administrative expenses include the cost of shoreside vessel support, reservations and other administrative functions, including salaries and related benefits, credit card commissions, professional fees and rent.

Operational and Financial Metrics

We use a variety of operational and financial metrics, including non-GAAP financial measures, such as Adjusted EBITDA, Net Yields, Occupancy and Net Cruise Costs, to enable us to analyze our performance and financial condition. We utilize these financial measures to manage our business on a day-to-day basis and believe that they are the most relevant measures of performance. Some of these measures are commonly used in the cruise and tourism industry to evaluate performance. We believe these non-GAAP measures provide expanded insight to assess revenue and cost performance, in addition to the standard GAAP-based financial measures. There are no specific rules or regulations for determining non-GAAP measures, and as such, they may not be comparable to measures used by other companies within the industry.

The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. You should read this discussion and analysis of our financial condition and results of operations together with the condensed consolidated financial statements and the related notes thereto also included within.

Adjusted EBITDA is net income (loss) excluding depreciation and amortization, net interest expense, other income (expense), income tax (expense) benefit, (gain) loss on foreign currency, (gain) loss on transfer of assets, reorganization costs, and other supplemental adjustments. Other supplemental adjustments include certain non-operating items such as stock-based compensation, executive severance costs, the National Geographic fee amortization, debt refinancing costs, acquisition-related expenses and other non-recurring charges. We believe Adjusted EBITDA, when considered along with other performance measures, is a useful measure as it reflects certain operating drivers of the business, such as sales growth, operating costs, selling and administrative expense, and other operating income and expense. We believe Adjusted EBITDA helps provide a more complete understanding of the underlying operating results and trends and an enhanced overall understanding of our financial performance and prospects for the future. Adjusted EBITDA is not intended to be a measure of liquidity or cash flows from operations or a measure comparable to net income as it does not take into account certain requirements, such as unearned passenger revenues, capital expenditures and related depreciation, principal and interest payments, and tax payments. Our use of Adjusted EBITDA may not be comparable to other companies within the industry.

The following metrics apply to our Lindblad segment:

Adjusted Net Cruise Cost represents Net Cruise Cost adjusted for non-GAAP other supplemental adjustments which include certain non-operating items such as stock-based compensation, the National Geographic fee amortization, and acquisition-related expenses.

Available Guest Nights is a measurement of capacity and represents double occupancy per cabin (except single occupancy for a single capacity cabin) multiplied by the number of cruise days for the period. We also record the number of guest nights available on our limited land programs in this definition.

Gross Cruise Cost represents the sum of cost of tours plus, selling and marketing expenses, and general and administrative expenses.

Gross Yield per Available Guest Night represents tour revenues less insurance proceeds divided by Available Guest Nights.

Guest Nights Sold represents the number of guests carried for the period multiplied by the number of nights sailed within the period.

Maximum Guests is a measure of capacity and represents the maximum number of guests in a period and is based on double occupancy per cabin (except single occupancy for a single capacity cabin).

Net Cruise Cost represents Gross Cruise Cost excluding commissions and certain other direct costs of guest ticket revenues and other tour revenues.

Net Cruise Cost Excluding Fuel represents Net Cruise Cost excluding fuel costs.

Net Yield represents tour revenues less insurance proceeds, commissions and direct costs of other tour revenues.

Net Yield per Available Guest Night represents Net Yield divided by Available Guest Nights.

Number of Guests represents the number of guests that travel with us in a period.

Occupancy is calculated by dividing Guest Nights Sold by Available Guest Nights.

Voyages represent the number of ship expeditions completed during the period.

Foreign Currency Translation

The U.S. dollar is the functional currency in our foreign operations and re-measurement adjustments and gains or losses resulting from foreign currency transactions are recorded as foreign exchange gains or losses in the condensed consolidated statements of operations.

