



**Q4 2022**  
**Earnings Presentation**  
1 March 2023



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# Q4 2022 Business Update



# Hurtigruten Group saw continued improvement in financial performance in Q4 with a significant increase in booking momentum

## Q4 Operational Update



- Hurtigruten Norway had 57% occupancy in the quarter and continued the trend of strong yield development achieving a gross yield which was 41% higher than Q4 2019.
- The environmental upgrades to the fleet progressed further in Q4 and are running on schedule.



- Hurtigruten Expeditions saw the full resumption of operations, but still some operational challenges due to the last covid restrictions which was lifted in January 23
- Good yield development, but headwinds from cost inflation and the strong dollar.



- Hurtigruten Destinations continued good development in Hurtigruten Destinations in a quarter which is considered low season on Svalbard
- Strong development in future bookings

## Q4 Financial Update



- Total revenue in the fourth quarter of 2022 was EUR 135 million for Hurtigruten Group, which was an increase of **80%** compared to Q4 2021 driven by the return to operations of the entire Hurtigruten Group fleet and a strong growth in the gross yield of 32% vs Q4 2021 and 44% vs Q4 2019.
- Normalized adjusted EBITDA in the fourth quarter of 2022 of EUR 0.5 million with operational cash flow for Hurtigruten Group in the fourth quarter being negative EUR 5.9 million
- Cruise operating costs were higher than expected in Q4 driven by i) passenger cost related to flight disruptions ii) continued high marine gas oil prices and iii) strong USD vs. EUR which influenced predominantly dollar-based cost base in Hurtigruten Expeditions. Direct costs were also impacted by the higher price of long-haul flights to South America. We see cost levels are coming down in Q1 and also the reversal of the strong dollar vs. EUR rate

## Bookings Development

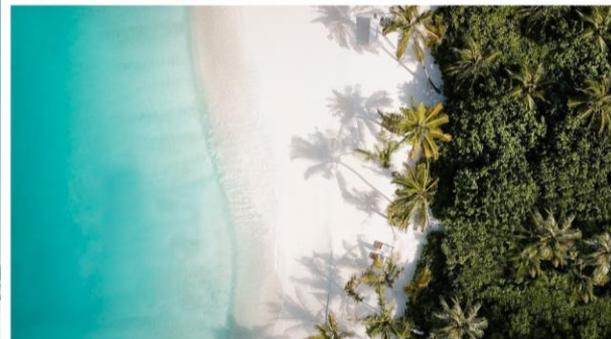


- The first quarter of 2023 sees a good traction and as of 27<sup>th</sup> February, the Q1 bookings are at EUR 132 million which is 9% higher compared to the same period three years ago (Q1 2020 -pre-Covid-19) and 88% higher compared to the booked revenue achieved in the first quarter of 2022
- Over the last 30 days we have achieved FY23 net new bookings of EUR 57 million which is 185% higher than the same period last year for 2022



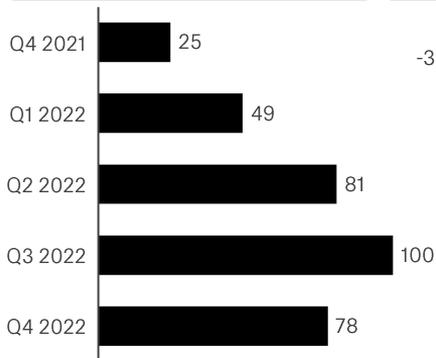
## Get ready to explore

- The category king of expedition cruises, taking adventure travellers to unique and inspirational destinations off the beaten path. Currently offering sailings to 40+ countries, from Antarctica and Greenland to Galapagos and Cape Verde
- Operates 7 expedition vessels, three of which are battery-powered hybrid-electric cruise vessels

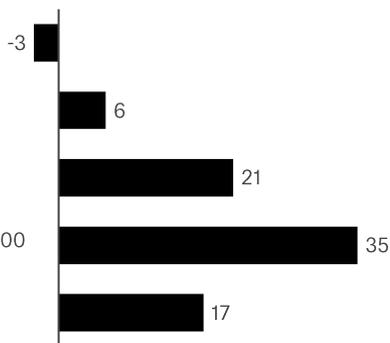


# Hurtigruten Expeditions - Strong revenue and yield growth compared to same period last year

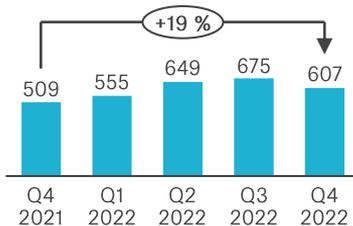
**Normalized Operational Revenues<sup>1</sup> (EURm)**



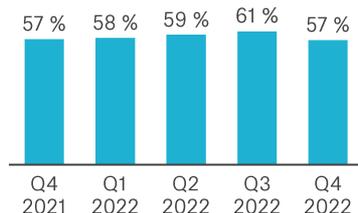
**Normalized Vessel Contribution before SG&A<sup>1</sup> (EURm)**



**Reported gross ticket yield (EUR/PCN)<sup>2</sup>**



**Occupancy<sup>3</sup> (%)**



- MS Fram, MS Fridtjof Nansen and MS Roald Amundsen all returned to Antarctica in the middle of October. MS Otto Sverdrup and MS Maud continued sailing on the Norwegian Coast. MS Santa Cruz II continued her voyages in the Galapagos
- Q4 2022 occupancy levels of 57% with a gross ticket yield increase of 19 % compared to same period last year
- Slight reduction in occupancy and yield for Q4 2022 compared to Q3 2022 explained by October which is partly a repositioning month for the three ships performing Antarctica sailings.
- Overall financial performance in the fourth quarter compared to fourth quarter 2021, is reflecting the full resumption of operations since the Covid outbreak



1) Normalized numbers have been adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. No normalizations were included for the period Q1 2020 - Q4 2021.

