

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

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025
or

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

For the transition period from _____ to _____
Commission File No.: 000-50171

Travelzoo

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

590 Madison Avenue, 35th Floor
New York, New York
(Address of principal executive offices)

36-4415727
(I.R.S. employer
identification no.)

10022
(Zip code)

Registrant's telephone number, including area code: +1 (212) 516-1300

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, \$0.01 par value	TZOO	The NASDAQ Stock Market

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 and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition 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 revisited 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 ☒

The number of shares of Travelzoo common stock outstanding as of November 7, 2025 was 10,932,337.

TRAVELZOO

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

TRAVELZOO
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except par value)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,491	\$ 17,064
Accounts receivable, less allowance for doubtful accounts of \$1,635 and \$1,612 as of September 30, 2025 and December 31, 2024, respectively	12,460	12,825
Prepaid income taxes	654	736
Income taxes receivable	887	—
Prepaid expenses and other	1,931	1,148
Total current assets	24,423	31,773
Deposits and other	302	374
Deferred tax assets	3,469	3,380
Restricted cash	756	675
Operating lease right-of-use assets	4,540	5,655
Property and equipment, net	278	423
Intangible assets, net	1,452	1,498
Goodwill	10,944	10,944
Total assets	\$ 46,164	\$ 54,722
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,405	\$ 6,162
Merchant payables	11,767	16,294
Accrued expenses and other	4,557	3,404
Deferred revenue	9,060	6,545
Income tax payable	—	1,619
Operating lease liabilities	2,058	2,472
Total current liabilities	35,847	36,496
Long-term tax liabilities	8,906	7,851
Long-term operating lease liabilities	4,494	5,646
Other long-term liabilities	—	376
Total liabilities	49,247	50,369
Stockholders' equity (deficit):		
Preferred stock, \$0.01 par value per share (5,000 shares authorized; none issued)		
Common stock, \$0.01 par value (20,000 shares authorized; 10,932 shares issued and outstanding as of September 30, 2025, 11,836 shares issued and outstanding as of December 31, 2024)	109	118
Additional paid in capital	—	—
Tax indemnification	(9,537)	(9,537)
Retained earnings	6,925	14,284
Accumulated other comprehensive loss	(5,596)	(5,327)
Total Travelzoo stockholders' equity (deficit)	(8,099)	(462)
Non-controlling interest	5,016	4,815
Total stockholders' equity (deficit)	(3,083)	4,353
Total liabilities and stockholders' equity (deficit)	\$ 46,164	\$ 54,722

See accompanying notes to unaudited condensed consolidated financial statements.

TRAVELZOO
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	\$ 22,198	\$ 20,098	\$ 69,245	\$ 63,224
Cost of revenues	4,519	2,548	13,132	7,708
Gross profit	17,679	17,550	56,113	55,516
Operating expenses:				
Sales and marketing	12,198	8,247	34,378	26,231
Product development	631	594	1,963	1,763
General and administrative	4,362	4,664	13,420	13,875
Total operating expenses	17,191	13,505	49,761	41,869
Operating income	488	4,045	6,352	13,647
Other income (loss), net	(64)	359	727	674
Income before income taxes	424	4,404	7,079	14,321
Income tax expense	245	1,148	2,158	3,920
Net income	179	3,256	4,921	10,401
Net income attributable to non-controlling interest	29	72	201	54
Net income attributable to Travelzoo	\$ 150	\$ 3,184	\$ 4,720	\$ 10,347
Net income per share —basic	\$ 0.01	\$ 0.26	\$ 0.41	\$ 0.81
Net Income per share—diluted	\$ 0.01	\$ 0.26	\$ 0.39	\$ 0.79
Shares used in per share calculation—basic	10,987	12,176	11,585	12,851
Shares used in per share calculation—diluted	11,213	12,386	11,974	13,035

See accompanying notes to unaudited condensed consolidated financial statements.

TRAVELZOO
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 179	\$ 3,256	\$ 4,921	\$ 10,401
Other comprehensive income (loss):				
Foreign currency translation adjustment	(20)	(128)	(269)	(472)
Total comprehensive income	<u>\$ 159</u>	<u>\$ 3,128</u>	<u>\$ 4,652</u>	<u>\$ 9,929</u>

See accompanying notes to unaudited condensed consolidated financial statements.

TRAVELZOO
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Nine Months Ended	
	September 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 4,921	\$ 10,401
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	239	737
Stock-based compensation	1,108	1,239
Deferred income tax	4	(39)
Net foreign currency effect	(224)	(165)
Provision of loss (net recoveries) on accounts receivable and refund reserve	30	121
Changes in operating assets and liabilities:		
Accounts receivable	756	(258)
Prepaid income taxes	84	(461)
Prepaid expenses, deposits and other	(702)	464
Accounts payable	2,134	430
Merchant payables	(5,053)	(3,348)
Accrued expenses and other	859	372
Deferred revenue	2,363	1,790
Income tax payable	(2,583)	593
Other liabilities	273	1,381
Net cash provided by operating activities	4,209	13,257
Cash flows from investing activities:		
Purchases of property and equipment	(49)	(129)
Net cash used in investing activities	(49)	(129)
Cash flows from financing activities:		
Repurchase of common stock	(12,964)	(16,605)
Exercise of stock options and taxes paid for net share settlement of equity awards	(104)	(592)
Net cash used in financing activities	(13,068)	(17,197)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	415	(214)
Net increase (decrease) in cash, cash equivalents and restricted cash	(8,493)	(4,283)
Cash, cash equivalents and restricted cash at beginning of period	17,740	16,389
Cash, cash equivalents and restricted cash at end of period	\$ 9,247	\$ 12,106
Supplemental disclosure of cash flow information:		
Cash paid (refund) for income taxes, net	\$ 3,612	\$ 1,472
Right-of-use assets obtained in exchange for lease obligations—operating leases	\$ 321	\$ 1,273
Cash paid for amounts included in the measurement of lease liabilities	\$ 2,664	\$ 2,547
Non-cash investing and financing activities:		
Accrued excise tax for share repurchases	\$ 129	\$ 160

See accompanying notes to unaudited condensed consolidated financial statements.

TRAVELZOO
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)
(In thousands)

	Common Stock		Treasury Stock	Additional Paid-In Capital	Tax Indemnification	Note Receivable from Shareholder	Retained Earnings	Accumulated Other Comprehensive Loss	Total Travelzoo Stockholders' Equity (Deficit)	Non-controlling interest	Total Stockholders' Equity (Deficit)
	Shares	Amount									
Balances, June 30, 2025	11,081	111	—	—	(9,537)	—	7,934	(5,576)	(7,068)	4,987	(2,081)
Stock-based compensation expense	—	—	—	399	—	—	—	—	399	—	399
Repurchase of common stock (1)	—	—	(1,560)	—	—	—	—	—	(1,560)	—	(1,560)
Retirement of treasury stock	(149)	(2)	1,560	(399)	—	—	(1,159)	—	—	—	—
Exercise of stock options and taxes paid for net share settlement	—	—	—	—	—	—	—	—	—	—	—
Account receivable from shareholder	—	—	—	—	—	—	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	(20)	(20)	—	(20)
Net income	—	—	—	—	—	—	150	—	150	29	179
Balances, September 30, 2025	10,932	\$ 109	\$ —	\$ —	(9,537)	\$ —	6,925	(5,596)	(8,099)	\$ 5,016	(3,083)

(1) Includes a 1% excise tax applicable to share repurchases.

	Common Stock		Treasury Stock	Additional Paid-In Capital	Tax Indemnification	Note Receivable from Shareholder	Retained Earnings	Accumulated Other Comprehensive Loss	Total Travelzoo Stockholders' Equity	Non-controlling interest	Total Stockholders' Equity
	Shares	Amount									
Balances, June 30, 2024	12,402	124	—	—	(9,537)	(1,753)	17,083	(4,951)	966	4,679	5,645
Stock-based compensation expense	—	—	—	456	—	—	—	—	456	—	456
Repurchase of common stock	—	—	(6,198)	—	—	—	—	—	(6,198)	—	(6,198)
Retirement of treasury stock	(553)	(5)	6,198	(121)	—	—	(6,072)	—	—	—	—
Exercise of stock options and taxes paid for net share settlement	31	—	—	(335)	—	—	—	—	(335)	—	(335)
Account receivable from shareholder	—	—	—	—	—	(176)	—	—	(176)	—	(176)
Foreign currency translation adjustment	—	—	—	—	—	—	—	(128)	(128)	—	(128)
Net income	—	—	—	—	—	—	3,184	—	3,184	72	3,256
Balances, September 30, 2024	11,880	\$ 119	\$ —	\$ —	(9,537)	(1,929)	14,195	(5,079)	(2,231)	\$ 4,751	2,520

See accompanying notes to unaudited condensed consolidated financial statements.