Seasonality

Traditionally, our Lindblad brand tour revenues are mildly seasonal, historically larger in the first and third quarters. The seasonality of our operating results fluctuates due primarily to our vessels being taken out of service for scheduled maintenance or drydocking, which is typically during nonpeak demand periods, in the second and fourth quarters. Our drydock schedules are subject to cost and timing differences from year-to-year due to the availability of shipyards for certain work, drydock locations based on ship itineraries, operating conditions experienced especially in the polar regions and the applicable regulations of class societies in the maritime industry, which require periodically more extensive reviews. Drydocking impacts operating results by reducing tour revenues and increasing cost of tours. Our Natural Habitat, Off the Beaten Path, DuVine and Classic Journeys brands are seasonal businesses, with the majority of Natural Habitat's tour revenue recorded in the third and fourth quarters from its summer season departures and polar bear tours, while the majority of Off the Beaten Path, DuVine and Classic Journeys' revenues recorded during the second and third quarters from their spring and summer season departures.

Results of Operations — Consolidated

Our consolidated results for the three months ended March 31, 2024 and 2023 are set forth below. Percentages that are not meaningful to the change are noted as NM in the table.

	For the three months ended March 31,			
(In thousands)	**2024**	**2023**	**Change**	**%**
Tour revenues	$ 153,614	$ 143,395	$ 10,219	7%
Cost of tours	79,302	72,050	7,252	10%
General and administrative	32,387	26,419	5,968	23%
Selling and marketing	22,758	20,652	2,106	10%
Depreciation and amortization	11,317	11,808	(491)	(4)%
Operating income	$ 7,850	$ 12,466	$ (4,616)	(37)%
Net (loss) income	$ (4,210)	$ 778	$ (4,988)	NM
Undistributed loss per share available to stockholders:				
Basic	$ (0.10)	$ (0.01)	$ (0.09)	
Diluted	$ (0.10)	$ (0.01)	$ (0.09)	

Comparison of the Three Months Ended March 31, 2024 and 2023 — Consolidated

Tour Revenues

Tour revenues for the three months ended March 31, 2024 increased $10.2 million, or 7%, to $153.6 million, compared to $143.4 million for the three months ended March 31, 2023. The Lindblad segment tour revenues increased by $2.8 million, or 2%, and the Land Experiences segment increased $7.4 million, or 27%, primarily due to operating additional trips, higher pricing and increased other revenue.

Cost of Tours

Total cost of tours for the three months ended March 31, 2024 increased $7.3 million, or 10%, to $79.3 million, compared to $72.0 million for the three months ended March 31, 2023. The Lindblad segment cost of tours increased by $1.6 million, or 3%, and the Land Experiences segment increased $5.7 million, or 38%, primarily due to operating additional trips, higher costs, increased fuel pricing and higher expenses associated with increased other revenue.

General and Administrative

General and administrative expenses for the three months ended March 31, 2024 increased $6.0 million, or 23%, to $32.4 million, compared to $26.4 million for the three months ended March 31, 2023. At the Lindblad segment, general and administrative expenses increased $4.0 million, or 21%, from the prior year period, primarily due to higher personnel costs, increased information technology costs following the launch of our digital infrastructure and higher credit card commissions due to the strong booking environment. At the Land Experiences segment, general and administrative expenses increased $2.0 million, or 26%, primarily due to increased personnel costs related to operating additional trips and higher credit card commissions due to the strong booking environment.

Selling and Marketing

Selling and marketing expenses for the three months ended March 31, 2024 increased $2.1 million, or 10%, to $22.8 million, compared to $20.7 million for the three months ended March 31, 2023. At the Lindblad segment, selling and marketing expenses increased $2.3 million, or 14%, primarily due to higher royalties associated with the new National Geographic agreement. At the Land Experiences segment, selling and marketing expenses decreased $0.2 million, or 5%.

Depreciation and Amortization

Depreciation and amortization expenses for the three months ended March 31, 2024 decreased $0.5 million, or 4%, to $11.3 million, compared to $11.8 million for the three months ended March 31, 2023.