Overview of normalization items can be found in the appendix.

2) Gross ticket yield is calculated as (total operational revenues – contractual revenue – goods revenue) / total passenger cruise nights.

3) Occupancy is calculated as PCN/ APCN. APCN is calculated based on capacity available for sale in the period including reductions due to Covid-19 restrictions. Covid-19 restrictions vary based on ship specification and sailing destination.



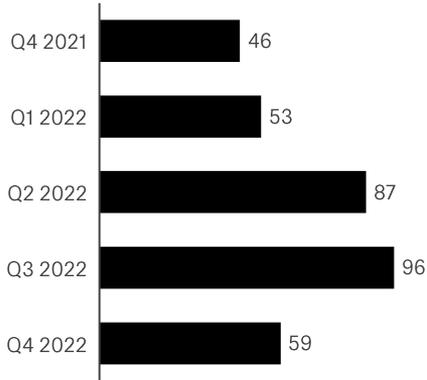
## The Original since 1893

- 8 vessels sailing north and south along the scenic Norwegian coast, allowing travelers to experience the pristine Norwegian nature and culture in a comfortable and responsible manner
- Take part in a voyage that also serves local communities along the Norwegian coast, transporting goods and passengers between 34 ports from 60° to 71° North.

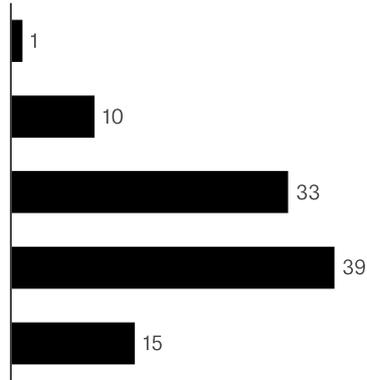


# Hurtigruten Norway - Continued strong yield development in Q4 2022

## Normalized Operational Revenues<sup>1</sup> (EURm)



## Normalized Vessel Contribution before SG&A<sup>1</sup> (EURm)

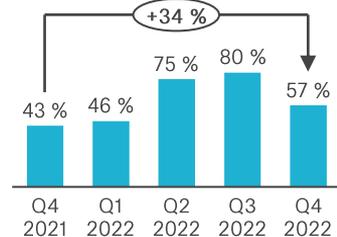


- All ships in operation with an occupancy of 57% which is higher than Q4 2021
- Continued strong yield achieved in Q4 2022 of EUR 312 per cruise night compared to EUR 223 per cruise night in pre-covid 19 period Q4 2019
- Cost levels in Q4 influenced by high oil prices and general price increase
- During 2022, HRN initiated its environmental ship upgrade program to cut CO2 and NOX emissions. Three ships finished their upgrades in 2022, the next ships due to finish are MS Kong Harald and MS Polarlys in March 2023

## Reported gross ticket yield (EUR/PCN)<sup>2</sup>



## Occupancy<sup>3</sup> (%)



1) Normalized numbers have been adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. No normalizations were included for the period Q1 2020 - Q4 2021. Overview of normalization items can be found in the appendix.

2) Gross ticket yield is calculated as (total operational revenues – contractual revenue – goods revenue) / total passenger cruise nights.

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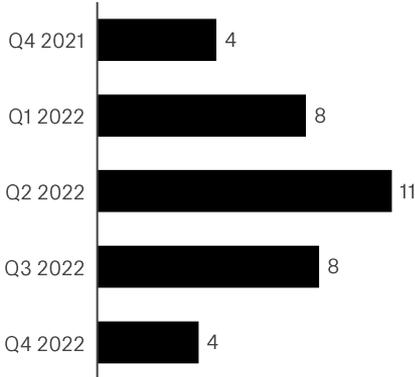
## The adventure starts here

- With three year-round hotels and a broad excursion offering, Hurtigruten Destinations is the **unchallenged destination owner in the Svalbard archipelago**
- The archipelago has been developed from remote mining destinations into a top-tier adventure destination, and has experienced **stable yield and occupancy growth** over the past 20 years



# Hurtigruten Destinations - Continued positive development with Q4 being a low season on Svalbard

Normalized Revenues<sup>1</sup> (EURm)

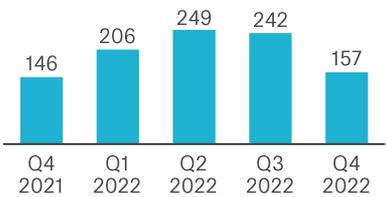


Normalized Contribution before SG&A<sup>1</sup> (EURm)

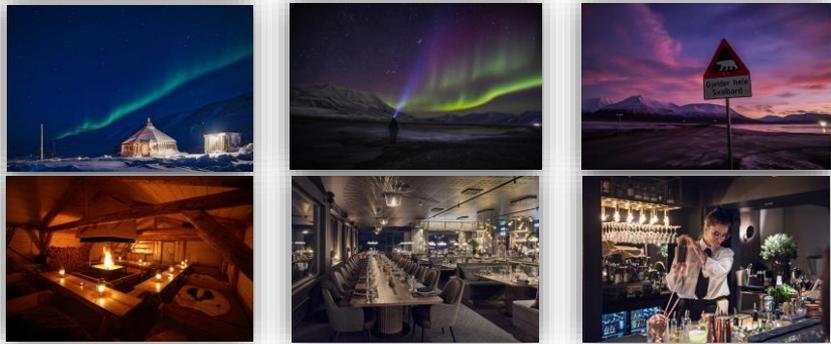
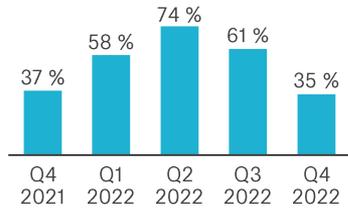