	Common Stock		Treasury Stock	Additional Paid-In Capital	Tax Indemnification	Note Receivable from Shareholder	Retained Earnings	Accumulated Other Comprehensive Loss	Total Travelzoo Stockholders' Equity (Deficit)	Non-controlling interest	Total Stockholders' Equity (Deficit)
	Shares	Amount									
Balances, December 31, 2024	11,836	118	—	—	(9,537)	—	14,284	(5,327)	(462)	4,815	4,353
Stock-based compensation expense	—	—	—	1,108	—	—	—	—	1,108	—	1,108
Repurchase of common stock (1)	—	—	(13,092)	—	—	—	—	—	(13,092)	—	(13,092)
Retirement of treasury stock	(912)	(9)	13,092	(1,004)	—	—	(12,079)	—	—	—	—
Exercise of stock options and taxes paid for net share settlement	8	—	—	(104)	—	—	—	—	(104)	—	(104)
Foreign currency translation adjustment	—	—	—	—	—	—	—	(269)	(269)	—	(269)
Net income	—	—	—	—	—	—	4,720	—	4,720	201	4,921
Balances, September 30, 2025	10,932	\$ 109	\$ —	\$ —	(9,537) \$	— \$	6,925 \$	(5,596) \$	(8,099) \$	5,016 \$	(3,083)

(1) Includes a 1% excise tax applicable to share repurchases.

	Common Stock		Treasury Stock	Additional Paid-In Capital	Tax Indemnification	Note Receivable from Shareholder	Retained Earnings	Accumulated Other Comprehensive Loss	Total Travelzoo Stockholders' Equity	Non-controlling interest	Total Stockholders' Equity
	Shares	Amount									
Balances, December 31, 2023	13,575	136	—	439	(9,537)	(1,753)	19,508	(4,607)	4,186	4,697	8,883
Stock-based compensation expense	—	—	—	1,239	—	—	—	—	1,239	—	1,239
Repurchase of common stock	—	—	(16,764)	—	—	—	—	—	(16,764)	—	(16,764)
Retirement of treasury stock	(1,753)	(17)	16,764	(1,087)	—	—	(15,660)	—	—	—	—
Exercise of stock options and taxes paid for net share settlement	58	—	—	(591)	—	—	—	—	(591)	—	(591)
Account receivable from shareholder	—	—	—	—	—	(176)	—	—	(176)	—	(176)
Foreign currency translation adjustment	—	—	—	—	—	—	—	(472)	(472)	—	(472)
Net income	—	—	—	—	—	—	10,347	—	10,347	54	10,401
Balances, September 30, 2024	11,880	\$ 119	\$ —	\$ —	(9,537) \$	(1,929) \$	14,195 \$	(5,079) \$	(2,231) \$	4,751 \$	2,520

See accompanying notes to unaudited condensed consolidated financial statements.

TRAVELZOO
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Summary of Significant Accounting Policies

(a) The Company and Basis of Presentation

Travelzoo (including its subsidiaries and affiliates, the “Company” or “we”) is a global Internet media company. It operates *Travelzoo*®, the club for travel enthusiasts, and *Jack’s Flight Club*®, a subscription service that provides information about exceptional airfares. Travelzoo reaches 30 million travelers in the United States, Canada, United Kingdom, Germany, France and Spain and through licensing arrangements in Australia, Japan, New Zealand, Singapore and South Korea.

Through our website, e-mails, iOS and Android apps, and on social media platforms, we provide our members Club Offers that represent outstanding travel, entertainment, and lifestyle experiences. Offers are rigorously vetted and negotiated for travel enthusiasts by Travelzoo’s deal experts around the globe. We work in partnership with thousands of top travel suppliers—our long-standing relationships give us access to irresistible deals.

Our reported revenue consists of advertising and commerce revenues, derived from and generated in connection with purchases made by Travelzoo members, and membership fees.

We are developing *Travelzoo META*, a subscription service that is intended to provide Metaverse travel experiences, with discipline.

Ownership

Ralph Bartel, who founded Travelzoo, is the sole beneficiary of the Ralph Bartel 2005 Trust, which is the controlling shareholder of Azzurro Capital Inc. (“Azzurro”). Azzurro is the Company’s largest shareholder, and as of September 30, 2025, holds approximately 34.7% of the Company's outstanding shares.

Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in condensed consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to state fairly the financial position of the Company and its results of operations and cash flows. These statements should be read in conjunction with the Company’s audited condensed consolidated financial statements and related notes as of and for the year ended December 31, 2024, included in the Company’s Form 10-K filed with the SEC on March 19, 2025.

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. We have reclassified prior period financial statements to conform to the current period presentation.

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Significant estimates included in the financial statements and related notes include revenue recognition, refund liability, income taxes, stock-based compensation, loss contingencies, useful lives of property and equipment, purchase price allocation for the business combination and related impairment assessment, relating to the projections and assumptions used. Actual results could differ materially from those estimates. The results of operations for the nine months ended September 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025 or any other future period, and the Company makes no representations related thereto.

(b) Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2023-09 “Income Taxes (Topics 740): Improvements to Income Tax Disclosures”, to expand the disclosure requirements for income taxes, primarily requiring more detailed disclosure for income taxes paid and the effective tax rate reconciliation. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, and applies to our FY25 year-end

reporting. We are currently evaluating the impact of this standard and will include the required income tax disclosures in our Annual Report on Form 10-K for the year ended December 31, 2025.

On November 4, 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The guidance requires more detailed disclosure for expenses. This standard is effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the ASU to determine its impact on our disclosures.

(c) Significant Accounting Policies

Below is a summary of the Company's significant accounting policies. For a comprehensive description of our accounting policies, refer to our Annual Report on Form 10-K for the year ended December 31, 2024.

Revenue Recognition

The Company follows ASU No. 2014-09, "Revenue from Contracts with Customers" (Topic 606), under which revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

The Company's revenue consists of (1) advertising and commerce revenues, derived from and generated in connection with purchases made by Travelzoo members, (2) membership fees and (3) other.

Advertising and Commerce Revenues

Advertising revenues are generated from the publishing of travel and entertainment offers on the *Travelzoo* website, in emails, on social media platforms and through the *Travelzoo Network*. The Company also generates transaction-based commerce revenues in the form of commissions from sales of vouchers (our *Local Deals* and *Getaways* offerings), operation of our hotel booking platform, and sales of pre-purchased vouchers or hotel inventory.

Specifically, for fixed-fee website advertising, the Company recognizes revenues ratably over the contracted placement period. For *Top 20* email newsletters and other email products, the Company recognizes revenues when the emails are delivered to its members. For cost-per-click advertising, whereby an advertiser pays the Company when a user clicks on an ad (typically served on the Company's media properties or *Travelzoo Network* partner properties), the Company recognizes revenues each time a user clicks on the ad.

The Company also offers advertisers other advertising models whereby an advertiser pays the Company based on the number of times their advertisement is displayed (whether on the Company's media properties, in emails, on social media platforms or other media properties). For these instances, the Company recognizes revenues each time an ad is displayed.

For transaction-based advertising revenues, including from products such as *Local Deals* and *Getaways* voucher sales, hotel platform bookings and vacation package sales, the Company evaluates whether it is acting as principal (thereby reporting revenue on a gross basis) versus agent (thereby reporting revenue on a net basis). Accordingly, the Company reports transaction-based advertising revenues on a net basis, as third-party suppliers are primarily responsible for fulfilling the underlying good or service, which the Company does not control prior to its transfer to the customer.

For *Local Deals* and *Getaways* voucher sales, the Company typically earns a fee for acting as an agent on the sale, while vouchers can subsequently be redeemed for goods or services with third-party merchants. Commission revenues are, accordingly, presented net of amounts due to third-party merchants for fulfilling the underlying goods and services, and net of estimated future refunds to consumers, as the terms of the vouchers permit. Certain merchant contracts allow the Company to retain the proceeds from unredeemed vouchers. With these contracts, the Company estimates the value of vouchers that will ultimately not be redeemed and records the estimate as revenues in the same period.