Other Income (Expense)

Other expense for the three months ended March 31, 2024, increased $1.7 million to $11.8 million from $10.1 million for the three months ended March 31, 2023, due primarily to a $1.1 million increase in interest expense, due to increased borrowings and higher interest rates related to our high yield offering in May 2023.

Results of Operations — Segments

Selected information for our reportable segments is below. The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

	For the three months ended March 31,			
(In thousands)	2024	2023	Change	%
Tour revenues:				
Lindblad	$ 118,303	$ 115,498	$ 2,805	2%
Land Experiences	35,311	27,897	7,414	27%
Total tour revenues	$ 153,614	$ 143,395	$ 10,219	7%
Operating income:				
Lindblad	$ 7,783	$ 12,118	$ (4,335)	(36)%
Land Experiences	67	348	(281)	(81)%
Total operating income	$ 7,850	$ 12,466	$ (4,616)	(37)%
Adjusted EBITDA:				
Lindblad	$ 20,472	$ 26,083	$ (5,611)	(22)%
Land Experiences	1,134	1,103	31	3%
Total adjusted EBITDA	$ 21,606	$ 27,186	$ (5,580)	(21)%

Guest Metrics — Lindblad Segment

The following table sets forth our Available Guest Nights, Guest Nights Sold, Occupancy, Maximum Guests, Number of Guests and Voyages:

	For the three months ended March 31,	
	2024	2023
Available Guest Nights	85,954	83,184
Guest Nights Sold	64,963	67,057
Occupancy	76%	81%
Maximum Guests	9,714	8,990
Number of Guests	7,508	7,354
Voyages	122	113

The following table shows the calculations of Gross and Net Yield. Gross Yield is calculated by dividing Tour Revenues by Available Guest Nights and Net Yield is calculated by dividing Net Revenue by Available Guest Nights:

Calculation of Gross and Net Yield per Available Guest Night	For the three months ended March 31,	
(In thousands, except for Available Guest Nights, Gross and Net Yield per Available Guest Night)	2024	2023
Guest ticket revenues	$ 103,017	$ 102,614
Other tour revenue	15,286	12,884
Tour Revenues	**118,303**	**115,498**
Less: Commissions	(5,374)	(7,816)
Less: Other tour expenses	(8,152)	(7,458)
Net Yield	$ **104,777**	$ **100,224**
Available Guest Nights	85,954	83,184
Gross Yield per Available Guest Night	$ 1,376	$ 1,388
Net Yield per Available Guest Night	1,219	1,205

The following table reconciles operating income to our Net Yield Guest Metric for the Lindblad Segment:

(In thousands)	For the three months ended March 31, 2024	2023
Operating income	$ 7,783	$ 12,118
Cost of tours	58,682	57,095
General and administrative	22,466	18,566
Selling and marketing	18,890	16,567
Depreciation and amortization	10,482	11,152
Less: Commissions	(5,374)	(7,816)
Less: Other tour expenses	(8,152)	(7,458)
Net Yield	**$ 104,777**	**$ 100,224**

The following table shows the calculations of Gross and Net Cruise Costs:

Calculation of Gross and Net Cruise Cost (In thousands, except for Available Guest Nights, Gross and Net Cruise Cost per Avail. Guest Night)	For the three months ended March 31, 2024	2023
Cost of tours	$ 58,682	$ 57,095
Plus: Selling and marketing	18,890	16,567
Plus: General and administrative	22,466	18,566
Gross Cruise Cost	**100,038**	**92,228**
Less: Commissions	(5,374)	(7,816)
Less: Other tour expenses	(8,152)	(7,458)
Net Cruise Cost	**86,512**	**76,954**
Less: Fuel Expense	(8,751)	(8,351)
Net Cruise Cost Excluding Fuel	**77,761**	**68,603**
Non-GAAP Adjustments:		
Stock-based compensation	(2,116)	(2,803)
Other	(91)	(10)
Adjusted Net Cruise Cost Excluding Fuel	**$ 75,554**	**$ 65,790**
Adjusted Net Cruise Cost	**$ 84,305**	**$ 74,141**
Available Guest Nights	85,954	83,184
Gross Cruise Cost per Available Guest Night	$ 1,164	$ 1,109
Net Cruise Cost per Available Guest Night	1,006	925
Net Cruise Cost Excluding Fuel per Available Guest Night	905	825
Adjusted Net Cruise Cost Excluding Fuel per Available Guest Night	879	791
Adjusted Net Cruise Cost per Available Guest Night	981	891