- Q4 is considered a low season on Svalbard and the key focus has been on keeping costs down and at the same time prepare for the main season in 2023 from February to September
- Radisson and Funken Lodge open for guests during the quarter, while other competitors close their hotels.
- Less flights during the dark-season results in less tourists in Longyearbyen in the period from October-January.
- Positive booking momentum for 2023

Reported Revenue per Room night (EUR/RN)<sup>2</sup>



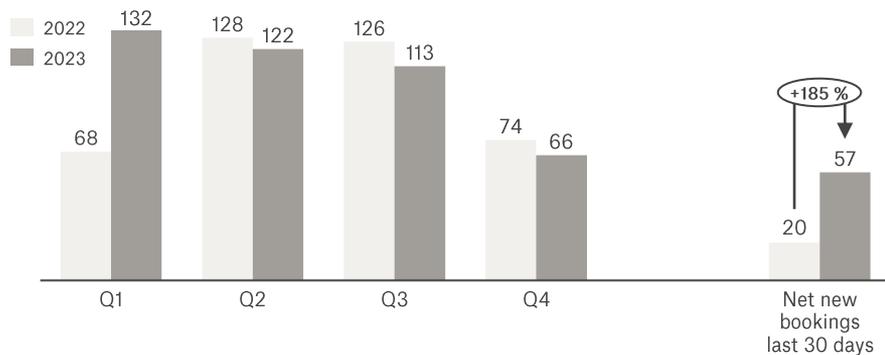
Occupancy (%)



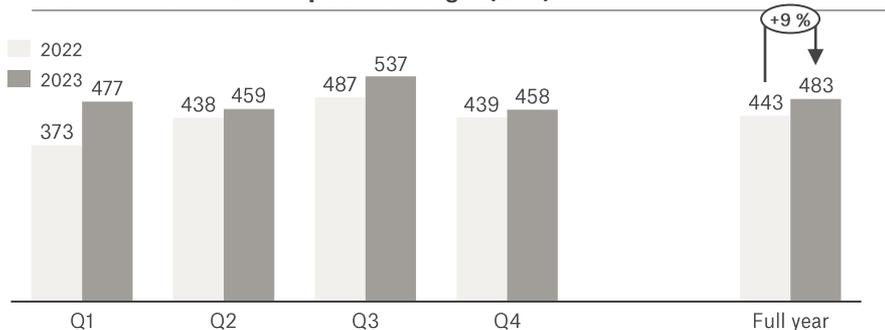
1) Normalized numbers have been adjusted for cost and revenue items which are deemed extraordinary, exceptional, unusual or non-recurring. Overview of normalization items can be found in the appendix.  
 2) Reported revenue per room night is calculated as total room revenue/total room nights for Radisson and Funken.

# Pre booking levels are in a good position driven by shortened booking horizons with a good development in booking momentum

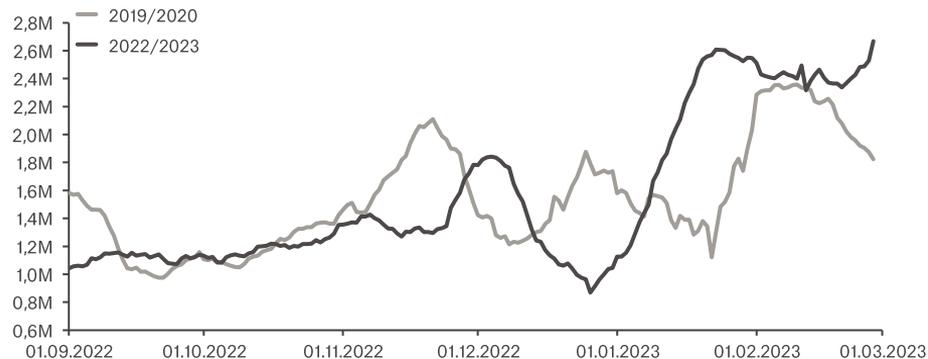
Gross revenue (EURm)



Gross Commercial Yield per cruise night (EUR)\*



Average rolling 14-day daily new sales 2019/2020 vs. 2022/2023 (EURm)