In certain scenarios, the Company will pre-purchase vouchers or hotel inventory (in the form of credit amounts, vouchers or gift cards) in bulk from suppliers (e.g. hotel or spa partners). In those scenarios, the Company is not acting as the agent, but rather as the principal. The pre-purchased vouchers are recorded as inventory, within prepaid expenses and other on the condensed consolidated balance sheet, until sold to and purchased by *Travelzoo* members, at which point, the amount for which the vouchers were sold to *Travelzoo* members is recognized fully as revenue and the amount for which the vouchers were purchased from the hotel or spa partners is recognized as cost of revenues.

Commission revenues generated from bookings on our hotel platform are recognized ratably over the periods of guest stays, net of an allowance for estimated cancellations, based upon historical patterns. For bookings of non-cancelable

reservations, where the Company's performance obligation is deemed to be completed upon the successful booking, the Company records commission revenue at such time.

In certain instances, the Company's contracts with customers may include multiple performance obligations, whereby the Company allocates revenues to each performance obligation based on its standalone selling price. The Company determines standalone selling prices based on overall pricing objectives, taking into consideration the type of goods or services, geographical region of the customers, rate card pricing and customary discounts. Standalone selling prices are generally determined based on the prices charged to customers when the good or service is sold separately.

The Company relies upon certain practical expedients and exemptions provided for in Topic 606. The Company expenses sales commissions when incurred, as the amortization period would be one year or less, which are recorded in sales and marketing expenses. In addition, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less, and contracts for which it recognizes revenues at the amount to which it has the right to invoice for services performed.

Membership Fees

Membership fee revenues are generated from subscription fees paid by *Travelzoo Club Members* and *Jack's Flight Club Premium* members. We recognize subscription revenues ratably over the applicable subscription periods.

Travelzoo membership has historically been free, however, on January 1, 2024, we introduced an annual membership fee of \$40 (or local equivalent) for new members in the United States, Canada, United Kingdom and Germany. The 2024 annual fee was waived for existing members.

Other

Other revenues include licensing fees and revenues generated from Metaverse Travel Experiences, LLC ("MTE"), including but not limited to sales from the existing retail business of MTE.

Deferred Revenues

Deferred revenue primarily consists of deferred membership fees, customer prepayments and undelivered Company performance obligations related to contracts comprising multiple performance obligations. As of December 31, 2024, \$2 million was recorded as deferred revenue for Jack's Flight Club, of which \$2 million was recognized in the nine months ended September 30, 2025, and \$4.5 million was recorded as deferred revenue for Travelzoo North America and Travelzoo Europe, of which \$3 million was recognized as revenue in the nine months ended September 30, 2025. As of September 30, 2025, deferred revenue was \$9 million, of which \$2.3 million was for Jack's Flight Club, and \$6.7 million was for Travelzoo North America and Travelzoo Europe.

Reserve for Refunds to Members

The Company estimates and records a reserve for future refunds on member purchases of *Local Deals* and *Getaways* vouchers, at the time revenue is recorded. We consider various factors such as historical refund timeframes from dates of sale, reasons for refunds, time periods remaining until expiration, changes in refund procedures and estimates of redemptions and breakage. Should any of these factors change, the estimates made by management will also change, which could impact the level of our future reserve for refunds to members. Specifically, if the financial condition of our merchant partners, on behalf of whom vouchers are sold, were to deteriorate, affecting their ability to provide the goods or services to our members, additional reserves for refunds to members may be required and may adversely affect future revenues as the liability is recorded against revenue.

As of September 30, 2025, the Company had approximately \$2.9 million of unredeemed vouchers that had been sold, representing the Company's commission earned. The Company estimated and recorded a refund reserve of \$173,000 for these unredeemed vouchers as of September 30, 2025, which is recorded as a reduction of revenues on the condensed consolidated statements of operations and accrued expenses and other on the condensed consolidated balance sheet. As of December 31, 2024, the Company had approximately \$4.1 million of unredeemed vouchers that had been sold representing the Company's commission earned from the sale and estimated a refund reserve of \$144,000 for these unredeemed vouchers as of December 31, 2024, as a reduction of revenues on the condensed consolidated statements of operations and accrued expenses and other on the condensed consolidated balance sheet.

If our judgments regarding estimated member refunds are inaccurate, reported results of operations could differ from amounts previously accrued. Merchant payables of \$11.8 million as of September 30, 2025 is recorded on the condensed consolidated balance sheet, representing amounts payable to merchants by the Company for vouchers sold but not redeemed.

Identifiable intangible assets

Upon acquisition, identifiable intangible assets are recorded at fair value and are carried at cost less accumulated amortization. Identifiable intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. The carrying values of all intangible assets are reviewed for impairment annually, and whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the underlying net tangible and intangible assets. Goodwill is evaluated for impairment annually, and whenever events or changes in circumstances indicate its carrying value may not be recoverable. The Company performs an impairment test by comparing the book value of the reporting unit to the fair value of the reporting unit utilizing a combination of valuation techniques, including an income approach (discounted cash flows) and market approach (guideline company method). The Company performed its annual impairment testing as of October 31, 2024 and no impairment charge was identified in connection with the annual impairment test. The Company did not identify any indicators of impairment during the nine months ended September 30, 2025.

Operating Leases

The Company determines if an arrangement contains a lease at inception. Operating lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The lease payments used to determine the operating lease assets may include lease incentives and stated rent increases. The Company does not include options to extend or terminate until it is reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the lease liabilities, as the Company's leases generally do not provide an implicit rate. The Company elected not to recognize leases with an initial term of 12 months or less on its unaudited condensed consolidated balance sheets.

The Company's leases are reflected in operating lease ROU assets, operating lease liabilities and long-term operating lease liabilities on our unaudited condensed consolidated balance sheets. The lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Certain Risks and Uncertainties

The Company's business is subject to risks associated with its ability to attract and retain advertisers, offer goods or services on compelling terms to our members and attract and retain paying members. The Company's business is also subject to risks associated with the travel industry generally, including the changing economic and political situation of countries around the world (e.g., decreases in discretionary spending due to recession or increased prices due to tariffs, changes in international trade policies and immigration and decreases in demand for travel generally and for certain destinations specifically).

The Company's cash, cash equivalents and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with financial institutions that management believes are of high credit quality. Accounts receivables are derived from revenue earned from customers located in the U.S. and internationally. As of September 30, 2025 and December 31, 2024, the Company did not have any customers that accounted for 10% or more of accounts receivable.

As of September 30, 2025, the Company had merchant payables of \$11.8 million related to the sale of vouchers. In the Company's financial statements presented in this 10-Q report, following GAAP accounting principles, we classified all merchant payables as current. As such, the condensed consolidated balance sheet reflects negative net working capital (defined as current assets minus current liabilities) of \$11.4 million at September 30, 2025. Payables to merchants are generally due upon redemption of vouchers by members who purchased them from the Company. As of September 30, 2025, unredeemed vouchers have maturities through March 2026; however, expiration dates may be extended on a case-by-case basis and final payment to merchants upon expiration may not be due for up to a year after. Based on current projections of future redemption activity, management expects that cash on hand as of September 30, 2025 will be sufficient to provide for working capital needs for at least the next twelve months.

Cash, Cash Equivalents and Restricted Cash

Cash equivalents consist of highly liquid investments with maturities of three months or less on the date of purchase. Restricted cash includes cash and cash equivalents that is restricted through legal contracts, regulations or our intention to use

the cash for a specific purpose. Our restricted cash primarily relates to refundable security deposits for real estate leases and funds held in escrow.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the unaudited condensed consolidated balance sheets to the total amounts shown in the unaudited condensed consolidated statements of cash flows:

	September 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 8,491	\$ 17,064
Restricted cash	756	676
Total cash, cash equivalents and restricted cash in the condensed consolidated statements of cash flows	\$ 9,247	\$ 17,740

The Company's restricted cash was included in noncurrent assets as of September 30, 2025 and December 31, 2024.

Note 2: Net Income Per Share

Basic net income per share is computed using the weighted-average number of common shares outstanding for the period. Diluted net income per share is computed by adjusting the weighted-average number of common shares outstanding for the effect of dilutive potential common shares outstanding during the period. Potential common shares included in the diluted calculation consist of incremental shares issuable upon the exercise of outstanding stock options calculated using the treasury stock method.