Comparison of the Three Months Ended March 31, 2024 and 2023 at the Lindblad Segment

Tour Revenues

Tour revenues for the three months ended March 31, 2024 increased $2.8 million, or 2%, to $118.3 million, compared to $115.5 million for the three months ended March 31, 2023. The increase was primarily driven by other revenue.

Operating Income

Operating income of $7.8 million for the three months ended March 31, 2024 decreased $4.3 million compared to a $12.1 million for the three months ended March 31, 2023, as the increase in tour revenues was more than offset by higher operating expenses. Operating expenses included higher cost of tours, primarily due to increased fuel pricing and land costs, as well as expenses associated with the other revenue, higher sales and marketing costs, primarily due to increased royalties associated with the new National Geographic agreement and higher general and administrative costs, primarily due to increased personnel costs, increased information technology costs following the launch of our digital infrastructure and higher credit card commissions due to the revenue and bookings growth.

Comparison of Three Months Ended March 31, 2024 and 2023 at the Land Experiences Segment

Tour Revenues

Tour revenues for the three months ended March 31, 2024 increased $7.4 million, or 27%, to $35.3 million compared to $27.9 million for the three months ended March 31, 2023 primarily as a result of operating additional trips during the first quarter 2024 and higher pricing.

Operating Income

Operating income of $0.1 million for the three months ended March 31, 2024 decreased $0.2 million compared to a $0.3 million for the three months ended March 31, 2023, as the increase in tour revenue was more than offset by higher operating and personnel costs related to operating additional departures, higher marketing spend to drive future growth and the impact of foreign currency on operating expenses.

Adjusted EBITDA — Consolidated

The following table outlines the reconciliation of net income (loss) to consolidated Adjusted EBITDA. The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Reconciliation of Net (Loss) Income to Adjusted EBITDA Consolidated

Consolidated	**For the three months ended March 31,**	
(In thousands)	**2024**	**2023**
Net (loss) income	$ (4,210)	$ 778
Interest expense, net	11,585	10,467
Income tax expense	244	1,543
Depreciation and amortization	11,317	11,808
(Gain) loss on foreign currency	239	(152)
Other expense (income)	(8)	(170)
Stock-based compensation	2,116	2,902
Other	323	10
Adjusted EBITDA	$ 21,606	$ 27,186

The following tables outline the reconciliation for each reportable segment from operating income to Adjusted EBITDA.

Reconciliation of Operating Income to Adjusted EBITDA Lindblad Segment

Lindblad Segment	**For the three months ended March 31,**	
(In thousands)	**2024**	**2023**
Operating income	$ 7,783	$ 12,118
Depreciation and amortization	10,482	11,152
Stock-based compensation	2,116	2,803
Other	91	10
Adjusted EBITDA	$ 20,472	$ 26,083

Land Experiences Segment	**For the three months ended March 31,**	
(In thousands)	**2024**	**2023**
Operating income	$ 67	$ 348
Depreciation and amortization	835	656
Stock-based compensation	-	99
Other	232	-
Adjusted EBITDA	$ 1,134	$ 1,103

Liquidity and Capital Resources

As of March 31, 2024, the Company had $177.7 million in unrestricted cash and cash equivalents and $46.5 million in restricted cash primarily related to deposits on future travel originating from U.S. ports and credit card reserves.