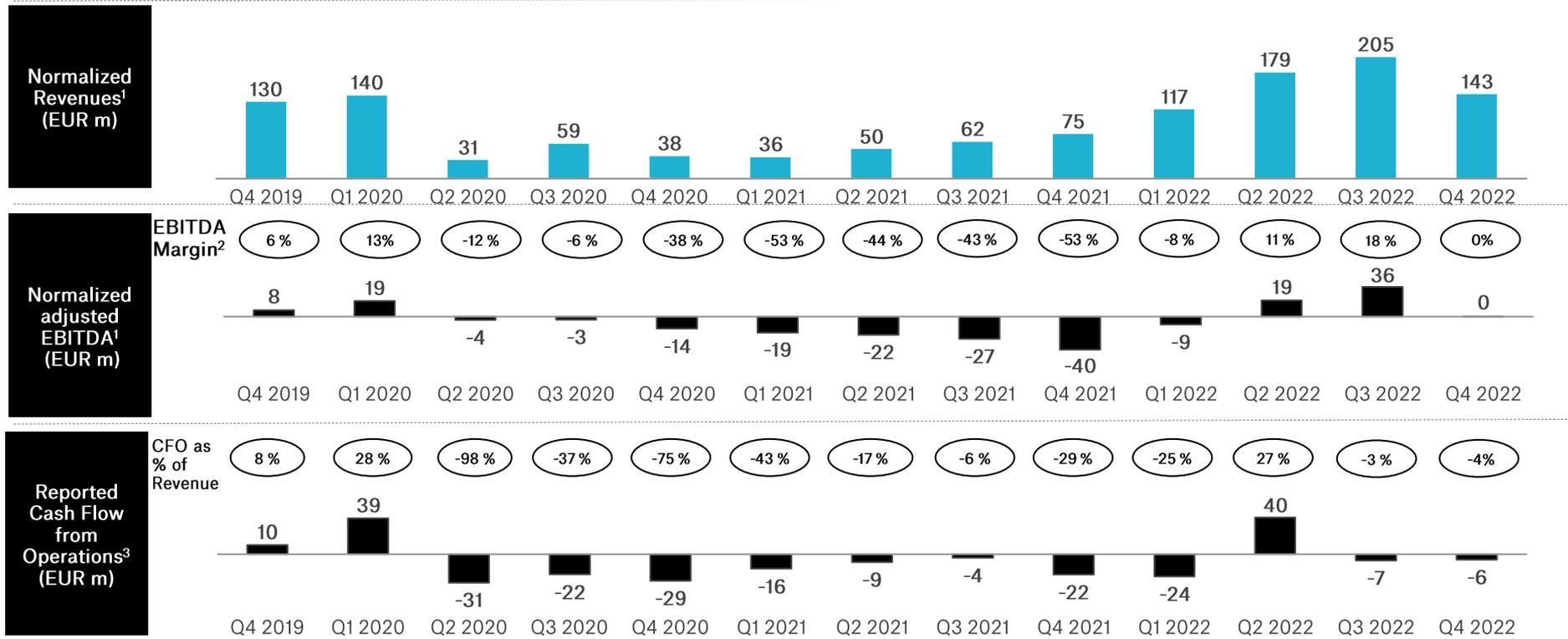


- As of 27<sup>th</sup> of February, bookings for 2023 are at EUR 432 million. Q1 2023 has bookings as of 27<sup>th</sup> of February of EUR 132 million which is 88% higher than same time last year
- Significant uptick in Average rolling 14 days bookings 2023 driven by very good sales momentum in January and February
- We see a strong development in yield across all destinations, departure times and business units, which is in line with the Company's yield expectations for 2023 and with the strategy of driving yield rather than chasing short term occupancy

# Q4 2022 Financial Update



# Positive revenue growth with return to full operations and a strong rebound in financial performance is expected over the next 12 months



Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis as of quarter end 31.12.2022. Numbers may not add to annuals due to rounding.

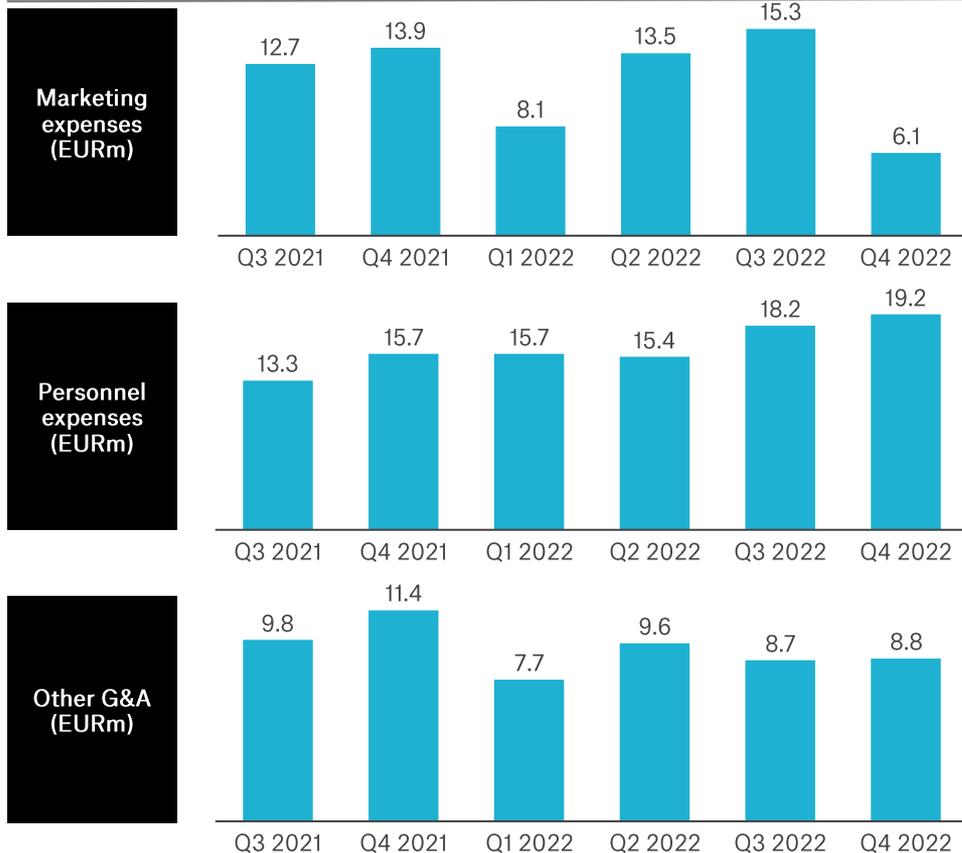
1) Normalized numbers have been adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. No normalizations were included for the period Q1 2020 - Q4 2021.