The following table sets forth the calculation of basic and diluted net income (loss) per share (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income attributable to Travelzoo	\$ 150	\$ 3,184	\$ 4,720	\$ 10,347
Denominator:				
Weighted average common shares—basic	10,987	12,176	11,585	12,851
Effect of dilutive securities: stock options	226	210	389	184
Weighted average common shares—diluted	11,213	12,386	11,974	13,035
Net income per share —basic	\$ 0.01	\$ 0.26	\$ 0.41	\$ 0.81
Net income per share—diluted	\$ 0.01	\$ 0.26	\$ 0.39	\$ 0.79

For the three months ended September 30, 2024, options to purchase 612,500 shares of common stock were not included in the computation of diluted net income per share because the effect would have been anti-dilutive. No options were excluded for the three months ended September 30, 2025.

Note 3: Acquisitions

Intangible Assets

The following table represents the carrying value and estimated useful lives of intangible assets from acquisitions (in thousands):

	Carrying Value	Estimated Life (Years)
Customer relationships (Jack's Flight Club)	\$ 3,500	5.0
Trade name (Jack's Flight Club)	2,460	indefinite

Assets Measured at Fair Value on a Non-recurring Basis

The Company's non-financial assets, such as goodwill, intangible assets and property and equipment, are adjusted to fair value if an impairment is recognized during the period. The fair value measurements are based on Level 3 inputs which are unobservable inputs based on management assumptions used to measure assets at fair value.

The goodwill assessment was performed by comparing the fair value of the reporting units to their carrying value. The fair value estimates for the reporting units were based on a blended analysis of the present value of future discounted cash flows and the market value approach, using Level 3 inputs. The indefinite-lived intangible assets assessment was performed using the relief-from-royalty method, which includes unobservable inputs, classified as Level 3, including projected revenues and approximately 5% royalty rate.

The Company performed an annual impairment test as of October 31, 2024 and did not identify any indicators of impairment for the year ended December 31, 2024. As of date, no indicators of impairment have been identified for the period ended September 30, 2025.

Amortization of Acquired Intangible Assets

The following table represents the activities of intangible assets for the three months ended September 30, 2025 and 2024 (in thousands):

	Jack's Flight Club	Secret Escape Spain	Secret Escape U.S.
Intangible assets—December 31, 2023	1,710	186	195
Amortization of intangible assets with definite lives	(75)	(48)	(195)
Intangible assets—March 31, 2024	1,635	138	—
Amortization of intangible assets with definite lives	(59)	(28)	—
Intangible assets—June 30, 2024	1,576	110	—
Amortization of intangible assets with definite lives	(58)	(37)	—
Intangible assets—September 30, 2024	1,518	73	—
Amortization of intangible assets with definite lives	(58)	(35)	—
Intangible assets—December 31, 2024	1,460	38	—
Amortization of intangible assets with definite lives	(3)	(24)	—
Intangible assets—March 31, 2025	1,457	14	—
Amortization of intangible assets with definite lives	(2)	(14)	—
Intangible assets—June 30, 2025	\$ 1,455	\$ —	\$ —
Amortization of intangible assets with definite lives	(3)	—	—
Intangible assets—September 30, 2025	\$ 1,452	\$ —	\$ —

Amortization expense for acquired intangibles was \$2,000 and \$95,000 for the three months ended September 30, 2025 and 2024, respectively. Amortization expense for acquired intangibles was \$46,000 and \$500,000 for the nine months ended September 30, 2025 and 2024, respectively.

Expected future amortization expense of acquired intangible assets as of September 30, 2025 is as follows (in thousands):

Years ending December 31,	
2025	2
	\$ 2

The Company performed its annual impairment testing of the *Jack's Flight Club* trade name as of October 31, 2024 using a relief from royalty method. No impairment was identified in 2024. As of September 30, 2025, the carrying value of the trade name was \$1.5 million. The Company did not identify any indicators of impairment during the nine months ended September 30, 2025.

Note 4: Commitments and Contingencies

From time to time, the Company is subject to various claims and legal proceedings, either asserted or unasserted, that arise in the ordinary course of business. The Company accrues for legal contingencies if the Company can estimate the potential liability and believes it is probable that the matter will be ruled on adversely. Accruals for legal contingencies were not material as of September 30, 2025 and December 31, 2024. If a legal claim for which the Company did not accrue is resolved against it, the Company would record the expense in the period in which the ruling was made. The Company believes that the likelihood of an ultimate amount of liability, if any, for any pending claims of any type (alone or combined) that will materially affect the Company's financial position, results of operations or cash flows is remote. The ultimate outcome of any litigation is uncertain, however, and unfavorable outcomes could have a material negative impact on the Company's financial condition and operating results. Regardless of outcome, litigation can have an adverse impact on the Company because of defense costs, negative publicity, diversion of management resources and other factors.

The Company leases office space in Canada, Germany, Spain, the U.K., and the U.S. under operating leases. Our leases have remaining terms ranging from less than one year to up to five years. The Company maintains standby letters of credit ("LOC") to serve as collateral issued to certain of the landlords. The LOCs are collateralized with cash which is included in the line item "Restricted cash" in the Condensed Consolidated Balance Sheets.

Rent expense was \$746,000 and \$675,000 for the three months ended September 30, 2025 and 2024, respectively. See Note 10—Leases for more information.

The Company has purchase commitments aggregating approximately \$0.9 million as of September 30, 2025, which represent the minimum obligations the Company has under agreements with certain third-party service providers. These minimum obligations are less than the Company's projected use for those periods. Payments may be more than the minimum obligations based on actual use.

Note 5: Income Taxes

In determining the quarterly provisions for income taxes, the Company uses an estimated annual effective tax rate, which is generally based on our expected annual income and statutory tax rates in the U.S., Canada, and the UK.

For the three months ended September 30, 2025 and 2024, the Company's reported effective income tax rate was 58% and 26%, respectively. This increase of the Company's reported effective income tax rate is primarily due to a decrease in operating profit. For the nine months ended September 30, 2025 and 2024, the Company's reported effective income tax rate was 30% and 27%, respectively.

As of September 30, 2025, the Company is permanently reinvested in certain of its non-U.S. subsidiaries and does not have a deferred tax liability related to its undistributed foreign earnings. The estimated amount of the unrecognized deferred tax liability attributed to future withholding taxes on dividend distributions of undistributed earnings for certain non-U.S. subsidiaries, which the Company intends to reinvest the related earnings indefinitely in its operations outside the U.S., is approximately \$941,000.

The Company maintains a reserve for potential liabilities for uncertain tax positions. As of September 30, 2025, the Company had approximately \$23.9 million in total unrecognized tax benefits, of which up to \$16.6 million would favorably affect the Company's reported income if realized and recognized.

The Company's policy is to include provisions for interest and penalties related to uncertain and unrecognized tax positions in income tax expense. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced and reflected as a reduction in the overall income tax provision in the period that such determination is made. As of September 30, 2025 and December 31, 2024, the Company had approximately \$1.4 million and \$1.1 million in accrued interest, respectively.

The Company files income tax returns in the U.S. federal jurisdiction, various U.S. states and foreign jurisdictions. The Company is subject to U.S. federal and certain state tax examinations for certain years after 2020 and forward and is subject to California tax examinations for years after 2019.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law. This legislation includes changes to U.S. federal tax law, which may be subject to further clarification and the issuance of interpretive guidance. We have assessed the legislation and its effect on our consolidated financial statements. The enactment of the OBBBA Act did not have a material impact during the three-month period ended September 30, 2025. We will continue to monitor any future guidance or legislative developments related to the OBBBA Act to assess its potential implications on our tax position.

Note 6: Accumulated Other Comprehensive Loss

The following table summarizes the changes in accumulated other comprehensive loss (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Beginning balance	\$ (5,576)	\$ (4,951)	\$ (5,327)	\$ (4,607)
Other comprehensive loss due to foreign currency translation, net of tax	(20)	(128)	(269)	(472)
Ending balance	<u>\$ (5,596)</u>	<u>\$ (5,079)</u>	<u>\$ (5,596)</u>	<u>\$ (5,079)</u>

There were no amounts reclassified from accumulated other comprehensive loss for the three and nine months ended September 30, 2025 and 2024. Accumulated other comprehensive loss consists of foreign currency translation gain or loss.