As of March 31, 2024, we had $635.1 million in long-term debt obligations, including the current portion of long-term debt. We believe that our cash on hand and expected future operating cash inflows will be sufficient to fund operations, debt service requirements and necessary capital expenditures for at least the next 12 months.

Sources and Uses of Cash for the Three Months Ended March 31, 2024 and 2023

Net cash provided by operating activities was $43.9 million for the three months ended March 31, 2024 compared to $2.1 million for the same period in 2023. The $41.8 million increase is primarily due to increased cash received from guests for future travel.

Net cash used in investing activities was $6.5 million for the three months ended March 31, 2024 compared to $8.7 million in cash provided by investing activities during the same period in 2023. 2024 primarily included capital expenditures on our vessels and our digital transformation initiatives, while 2023 primarily included divesting of marketable securities, partially offset by capital expenditures on our vessels and our digital transformation initiatives.

Net cash used in financing activities was $0.6 million for the three months ended March 31, 2024 compared to $6.1 million for the same period in 2023. 2024 primarily included income tax withholdings for stock-based compensation, while 2023 primarily included principal payments on our prior export credit agreements.

Funding Sources

Debt Facilities

6.75% Notes

On February 4, 2022, we issued $360.0 million aggregate principal amount of 6.75% senior secured notes due 2027 (the “6.75% Notes”) in a private offering. The 6.75% Notes bear interest at a rate of 6.75% per year and is payable semiannually in arrears on February 15 and August 15 of each year. The 6.75% Notes will mature on February 15, 2027, subject to earlier repurchase or redemption. We used the net proceeds from the offering to prepay in full all outstanding borrowings under our prior credit agreement, including the term facility, Main Street Loan, and revolving credit facility, to pay any related premiums and to terminate in full our prior credit agreement and the commitments thereunder. The 6.75% Notes are senior secured obligations and are guaranteed on a senior secured basis by us and certain of our subsidiaries (collectively, the “Guarantors”) and secured by first-priority *pari passu* liens, subject to permitted liens and certain exceptions, on substantially all of our and the Guarantors’ assets. We may redeem the 6.75% Notes at set redemption prices and premiums, plus accrued and unpaid interest, if any.

Revolving Credit Facility

On February 4, 2022, we entered into a senior secured revolving credit facility (the “Revolving Credit Facility”), which provides for an aggregate principal amount of commitments of $45.0 million, maturing February 2027, including a letter of credit sub-facility in an aggregate principal amount of up to $5.0 million. The obligations under the Revolving Credit Facility are guaranteed by us and the Guarantors and are secured by first-priority *pari passu* liens, subject to permitted liens and certain exceptions, on substantially all the assets of the Company and the Guarantors. Borrowings under the Revolving Credit Facility, if any, will bear interest at a rate per annum equal to, at our option, an adjusted SOFR rate plus a spread or a base rate plus a spread. As of March 31, 2024, we had no borrowings under the Revolving Credit Facility.

9.00% Notes

On May 2, 2023, we issued $275.0 million aggregate principal amount of 9.00% senior secured notes due 2028 (the “9.00% Notes”) in a private offering. The 9.00% Notes bear interest at a rate of 9.00% per year and is payable semiannually in arrears on May 15 and November 15 of each year. The 9.00% Notes will mature on May 15, 2028, subject to earlier repurchase or redemption. The net proceeds from the offering were used to prepay in full all outstanding borrowings under our prior senior secured credit agreements, to pay any related premiums and to terminate in full the prior senior secured credit agreements and the commitments thereunder. The 9.00% Notes are senior unsecured obligations and are guaranteed (i) on a senior secured basis by certain of our subsidiaries (collectively, the “Secured Guarantors”) and secured by a first-priority lien, subject to permitted liens and certain exceptions, on the equity and substantially all the assets of the Secured Guarantors, and (ii) on a senior unsecured basis by certain of our other subsidiaries. We may redeem the 9.00% Notes at set redemption prices and premiums, plus accrued and unpaid interest, if any.