2) Calculated as Normalized adjusted EBITDA / Normalized Revenues

3) Reported cash flow from operations for periods prior to Q1 2022 has been adjusted to not include changes in restricted funds related to travel guarantees which prior to Q1 2022 was reported as operating cash flow.

# Normalised SG&A expenses development Q3 2021 through Q4 2022 – Quarterly SG&A to be in the range of EUR 35-40m pending on campaign activities

## SG&A



## Commentary

- Total SG&A in 2022 ran at an average of approximately EUR 40 million per quarter as the reorganization of the business and establishment of HQ2 in London to drive the future growth in the business
- SG&A has increased compared to pre-pandemic levels driven by i) increase long term growth in B2C ii) strategic investments in growth markets like the US iii) investment in digital inhouse development resources improving both digital B2C and B2B capabilities which is expensed rather than capitalized iv) increased marketing spend to drive brand awareness v) Organizational split in to Hurtigruten Norway and Hurtigruten Expeditions
- We expect the SG&A cost base stabilize into FY23 with several cost saving measures already being implemented
- We expect run rate SG&A to be in the range of EUR 35-40 million per quarter pending on the level of marketing funds spent in the quarter
- We have initiated a group wide cost efficiency program to drive down costs and increase the efficiency throughout the organization

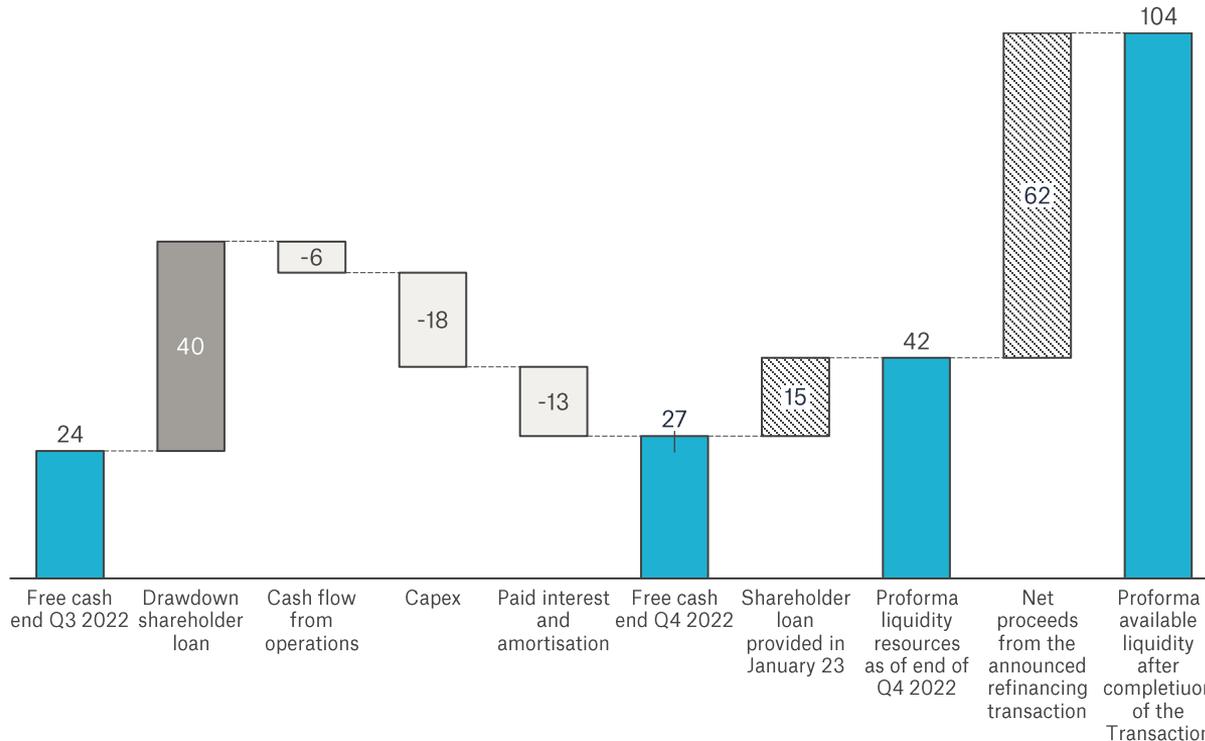
Note: SG&A has been normalised through run rate cost