Note 7: Stock-Based Compensation and Stock Options

The Company accounts for its employee stock options under the fair value method, which requires stock-based compensation to be estimated using the fair value on the date of grant, employing an option-pricing model. The value of the portion of awards expected to vest is recognized on a straight-line basis as expense over the related employees' requisite service periods in the Company's condensed consolidated statements of operations.

On January 1, 2021, pursuant to an executed Option Agreement, the shareholders of the Company approved the grant of stock options to purchase 50,000 shares of common stock to one employee, with an exercise price of \$9.44, with annual vesting starting January 1, 2022 and ending on January 1, 2025. The options expire in January 2026. In 2024, 37,500 options were exercised and 3,358 shares of common stock were issued as the result of the cashless exercises or net settlement with respect to the option exercise price which was approved by the Company's Board of Directors. As of September 30, 2025, 12,500 options were vested and outstanding. Total stock-based compensation related to this option grant of \$0 and \$36,000 was recorded in general and administrative expenses for the three months ended September 30, 2025 and 2024, respectively. Stock-based compensation related to this grant was fully expensed in 2024.

On March 3, 2022, pursuant to an executed Option Agreement, the Company granted its Global Chief Executive Officer, Holger Bartel, options to purchase 600,000 shares of common stock of the Company, with an exercise price of \$8.14 and vesting 25% every six months over two years beginning on June 30, 2022 and ending on December 31, 2023. The options expire in March 2027. This grant was approved at the 2022 Annual Meeting of the shareholders. In 2024, 200,000 options were exercised and 53,753 shares of common stock were issued as the result of the cashless exercises or net settlement with respect to the option exercise price which was approved by the Company's Board of Directors. As of September 30, 2025, 400,000 options were vested and outstanding. Stock-based compensation related to this grant was fully expensed in 2023.

On June 1, 2022, the Company granted an employee options to purchase 100,000 shares of common stock with an exercise price of \$6.78 and quarterly vesting beginning on September 30, 2022 and ending on September 30, 2025 with vesting based on both time-based service condition and performance conditions. However, if the performance targets are not met as of the first date on which the time condition is met, the time condition may be extended by one quarter up to three times. The options expire in June 2027. Total stock-based compensation related to this option grant of \$89,000 and was recorded in sales and marketing expenses for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, 41,667 options were vested and outstanding. As of September 30, 2025, there was approximately \$0 of unrecognized stock-based compensation expense relating to these options.

On March 8, 2023, the Company granted its General Counsel and Head of Global Functions, Christina Sindoni Ciocca, options to purchase 200,000 shares of common stock of the Company, with an exercise price of \$4.96 and vesting 12.5% every six months over four years beginning on June 30, 2023 and ending on December 31, 2026. This grant was approved at the Annual Meeting of Stockholders held in June 2023. The options expire in March 2028. In 2024, 75,000 options were exercised and 19,584 shares of common stock were issued as the result of the cashless exercises or net settlement with respect to the option exercise price which was approved by the Company's Board of Directors. In 2025, 25,000 options were exercised and 7,890 shares of common stock were issued as the result of the cashless exercises or net settlement with respect to the option exercise price which was approved by the Company's Board of Directors. As of September 30, 2025, 100,000 options were outstanding and 25,000 of these options were vested. Total stock-based compensation related to this option grant of \$35,000 was recorded in general and administrative expenses for each the three months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, there was approximately \$174,000 of unrecognized stock-based compensation expense relating to these options. This amount is expected to be recognized over 1.3 years.

On March 28, 2024, pursuant to an executed Option Agreement, the Company granted its Global Chief Executive Officer, Holger Bartel, options to purchase 600,000 shares of common stock of the Company, with an exercise price of \$8.58 and vesting 25% every six months over two years beginning on June 30, 2024 and ending on December 31, 2025. The options expire in March 2029. This grant was approved at the 2024 Annual Meeting of Stockholders. As of September 30, 2025, 600,000 options were outstanding and 450,000 of these options were vested. Total stock-based compensation related to this option grant of \$305,000 was recorded in general and administrative expenses for the three months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, there was approximately \$305,000 of unrecognized stock-based compensation expense relating to these options. This amount is expected to be recognized over 0.3 years.

Note 8: Stock Repurchase Program

The Company's stock repurchase programs assist in offsetting the impact of dilution from employee equity compensation and with capital allocation. Management is allowed discretion in the execution of repurchase programs, based upon market conditions and consideration of capital allocation.

On October 24, 2023, the Company announced that its Board of Directors authorized the repurchase of up to 1,000,000 shares of the Company's outstanding common stock. The Company repurchased 600,000 shares of common stock for an aggregate purchase price of \$5.0 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital. As of December 31, 2023, there were 400,000 shares remaining to be repurchased under this program. During the three months ended March 31, 2024, the Company repurchased 400,000 shares of common stock for an aggregate purchase price of \$3.9 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings.

On April 29, 2024, the Company announced that its Board of Directors had authorized the repurchase of up to 1,000,000 shares of the Company's outstanding common stock. The Company repurchased 600,000 shares and 352,679 shares of common stock for an aggregate purchase price of \$5.0 million and \$3.8 million, respectively, for the second and third quarter of 2024, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings.

On June 15, 2024, the Company entered into a Stock Repurchase Agreement with Mr. Holger Bartel to privately repurchase an aggregate of 200,000 shares of the Company's common stock for an aggregate purchase price of \$1.5 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings. This transaction was approved by the Compensation Committee of the Board of Directors. See Note 12: Related Party Transactions for further information.

On October 23, 2024, the Company announced that its Board of Directors authorized the repurchase of up to 1,000,000 shares of the Company's outstanding common stock. For the year ended December 31, 2024, the Company repurchased 88,471 shares of common stock for an aggregate purchase price of \$1.5 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings. For the three months ended March 31, 2025, the Company repurchased 590,839 shares of common stock for an aggregate purchase price of \$8.9 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings. As of March 31, 2025, there were 320,690 shares remaining to be repurchased under this program. During the three months ended June 30, 2025, the Company repurchased 172,088 shares of common stock for an aggregate purchase price of \$2.5 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings. As of June 30, 2025, there were 148,602 shares remaining to be repurchased under this program.

During the three months ended September 30, 2025, the Company repurchased 148,602 shares of common stock for an aggregate purchase price of \$1.5 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings. This completed the share repurchase program authorized on October 23, 2024.

Note 9: Segment Reporting and Significant Customer Information

The Company determines its reportable segments based upon the chief operating decision maker's management of the business. The Company currently has four reportable operating segments: Travelzoo North America, Travelzoo Europe, Jack's Flight Club and New Initiatives. Travelzoo North America consists of the Company's operations in the U.S. and Canada. Travelzoo Europe consists of the Company's operations in France, Germany, Spain and the U.K. Jack's Flight Club consists of subscription revenues from Premium members. New Initiatives consists of Travelzoo's licensing activities in certain Asia Pacific territories, Travelzoo META and MTE.

Our chief operating decision maker ("CODM") is our Global Chief Executive Officer. The CODM primarily uses operating income (loss) to evaluate each segment's performance, allocate resources and make capital investments. We allocate certain software and license costs, such as IT and customer support, across all segments but do not allocate expenses such as legal-related costs or income taxes. Financial information is utilized along with forecasts to enable the CODM to manage our business across all operating segments.

For the three months ended September 30, 2025, Travelzoo North America operations comprised 64% of revenues, Travelzoo Europe operations comprised 30% of revenues and Jack's Flight Club comprised 6% of revenues.

The following is a summary of operating results by business segment (in thousands):

Three Months Ended September 30, 2025	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 13,728	\$ 7,036	\$ 1,407	\$ 27	\$ 22,198
Intersegment revenues	503	(471)	(32)	—	—
Total net revenues	14,231	6,565	1,375	27	22,198
Sales and marketing (1)	6,998	4,549	651	—	12,198
Other costs and expenses (2)	6,104	2,655	704	48	9,511
Operating profit (loss)	\$ 1,128	\$ (640)	\$ 20	\$ (20)	\$ 488
Other income, net					(64)
Income from continuing operations before income taxes					424

(1) Includes advertising and promotional costs, employee-related expenses for sales, marketing, and production teams, conference participation costs, professional services, public relations expenses, and facilities costs.