Other

Our DuVine subsidiary has a EUR 0.1 million State Assistance Loan related to the financial consequences of the COVID-19 pandemic, for the purpose of employment preservation. This loan matures August 2025, with monthly payments, and bears an annual interest rate of 0.53%.

Covenants

The 6.75% Notes, Revolving Credit Facility and 9.00% Notes contain covenants that, among other things, restrict our ability and the ability of our restricted subsidiaries to incur certain additional indebtedness and make certain dividend payments, distributions, investments and other restricted payments. These covenants are subject to a number of important exceptions and qualifications set forth in the 6.75% Notes, Revolving Credit Facility and 9.00% Notes. As of March 31, 2024, we were in compliance with the covenants currently in effect.

Equity

Preferred Stock

In August 2020, we issued and sold 85,000 shares of Series A Redeemable Convertible Preferred Stock, par value of $0.0001, ("Preferred Stock") for $1,000 per share for gross proceeds of $85.0 million. As of March 31, 2024, 62,000 shares of Preferred Stock were outstanding. The Preferred Stock has senior and preferential ranking to our common stock. The Preferred Stock is entitled to cumulative dividends of 6.00% per annum, and for the first two years, the dividends were required to be paid-in-kind. After the second anniversary of the issuance date, the dividends may be paid-in-kind or be paid in cash at our option. During 2024, we thus far have continued to pay Preferred Stock dividends in-kind. At any time after the third anniversary of the issuance, we may, at our option, convert all, but not less than all, of the Preferred Stock into common stock if the closing price of shares of common stock is at least 150% of the conversion price for 20 out of 30 consecutive trading days. The Preferred Stock is convertible at any time, at the holder's election, into a number of shares of our common stock equal to the quotient obtained by dividing the then-current accrued value by the conversion price of $9.50. At the six-year anniversary of the closing date, each investor has the right to request that we repurchase their Preferred Stock, and any Preferred Stock not requested to be repurchased shall be converted into our common shares equal to the quotient obtained by dividing the then-current accrued value by the conversion price. As of March 31, 2024, the outstanding Preferred Stock and accumulated dividends could be converted, at the option of the holders, into approximately 8.1 million shares of our common stock.

Funding Needs

We generally rely on a combination of cash flows provided by operations and the incurrence of additional debt to fund obligations. A vast majority of guest ticket receipts are collected in advance of the applicable expedition date. These advance passenger receipts remain a current liability until the expedition date, and the cash generated from these advance receipts is used interchangeably with cash on hand from other cash from operations. The cash received as advanced receipts can be used to fund operating expenses for the applicable future expeditions or otherwise, pay down debt, make long-term investments or any other use of cash. Traditionally we run a working capital deficit due primarily to a large balance of unearned passenger revenues. As of March 31, 2024, we had a working capital deficit of $71.0 million, and as of December 31, 2023, we had a working capital deficit of $74.7 million.

Critical Accounting Policies

Our preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. For a detailed discussion of our Critical Accounting Policies, please see our 2023 Annual Report, where we have discussed those policies and estimates that we believe are critical and require the use of complex judgment in their application. There have been no significant changes to our accounting policies from those disclosed in the 2023 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We may be exposed to a market risk for interest rates related to our revolving credit facility. As of March 31, 2024, no amounts were outstanding under the revolving credit facility. There have otherwise been no other material changes in our exposure to market risks from the information set forth in the "Quantitative and Qualitative Disclosures About Market Risk" sections contained in our 2023 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") were effective as of March 31, 2024 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART 2. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is involved in various claims, legal actions and regulatory proceedings arising from time to time in the ordinary course of business. We have protection and indemnity insurance that would be expected to cover any damages.