# Proforma liquidity resources of approx. EUR 104 million post the transaction

Change in free liquidity (excl. restricted cash) – Q3 2022 to Q4 2022

Commentary

EURm

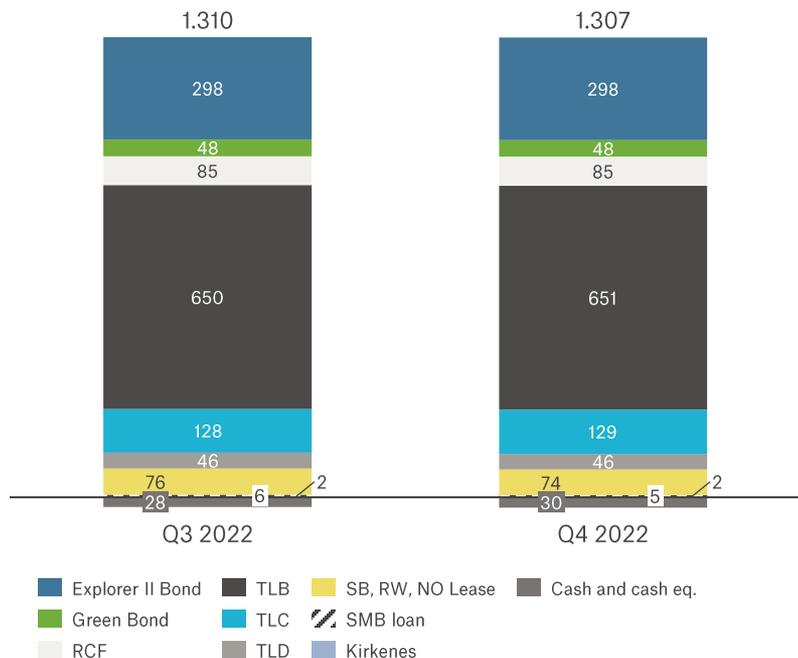


- As of end of Q4 2022 Hurtigruten Group had EUR 27 million of available liquidity and proforma available liquidity of approximately EUR 104 million including the net proceeds from the Transaction announced on the 21<sup>st</sup> of February
- The Company targets maintaining reasonable liquidity headroom at any point in time to the EUR 15 million minimum liquidity covenant under the senior secured listed bond.
- Net Capex amounted to EUR 18 million (Gross EUR 29 million) in the quarter mainly related to the upgrade program to the HRN fleet and scheduled dockings
- Due to timing of interest payments and capex, and the operational cash cycle, liquidity is typically expected to be lowest during Q1 of any given financial year with working capital low point in end of Q3

# Net debt as of Q4 2022 at EUR 1.3 billion

## - Refinancing of the June 23 maturities secured

NIBD (EURm)<sup>1</sup>



Overview of the interest-bearing debt<sup>2</sup>

Instrument	RCF	TLB	TLC	TLD	Senior secured bond	Green Bond	MS RW & Nordlys S&LB	MS Spitsbergen S&LB
Issuer/Lessee	HRG AS	HRG AS	HRG AS	HRG AS	Explorer II AS	HRG AS	MS Richard With AS and MS Nordlys AS	Explorer I AS
Ranking	1 <sup>st</sup> lien Senior Secured	Senior Unsecured	n.a.	n.a.				
Outstanding amount	EUR 85m	EUR 655m	EUR 130m	EUR 46.5m	EUR 300m	EUR 50m	EUR 22m per ship	EUR 38m
Maturity	Feb 2024	Feb 2025	Jun 2023	Jun 2023	Feb 2025	Feb 2025	Jan 2030	Jun 2028
Interest	Floating	Floating	Floating	Floating	Fixed	Fixed	Fixed	Fixed
Amortization	Revolving	Bullet	Bullet	Bullet	15m S/A starting Aug 23	Bullet	Monthly charter hire	Monthly charter hire

Note: All numbers presented are book value and based on Hurtigruten Group AS on a consolidated basis.

1) Excluding IFRS 16 debt of EUR 68 million at the end of Q3 2022 and EUR 67 million in Q4 2022, and EUR 170 million subordinated Shareholder Loan issued in Q3'21 (EUR 75 million), Q3'22 (EUR 55 million) and Q4'22 (EUR 40 million). Cash and cash eq. includes restricted cash of EUR 4 million in Q3 2022 and EUR 3 million Q4 2022.

2) As of 31 December Hurtigruten Group had guarantees and letter of credit capacity of EUR 135 million (of which EUR 8 million undrawn), including EUR 93 million of letter of credit facilities provided by banks which are credit supported by the ultimate shareholders of HRG. Guarantees and letter of credit issued are mainly in connection to travel guarantee schemes.

# Transaction Overview: RCF/TLB Key Economic Terms

## Heads of Terms

		RCF Terms <sup>1</sup>	TLB Terms
Shareholder Contribution		<ul style="list-style-type: none"> <li>€115m Day 1 shareholder injection</li> <li>Includes subordination or equitisation of €60m existing shareholder loans at Hurtigruten Investments AS and any other shareholder funding provided from 14 November 2022 to the transaction completion date</li> </ul>	
Maturity		<ul style="list-style-type: none"> <li>2 year extension to Feb-2026</li> </ul>	<ul style="list-style-type: none"> <li>2 year extension to Feb-2027</li> </ul>
Margin	Cash Uplift	<ul style="list-style-type: none"> <li>Day 1 uplift to E+625bps</li> </ul>	<ul style="list-style-type: none"> <li>Day 1 uplift to E+650bps</li> </ul>
	Step-up / Step-down	<ul style="list-style-type: none"> <li>100bps step-up to E+725bps from Nov-24</li> <li>100bps step-up to E+825bps from Nov-25</li> </ul>	<ul style="list-style-type: none"> <li>100bps step-up to E+750bps from Nov-24</li> <li>100bps step-up to E+850bps from Nov-25</li> </ul>
	Leverage Ratchet	<ul style="list-style-type: none"> <li>Existing leverage ratchet to be removed</li> </ul>	
Upfront Fee		<ul style="list-style-type: none"> <li>50bps lock-up fee, plus 50bps early bird fee (together 100bps representing €0.85m total)</li> <li>Payable in cash</li> </ul>	<ul style="list-style-type: none"> <li>50bps lock-up fee, plus 50bps early bird fee (together 100bps representing €6.5m total)</li> <li>Payable in cash</li> </ul>
Amortisation		<ul style="list-style-type: none"> <li>No amortisation</li> </ul>	
Revised Financial Covenants	Liquidity	<ul style="list-style-type: none"> <li>€25m minimum liquidity covenant for the benefit of all SFA lenders</li> </ul>	
	Net Leverage	<ul style="list-style-type: none"> <li>From Q1 2025: 6.85x fixed net leverage covenant</li> <li>1:1 EBITDA equity cure</li> </ul>	

1) If unanimous consent of RCF lender not received, RCF will be converted into a TLB instrument and receive the same terms as TLB.