(2) Includes costs and expenses related to cost of revenues, product development, and general and administrative. Travelzoo North America and Travelzoo Europe general and administrative expenses include stock based compensation of \$339,000 and \$0, respectively.

Three Months Ended September 30, 2024	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 12,846	\$ 6,021	\$ 1,198	\$ 33	\$ 20,098
Intersegment revenues	(24)	(3)	27	—	—
Total net revenues	12,822	6,018	1,225	33	20,098
Sales and marketing (1)	4,557	3,038	511	145	8,251
Other costs and expenses (2)	5,115	1,952	687	48	7,802
Operating profit (loss)	\$ 3,150	\$ 1,028	\$ 27	\$ (160)	\$ 4,045
Other income, net					359
Income from continuing operations before income taxes					4,404

(1) Includes advertising and promotional costs, employee-related expenses for sales, marketing, and production teams, conference participation costs, professional services, public relations expenses, and facilities costs.

(2) Includes costs and expenses related to cost of revenues, product development, and general and administrative. Travelzoo North America and Travelzoo Europe general and administrative expenses include stock based compensation of \$331,000 and \$0, respectively.

Nine Months Ended September 30, 2025	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 44,296	\$ 20,745	\$ 4,140	\$ 64	\$ 69,245
Intersegment revenues	1,196	(1,084)	(112)	—	—
Total net revenues	45,492	19,661	4,028	64	69,245
Sales and marketing (1)	19,400	13,101	1,877	—	34,378
Other costs and expenses (2)	18,551	7,856	1,963	145	28,515
Operating profit (loss)	\$ 7,541	\$ (1,296)	\$ 188	\$ (81)	\$ 6,352
Other income, net					727
Income from continuing operations before income taxes					7,079

(1) Includes advertising and promotional costs, employee-related expenses for sales, marketing, and production teams, conference participation costs, professional services, public relations expenses, and facilities costs.

(2) Includes costs and expenses related to cost of revenues, product development, and general and administrative. Travelzoo North America and Travelzoo Europe general and administrative expenses include stock based compensation of \$1 million and \$0, respectively.

Nine Months Ended September 30, 2024	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 41,134	\$ 18,605	\$ 3,397	\$ 88	\$ 63,224
Intersegment revenues	50	26	(76)	—	—
Total net revenues	41,184	18,631	3,321	88	63,224
Sales and marketing (1)	\$ 15,107	\$ 9,429	\$ 1,393	\$ 280	\$ 26,209
Other costs and expenses (2)	\$ 14,772	\$ 6,280	\$ 2,034	\$ 282	\$ 23,368
Operating profit (loss)	\$ 11,305	\$ 2,922	\$ (106)	\$ (474)	\$ 13,647
Other income, net					674
Income from continuing operations before income taxes					14,321

(1) Includes advertising and promotional costs, employee-related expenses for sales, marketing, and production teams, conference participation costs, professional services, public relations expenses, and facilities costs.

(2) Includes costs and expenses related to cost of revenues, product development, and general and administrative. Travelzoo North America and Travelzoo Europe general and administrative expenses include stock based compensation of \$1 million and \$0, respectively.

A measure of segment assets is not currently provided to the Chief Operating Decision Maker and has therefore not been provided.

For the three months ended September 30, 2025 and 2024, the Company did not have any customers that accounted for 10% or more of revenue.

The following table sets forth the breakdown of revenues (in thousands) by category: Advertising and Commerce, Membership Fees, and Other. Advertising and Commerce includes travel publications (*Top 20*, *Travelzoo* website, *Standalone* email newsletters, *Travelzoo Network*), *Getaways* vouchers, hotel platform, vacation packages, *Local Deals* vouchers and entertainment offers (vouchers and direct bookings). Membership Fees includes subscription fees paid by Travelzoo and Jack's Flight Club members. Other includes licensing fees from license agreements and the existing retail business acquired by the Company in the MTE transaction.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Advertising and Commerce	\$ 18,580	\$ 18,619	\$ 60,135	\$ 59,426
Membership Fees	3,591	1,446	9,047	3,711
Other	27	33	63	87
Total revenues	<u>\$ 22,198</u>	<u>\$ 20,098</u>	<u>\$ 69,245</u>	<u>\$ 63,224</u>

The following table sets forth revenues for individual countries that comprised 10% or more of total revenue (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue				
United States	\$ 13,282	\$ 11,666	\$ 42,712	\$ 37,242
United Kingdom	4,888	5,199	14,639	15,569
Rest of the world	4,028	3,233	11,894	10,413
Total revenues	<u>\$ 22,198</u>	<u>\$ 20,098</u>	<u>\$ 69,245</u>	<u>\$ 63,224</u>

Note 10: Leases

The Company has operating leases for real estate and certain equipment. The Company leases office space in Canada, Germany, Spain, the U.K. and the U.S. under operating leases. Our leases have remaining lease terms ranging from less than one year to up to five years. Certain leases include one or more options to renew. All of our leases qualify as operating leases.

The following table summarizes the components of lease expense for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease cost	\$ 569	\$ 536	\$ 1,699	\$ 1,597
Short-term lease cost	160	137	438	408
Variable lease cost	109	154	339	370
Total lease cost	<u>\$ 838</u>	<u>\$ 827</u>	<u>\$ 2,476</u>	<u>\$ 2,375</u>

Cash payments against the operating lease liabilities totaled \$2.7 million and \$2.5 million for the nine months ended September 30, 2025 and 2024. ROU assets obtained in exchange for lease obligations was \$321,000 and \$1.3 million for the nine months ended September 30, 2025 and 2024, respectively.

The following table summarizes the presentation in our condensed consolidated balance sheets of our operating leases (in thousands):

	September 30, 2025	December 31, 2024
Assets:		
Operating lease right-of-use assets	<u>\$ 4,540</u>	<u>\$ 5,655</u>
Liabilities:		
Operating lease liabilities	\$ 2,058	\$ 2,472
Long-term operating lease liabilities	4,494	5,646
Total operating lease liabilities	<u>\$ 6,552</u>	<u>\$ 8,118</u>
Weighted average remaining lease term (years)	3.91	4.43
Weighted average discount rate	4.4 %	4.8 %

Maturities of lease liabilities were as follows (in thousands):

Years ending December 31,	
2025 (excluding the nine months ended September 30, 2025)	\$ 918
2026	2,178
2027	1,462
2028	1,462
2029	1,452
Thereafter	225
Total lease payments	<u>7,697</u>
Less interest	(1,145)
Present value of operating lease liabilities	<u>\$ 6,552</u>

Note 11: Non-Controlling Interest

The Company's condensed consolidated financial statements include Jack's Flight Club where the Company has operating control but owns 60% of the equity interest.

The non-controlling interest for the three and nine months ended September 30, 2025 and 2024 was as follows (in thousands):

Non-controlling interest—December 31, 2023	4,697
Net income attributable to non-controlling interest	(11)
Non-controlling interest—March 31, 2024	4,686
Net income attributable to non-controlling interest	(7)
Non-controlling interest—June 30, 2024	4,679
Net income attributable to non-controlling interest	72
Non-controlling interest—September 30, 2024	4,751
Net income attributable to non-controlling interest	64
Non-controlling interest—December 31, 2024	4,815
Net income attributable to non-controlling interest	93
Non-controlling interest—March 31, 2025	4,908
Net income attributable to non-controlling interest	79
Non-controlling interest—June 30, 2025	4,987
Net income attributable to non-controlling interest	29
Non-controlling interest—September 30, 2025	<u>\$ 5,016</u>

Note 12: Related Party Transactions

Stock Purchase Agreement between Travelzoo and Azzurro

In connection with the development of Travelzoo META, on December 28, 2022, the Company acquired MTE, a wholly owned subsidiary of Azzurro Capital Inc., and also completed a private placement of newly issued shares. As of September 30, 2025, Azzurro Capital Inc. and Ralph Bartel owned approximately 34.7% of the Company's outstanding shares. See Note 3: Acquisitions in the condensed consolidated financial statements for further information.