ITEM 1A. RISK FACTORS

We operate in a rapidly changing environment that involves a number of risks that could materially affect our business, financial condition or future results, some of which are beyond our control. The risks and uncertainties that we believe are most important for you to consider are discussed under the heading "Risk Factors" in the 2023 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales by the Company of Unregistered Securities

There were no unregistered sales of equity securities during the quarter ended March 31, 2024.

Stock Repurchase Plan

Our Board of Directors approved a stock and warrant repurchase plan ("Repurchase Plan") in November 2015 and increased the Repurchase Plan to $35.0 million in November 2016. The Repurchase Plan authorizes us to purchase from time to time our outstanding common stock and our previously outstanding warrants. Any shares and warrants purchased will be retired. The Repurchase Plan has no time deadline and will continue until otherwise modified or terminated at the sole discretion of our Board of Directors. These repurchases exclude shares repurchased to settle statutory employee tax withholding related to the exercise of stock options and vesting of stock awards. We have cumulatively repurchased 875,218 shares of common stock for $8.3 million and 6,011,926 warrants for $14.7 million, since plan inception. All repurchases were made using cash resources. The balance for the Repurchase Plan was $12.0 million as of March 31, 2024.

Repurchases of Securities

The following table represents information with respect to shares of common stock withheld from vesting's of stock-based compensation awards for employee income tax withholding for the periods indicated:

Period	Total number of shares purchased	Average price paid per share	Dollar value of shares purchased as part of publicly announced plans or programs	Maximum dollar value of warrants and shares that may be purchased under approved plans or programs
January 1 through January 31, 2024	20,880	$ 9.27	$ -	$ 11,974,787
February 1 through February 29, 2024	308	9.10	-	11,974,787
March 1 through March 31, 2024	56,374	9.33	-	11,974,787
Total	77,562		$ -	

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three months ended March 31, 2024, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Number	Description	Included	Form	Filing Date
31.1	Certification of Chief Executive Officer of Lindblad Expeditions Holdings, Inc. pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.	Herewith		
31.2	Certification of Chief Financial Officer of Lindblad Expeditions Holdings, Inc. pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.	Herewith		
32.1	Certification of Chief Executive Officer of Lindblad Expeditions Holdings, Inc. pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Herewith		
32.2	Certification of Chief Financial Officer of Lindblad Expeditions Holdings, Inc. pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Herewith		
101.INS	Inline XBRL Instance Document (the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)	Herewith		
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Herewith		
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Herewith		
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Herewith		
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Herewith		
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Herewith		
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

SIGNATURE

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, on May 1, 2024.

LINDBLAD EXPEDITIONS HOLDINGS, INC.
(Registrant)

By /s/ Sven Lindblad
Sven Lindblad
Chief Executive Officer
(Principal Executive Officer)

By /s/ Craig Felenstein
Craig Felenstein
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

Certification

I, Sven Lindblad, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lindblad Expeditions Holdings, Inc. (the "Registrant");

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 identified 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; and

   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.

Date: May 1, 2024

/s/ Sven Lindblad
Sven Lindblad
Chief Executive Officer

Exhibit 31.2

Certification

I, Craig I. Felenstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lindblad Expeditions Holdings, Inc. (the "Registrant");

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 identified 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; and

    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.

Date: May 1, 2024

/s/ Craig I. Felenstein
Craig I. Felenstein
Chief Financial Officer

Exhibit 32.1

Certification of CEO Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2024 of Lindblad Expeditions Holdings, Inc., a Delaware corporation (the "Company"), as filed with the Securities and Exchange commission on the date hereof (the "Report"), I, Sven Lindblad, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2024

/s/ Sven Lindblad
Sven Lindblad
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**Certification of CFO Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2024 of Lindblad Expeditions Holdings, Inc., a Delaware corporation (the “Company”), as filed with the Securities and Exchange commission on the date hereof (the “Report”), I, Craig I. Felenstein, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2024

/s/ Craig I. Felenstein
Craig I. Felenstein
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.