# Q4 2022 Summary



# Q4 2022 Summary - Positive normalised adjusted EBITDA driven by strong growth in gross yield and with a significant increase in booking momentum

- 1) Revenue for the Q4 2022 period was EUR 135.5 million, which was an increase of 80% compared to Q4 2021 even with MS Kong Harald and MS Nordkapp being in dock to receive hybridization upgrades and MS Spitsbergen being in Warm layup during the fourth quarter due to covid restrictions in Dakar
- 2) Hurtigruten Group had an average occupancy of 57% compared to 41% in Q4 2021 this highlights significant organic growth potential for the Hurtigruten Group. Occupancy in Hurtigruten Expeditions was still influenced by the covid-19 testing regimes at embarkation and travel disruptions in South America experienced in the quarter. The last elements of the covid-19 testing regimes in Hurtigruten Expeditions was removed in Q1 23.
- 3) Normalized adjusted EBITDA in the fourth quarter of 2022 was positive EUR 0.5 million a significant improvement compared to Q4 2021
- 4) We continue to see a positive booking momentum and as of 27th of February 2023, the Company has made a total of EUR 432 million in new sales YTD which is up 9% vs. the same period last year. Over the last 30 days we have booked EUR 57 million of revenue for 2023 which is 185% higher compared to the same period last year for 2022. As of 27th of February 2023, 1H bookings for Hurtigruten Group are at EUR 254 million which is 30% higher compared to the EUR 196 million same time last year for 1H 2022.
- 5) On the 21st of February we announced a refinancing transaction which gives Hurtigruten Group a solid financial position and includes a capital contribution for our shareholders of EUR 80 million which shows the strong support we have from our shareholders



# Appendix



# Cashflow overview FY 2022

EURt	2021	2022
<b>Operating Cash flow</b>	<b>(42,307)</b>	<b>(6,583)</b>
Of which change in working capital	67,350	29,876
<b>Cash flow from investments</b>	<b>(3,233)</b>	<b>(93,346)</b>
Of which CAPEX excl NOX refund	17,338	(109,545)
NOX refund		16,199
<b>Cash flow from Financing</b>	<b>28,816</b>	<b>77,114</b>
Of which change in debt	20,792	60,742
Borrowings from other group companies	75,000	95,000
Of which paid interest and transaction costs	(60,915)	(68,917)
<b>Net cash flow</b>	<b>(16,724)</b>	<b>(22,814)</b>

Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis. Change in working capital calculated as Inventories + Receivables – Pre bookings and Payables.

# Hurtigruten Norway – Key financials

EURm	2019	2020	2021	2022
PCNs - 000	1,314	368	281	659
APCNs - 000	1,619	729	867	1,011
Occupancy - % <sup>1</sup>	81.2 %	50.4 %	32.4 %	65.2 %
<b>Total Revenues reported</b>	<b>444</b>	<b>172</b>	<b>146</b>	<b>279</b>
Of which: Contractual Revenue	73	79	72	59
Direct Costs	105	22	18	58
Cruise Operating Costs	164	95	106	146
of which: Fuel costs	50	22	35	53
<b>Reported Vessel Contribution<sup>2</sup></b>	<b>175</b>	<b>54</b>	<b>23</b>	<b>75</b>
Gross margin <sup>3</sup>	76%	87%	88%	79%
Vessel contribution margin	39.4 %	31.7 %	15.5 %	26.8 %
<b>Norm. Vessel contribution<sup>4</sup></b>	<b>177</b>	<b>56</b>	<b>23</b>	<b>98</b>
Norm. Vessel contribution margin	39.7 %	30.9 %	15.8 %	33.2 %



1) Occupancy rate is calculated based on APCN (available capacity) including any laid-up period.

2) Vessel contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses

3) Gross margin equals (total reported revenues - total direct cost)/ total reported revenues

4) Due to the Covid-19 pandemic no normalization were made in the period Q1 2020 – Q4 2021.

# Hurtigruten Expeditions – Key financials

EURm	2019	2020	2021	2022
PCNs - 000	222	90	59	410
APCNs - 000	288	124	158	699
Occupancy - % <sup>1</sup>	77.0 %	72.7 %	37.7 %	58.6 %
<b>Total Revenues reported</b>	<b>135</b>	<b>54</b>	<b>30</b>	<b>264</b>
Direct Costs	43	16	8	68
Cruise Operating Costs	45	49	60	163
of which: Fuel costs	11	8	8	40
<b>Reported Vessel Contribution<sup>2</sup></b>	<b>48</b>	<b>-11</b>	<b>-38</b>	<b>33</b>
Gross margin <sup>3</sup>	68%	70%	73%	74%
Vessel contribution margin	35.3 %	-20.4 %	-125.8 %	12.4 %
<b>Norm. Vessel contribution<sup>4</sup></b>	<b>56</b>	<b>-9</b>	<b>-38</b>	<b>77</b>
Norm. Vessel contribution margin	38.6 %	-16.7 %	-126.0 %	24.5 %



1) Occupancy rate is calculated based on APCN (available capacity) not adjusted for Covid-19 Capacity limits.