Stock Repurchase Agreement

Travelzoo, from time to time, engages in share repurchases, and on June 15, 2024, the Company entered into a Stock Repurchase Agreement (the "SRA") with Holger Bartel, the Company's Global Chief Executive Officer, to repurchase an aggregate of 200,000 shares of the Company's common stock at a price of \$7.66 per share. Travelzoo's compensation committee negotiated the purchase price with Holger Bartel after receiving advice from an independent financial adviser. The aggregate purchase price of \$1.5 million was paid during the three months ended June 30, 2024, following the execution of the SRA.

Consulting Agreement with Ralph Bartel

On January 1, 2023, with the unanimous approval of the Audit Committee, the Company entered into a Consulting Agreement with Ralph Bartel (the "Consulting Agreement"). The Consulting Agreement was amended and renewed, effective July 1, 2025. Ralph Bartel, who founded Travelzoo, is the sole beneficiary of the Ralph Bartel 2005 Trust, which is the controlling shareholder of Azzurro. Azzurro is the Company's largest shareholder. Pursuant to the Consulting Agreement, Mr. Bartel provides strategic advisory for Travelzoo META, advisory on talent search, strategic advisory to IT and brand strategy and public relations support. For the three months ended September 30, 2025, the fees payable to Mr. Bartel, including the reimbursement of travel expenses, pursuant to the Consulting Agreement totaled \$72,000, included within General and administrative expenses.

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

The information in this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations, assumptions, estimates and projections about Travelzoo and our industry. These forward-looking statements are subject to the many risks and uncertainties that exist in our operations and business environment that may cause actual results, performance or achievements of Travelzoo to be different from those expected or anticipated in the forward-looking statements. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as "may", "will", "should", "estimates", "predicts", "potential", "continue", "strategy", "believes", "anticipates", "plans", "expects", "intends", and similar expressions are intended to identify forward-looking statements. Travelzoo's actual results and the timing of certain events could differ significantly from those anticipated in such forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those discussed elsewhere in this report in the section entitled "Risk Factors" and the risks discussed in our other SEC filings. The forward-looking statements included in this report reflect the beliefs of our management on the date of this report. Travelzoo undertakes no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other circumstances occur in the future.

Overview

Travelzoo (including its subsidiaries and affiliates, the "Company" or "we") is a global Internet media company. It operates *Travelzoo*®, the club for travel enthusiasts, and *Jack's Flight Club*®, a subscription service that provides information about exceptional airfares. Travelzoo reaches 30 million travelers around the globe, including the United States, Canada, United Kingdom, Germany, France and Spain and through licensing arrangements covering Australia, Japan, New Zealand, Singapore and South Korea.

Through its websites, e-mails newsletters, iOS and Android apps, and on social media platforms, Travelzoo provides members information and access to exclusive discounted travel, entertainment, and local offers and experiences. Offers are researched, negotiated, and personally selected by Travelzoo's deal experts around the globe. Offers are sourced from more than 5,000 top travel and entertainment partners.

The Company generates revenues from advertising and commerce, membership fees, and other sources.

In March 2022, the Company began the development of Travelzoo META, a subscription service that is intended to provide Metaverse travel experiences.

Reportable Segments

The Company determines its reportable segments based upon the Company's chief operating decision maker managing the performance of the business. The Company currently has four reportable operating segments: Travelzoo North America, Travelzoo Europe, Jack's Flight Club and New Initiatives. Travelzoo North America consists of the Company's operations in the U.S. and Canada. Travelzoo Europe consists of the Company's operations in France, Germany, Spain and the U.K. Jack's Flight Club consists of subscription revenues from premium members to access and receive flight deals from Jack's Flight Club via email or mobile applications. New Initiatives consists of Travelzoo's licensing business, Travelzoo META, and MTE. Financial information with respect to our business segments and certain financial information about geographic areas appears in Note 9—Segment Reporting and Significant Customer Information to the accompanying condensed consolidated financial statements included in this report.

When evaluating the financial condition and operating performance of the Company, management focuses on financial and non-financial indicators such as growth in the number of members to the Company's newsletters, operating margin, growth in revenues in the absolute and relative to the growth in reach of the Company's publications measured as revenue per member and revenue per employee as a measure of productivity.

How We Generate Revenues

Travelzoo

Revenues are generated primarily from three categories: Advertising and Commerce, Membership Fees, and Other.

The "Advertising and Commerce" category consists of (a) advertising fees paid by travel companies for the publishing of their offers on Travelzoo's media properties, (b) commissions and revenues generated from the sale of *Getaways* vouchers and bookings on our hotel platform, and (c) publishing fees from high-quality local businesses, sale of *Local Deals* vouchers and

entertainment offers. Advertising fees may be based on audience reach, placement in email newsletters or on media properties, number of listings, number of clicks, and/or actual sales. We typically recognize advertising revenues upon delivery of emails or clicks, as tracked by our internal platform or third-party platforms, in the period of the applicable insertion orders, which are typically for periods between one month and twelve months and are not automatically renewed. For *Getaways* vouchers, we recognize a percentage of the face value of vouchers upon sale as commission, net of an allowance for future refunds. Merchant agreements for *Getaways* advertisers are typically for periods between twelve and twenty-four months and are not automatically renewed. Revenues generated from local business offers are based upon a percentage of the face value of the vouchers sold, commission on actual sales or a listing fee based on audience reach. We recognize revenue upon the sale of vouchers, upon notification of the amount of direct bookings or upon delivery of emails. For *Local Deals* vouchers, we recognize a percentage of the face value of vouchers upon the sale of the vouchers, net of an allowance for refunds. Insertion orders and merchant agreements for *Local Deals* are typically for periods between one and twelve months and are not automatically renewed.

As of September 30, 2025 and December 31, 2024, the Company had approximately \$2.9 million and \$4.1 million of unredeemed vouchers that had been sold, respectively, representing the Company's commission. The Company estimates a refund reserve using historical and current refund rates by product and by merchant location to calculate estimated future refunds. The Company estimated and recorded a refund reserve of \$173,000 and \$144,000 as of September 30, 2025 and December 31, 2024, respectively, for these unredeemed vouchers which is recorded as a reduction of revenues on the condensed consolidated statements of operations, and accrued expense and other on the condensed consolidated balance sheet.

Merchant payables of \$11.8 million as of September 30, 2025 related to unredeemed vouchers is recorded on the condensed consolidated balance sheet, representing amounts payable to merchants by the Company for vouchers sold but not redeemed. Certain merchant contracts, typically in foreign locations, allow the Company to retain the proceeds from unredeemed vouchers upon expiration. With these contracts, the Company estimates the value of vouchers that will ultimately not be redeemed and records the estimate as revenues in the same period.

In certain scenarios, the Company will pre-purchase vouchers or hotel inventory (in the form of credit amounts, vouchers or gift cards) in bulk from clients and partners (e.g. hotel or spa partners). In those scenarios, the Company is not acting as the agent, but rather as the principal. The pre-purchased vouchers are recorded as inventory, within prepaid expenses and other on the condensed consolidated balance sheet until sold to and purchased by Travelzoo members, at which point, the amount for which the vouchers were sold to Travelzoo members is recognized fully as revenue and the amount for which the vouchers were purchased from the hotel or spa partners is recognized as cost of revenues.

The "Membership Fees" category consists of subscription fees paid by Travelzoo Club Members and Jack's Flight Club Premium members. Travelzoo membership has historically been free, however, on January 1, 2024, the Company introduced an annual membership fee of \$40 (or local equivalent) for new members in the United States, Canada, United Kingdom and Germany, with the 2024 annual fee waived for existing members. Jack's Flight Club subscription options are quarterly, semi-annually, and annually. We recognize subscription revenues ratably over the respective subscription periods.

The "Other" category consists of licensing fees from license agreements, and revenue generated from MTE, including but not limited to sales from the retail business originally operated by MTE and acquired and maintained by the Company following the acquisition of MTE.

Trends in Our Business

Revenues from local businesses have been and may continue to decline over time due to market conditions driven by competition and declines in consumer demand. In the years prior to the COVID pandemic, we saw a decline in the number of vouchers sold and a decrease in the average commission rate earned by us from the merchants for vouchers sold. However, during the global pandemic, we saw an increase in demand by consumers for fully refundable travel options, which led to a slight reversal of this trend and an increase in the sale of Getaways hotel vouchers (although demand for restaurants and spas continued to be low). With the ending of the pandemic, the importance of fully refundable travel options decreased (and we also shifted to offering a surcharge for full refundability), and the trend is therefore returning to pre-pandemic patterns.