2) Vessel contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses

3) Gross margin equals (total reported revenues - total direct cost) / total reported revenues

4) Due to the Covid-19 pandemic no normalization were made in the period Q1 2020 – Q4 2021.

# Historical key financials

EURt				
P&L items	2019	2020	2021	2022
Revenue	608,815	268,765	222,688	576,518
<i>Growth</i>			(17.1%)	158.9%
Contribution <sup>1</sup>	234,987	79,829	23,966	123,785
<i>Contribution %</i>	38.6 %	29.7 %	10.8 %	21.5 %
EBITDA	123,169	(17,880)	(104,314)	(37,217)
<i>EBITDA margin</i>	20.2%	(6.7%)	(46.8%)	(6.5%)
Normalised adj. EBITDA <sup>2</sup>	144,989	(2,704)	(107,332)	46,216
<i>Normalised adj. EBITDA margin</i>	23.8%	(1.0%)	(48.2%)	8.0%
EBIT	67,582	(94,831)	(196,875)	(106,875)
<i>EBIT margin</i>	11.1%	(35.3%)	(88.4%)	(18.5%)
Net interest and other financial costs (excl PIK)	(27,854)	(63,790)	(66,335)	(102,805)
PIK interest to shareholders	-	-	(12,075)	(9,265)
Net currency gains / losses	9,408	(4,995)	1,306	152
Net income	(17,821)	(160,544)	(282,195)	(220,056)
Net income margin	(2.9%)	(59.7%)	(126.7%)	(38.2%)
<b>BS items</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Cash <sup>3</sup>	47,028	72,037	57,115	29,958
Total current assets	112,878	118,754	129,510	138,030
Total assets	1,393,674	1,362,597	1,353,942	1,370,074
Total equity	62,734	(102,172)	(351,957)	(572,508)
Equity ratio	4.5%	(7.5%)	(26.0%)	(41.8%)
Total current liabilities	333,481	208,346	253,109	527,576
NIBD <sup>4</sup>	939,770	1,170,839	1,212,815	1,306,867
<b>CF items</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Change in NWC	33,910	(40,612)	67,350	29,876
Operating cash flow	141,425	(58,387)	(42,307)	(6,583)
Capex excl Nox refund	(405,380)	(105,348)	(39,564)	(109,545)
Nox refund				16,199



Note: All numbers presented are based on Hurtigruten Group AS on a consolidated basis. All numbers are reported numbers unless stated.

- Contribution is defined as EBITDA contribution before SG&A, specifically calculated as revenue – total direct costs – total cruise operating expenses.
- Normalized adjusted EBITDA is calculated as Reported EBITDA excluding other gains and losses adjusted for cost and revenue items which is deemed extraordinary, exceptional, unusual or non-recurring. SG&A is not allocated to the business segments Hurtigruten Norway, Hurtigruten Expeditions and Hurtigruten Destinations, and these costs are reported within the “Group Functions, Other and Eliminations” segment.
- Total cash including restricted cash,
- Excluding IFRS 16 debt of EUR 15.8 million at year-end 2020, EUR 74 million in Q4 2021 and EUR 68 million per Q3 2022.

# Normalization items - Q4 2022

	HRN	HRX	Total
Above normal level of cancellations	324	2 507	2 831
Covid related costs	198	401	599
Positive effect from fuel hedging	1 332	1 437	2 769
Project costs	1 258	1 819	3 076
Capex items whihc has been expensed	3 061	-	3 061
Q4 Marketing one offs which will not recur in 2023	6 275	2 678	8 953
Other	215	5 177	5 392
<b>Total adjustments</b>	<b>12 662</b>	<b>14 019</b>	<b>26 681</b>

- Q4 2022 cancellations, covid costs, marketing one off projects and derivative losses were higher than initially anticipated with the one-off items mainly being the following
  - i. Hedge effect of bunker fuel expenses as the bunker fuel costs reflect the spot price of bunker fuel at the time of purchase
  - ii. Above normal cancellation levels mainly related to flight disruptions and positive Covid-19 tests
  - iii. Covid-19 related operating cruise costs (testing, temporary higher level of medical capacity)
  - iv. One off costs which are of capex nature related to digital projects and the conversion projects for the Hurtigruten Norway fleet which has been expensed over the P&L
  - v. Marketing spend related to one-off projects

# Definitions

- **Passenger cruise nights (“PCNs”)**, measurement of guest volume, representing the number of guests onboard the ships and the length of their stay.
- **Available passenger cruise nights (“APCNs”)**, which is a measurement of capacity and represents the aggregate number of available berths on each of the ships (assuming double occupancy per cabin), multiplied by the number of operating days for sale for the relevant ship for the period.
- **Occupancy rate**, PCNs for the relevant period as a percentage of APCNs for the period.
- **Gross revenues**, ticket revenues, revenues from flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger revenues, including car transportation, travel insurance and retained deposits in cases of cancellations.
- **Net revenues**, Gross ticket revenues less commissions and costs of goods for flights, hotels, transportation, food, beverage, shop and excursions as well as other passenger services, including travel insurance.
- **Gross revenues per PCN**, Gross ticket revenues divided by PCNs.
- **Net revenues per PCN**, which represents Net ticket revenues divided by PCNs.



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