Our ability to continue generating revenues through advertising, commissions and subscriptions depends heavily upon our ability to maintain and grow an attractive audience for our publications. We monitor our membership base to assess our efforts to maintain and grow our audience reach. We obtain additional members and increase activity on our websites by acquiring traffic from Internet search and social media companies. The costs to grow our audience have had, and we expect will continue to have, a significant impact on our financial results and can vary from period to period. With the introduction of membership fees in 2024, we have been adjusting our member acquisition practices to ensure that we pursue a strategy of efficient growth. We initially reduced our expenditures on acquiring members as we tested new strategies for efficacy. Having now been able to achieve in certain cases a one quarter payback period to acquire a paying member, we have now increased and plan to further increase these expenditures to grow our paid membership and engagement with our products. We will continue

to invest for so long as we are able to maintain efficiency. We do not know if we will be able to maintain efficiency or continue efficiently growing through member acquisition. We continue to see a shift in users accessing our services through mobile devices and social media and, therefore, anticipate continuing to address these growing channels through additional investments.

We believe that an important factor for our advertising rates is the reach of our publications, however, we also believe, particularly as we transition to paid membership, that there are other more important factors, such as the engagement of our membership base with our content. We do not know if we will be able to increase engagement, however, early signs indicate that on average paying members are more engaged than members who have not paid a fee. We do not know if by increasing engagement, we will also be able to increase other key metrics of importance to our advertisers. As we make this transition, we may need to decrease our rates based on competitive market conditions and the performance of our audience. However, as we increase member acquisition, we expect that a greater proportion of our revenue will be driven by membership revenue, as opposed to advertising revenue.

We do not know what our cost of revenues as a percentage of revenues will be in future periods. Our cost of revenues may change in relation to volume and terms with third-party partners of the Travelzoo Network, the incurrence of merchant processing fees from the sale of vouchers for Local Deals and Getaways, changes in refund request trends, pre-purchasing of voucher inventory and provisioning of customer service. With the transition to paid membership, we regularly review the classification of cost of revenues and operating expenses. We expect fluctuations in cost of revenues as a percentage of revenues from quarter to quarter. Some of the fluctuations may be significant and may have a material impact on our results of operations.

We do not know what our sales and marketing expenses as a percentage of revenue will be in future periods. Changes in the average cost per acquisition of new members impacts our advertising expenses and sales and marketing expenses as a percentage of revenue, and are not readily predictable. With the introduction of membership fees in 2024, we expect the cost of acquiring new paying members to increase significantly, as compared with the cost of acquiring non-paying members prior to 2024. We have found efficiencies in member acquisition gained through careful testing and optimizing throughout 2024 and the beginning of 2025 and we hope that we will be able to continue to scale. However, in the future, there may be a significant number of members that cancel or we may cancel their memberships for various reasons, which may prompt us to spend more on member acquisition in order to replace lost members. We also cannot predict seasonality and the potential increase of advertising rates by third party channels, which would impact the efficiency of our member acquisition activities.

In addition to the type of membership offered, we believe the average cost per acquisition depends mainly on the advertising rates we pay for media buys, the quality of the members we acquire (based on both clicks and purchases through Travelzoo), our ability to manage our member acquisition efforts successfully, the regions we target to acquire new members and the relative costs for that region, and the degree of competition in our industry. All else equal, increased competition may require us to increase advertising for our brand and advertisers' deals.

Beside member acquisition costs, we may see a unique opportunity for a brand marketing campaign, experience increases in the cost of retaining or sourcing new advertiser clients, or change the number of personnel or compensation structure for the sales and marketing function, any of which would result in an increase in sales and marketing expenses. We expect fluctuations in sales and marketing expenses as a percentage of revenue from year to year and from quarter to quarter. Some of the fluctuations may be significant and have a material impact on our results of operations. We expect increased marketing expenses to spur continued growth in revenue in future periods; however, we cannot be assured of this due to the many factors that impact our growth. We expect to adjust the level of such incremental spending dynamically during any given quarter based upon market conditions, as well as our performance in each quarter.

We do not know what our product development expenses as a percentage of revenue will be in future periods. We expect to increase investment in our products in connection with building out and refining the value proposition of the Travelzoo club membership. There may be fluctuations that have a material impact on our results of operations. Product development changes may lead to reductions of revenue based on changes in receptivity of our offerings to our member audience and advertiser clients. We expect our efforts in developing products and services will continue to be a focus in the future, which may lead to increased product development expenses. Increases in expense may result from costs related to third-party technology service providers and software licenses, headcount and the use of professional services.

We do not know what our general and administrative expenses as a percentage of revenue will be in future periods. There may be fluctuations that have a material impact on our results of operations.

We do not know what our income taxes will be in future periods. There may be fluctuations that have a material impact on our results of operations. Our income taxes are dependent on numerous factors such as the geographic mix of our taxable income, foreign, federal, state and local tax law and regulations, and changes thereto. Our income taxes are also dependent on

the determination of whether valuation allowances for certain tax assets are required or not, any audits of prior years' tax returns that result in adjustments, resolution of uncertain tax positions and different treatments for certain items for tax versus book purposes. We expect fluctuations in our income taxes from year to year and from quarter to quarter, which may be significant and have a material impact on our results of operations.

Results of Operations

The following table sets forth, as a percentage of total revenues, the results from our operations for the periods indicated.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenues	20.4	12.7	19.0	12.2
Gross profit	79.6	87.3	81.0	87.8
Operating expenses:				
Sales and marketing	54.9	41.0	49.6	41.5
Product development	2.8	3.0	2.8	2.8
General and administrative	19.7	23.2	19.4	21.9
Total operating expenses	77.4	67.2	71.8	66.2
Operating income	2.2	20.1	9.2	21.6
Other income, net	(0.3)	1.8	1.0	1.1
Income from continuing operations before income taxes	1.9	21.9	10.2	22.7
Income tax expense	1.1	5.7	3.1	6.2
Net income	0.8	16.2	7.1	16.5
Net income attributable to non-controlling interest	0.1	0.4	0.3	0.1
Net income attributable to Travelzoo	0.7 %	15.8 %	6.8 %	16.4 %

Revenues

The following table sets forth the breakdown of revenues (in thousands) by category Advertising and Commerce, Membership Fees, and Other. Advertising includes travel publications (*Top 20*, *Travelzoo* website, *Standalone* email newsletters, *Travelzoo Network*), *Getaways* vouchers, hotel platform, vacation packages, *Local Deals* vouchers and entertainment offers (vouchers and direct bookings). Membership Fees includes subscription fees paid by Travelzoo Club Members and Jack's Flight Club Premium members. Other includes licensing fees from license agreements and the retail business acquired with MTE.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Advertising and Commerce	\$ 18,580	\$ 18,619	\$ 60,135	\$ 59,426
Membership Fees	3,591	1,446	9,047	3,711
Other	27	33	63	87
Total revenues	\$ 22,198	\$ 20,098	\$ 69,245	\$ 63,224

Advertising and Commerce

Advertising and Commerce revenue decreased by \$39,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024. This decrease was primarily driven by a \$1.3 million decrease in *Top 20* and Newsflash and a \$201,000 decrease in hotel platform commission revenue which was partially offset by \$1.5 million increase in revenues from *Getaways* and *Local Deals* vouchers purchases.

Advertising and Commerce revenue increased by \$709,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. This increase was primarily driven by \$3.6 million increase in revenues from *Getaways*

vouchers purchases which was partially offset by a \$1.9 million decrease in hotel platform and other commission revenue and a \$0.4 million decrease in cost per click revenue.

Membership Fees

Revenues from Membership fees increased \$2.1 million for the three months ended September 30, 2025 from the three months ended September 30, 2024 due to the increase of subscription fees paid by Travelzoo and Jack's Flight Club members.

Revenues from Membership fees increased \$5.3 million for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 due to the increase of subscription fees paid by Travelzoo and Jack's Flight Club members.

Other

Revenues from Other decreased \$6,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to the decrease revenue from the retail and fashion business.

Revenues from Other decreased \$24,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to the decrease revenue from the retail and fashion business.

Cost of Revenues

Cost of revenues consists primarily of network expenses related to powering the Company's websites, database services, sending e-mails, amortization of capitalized website development costs, software and license expenses, publishing fees to partners of the *Travelzoo Network*, costs incurred upon the sale of pre-purchased vouchers and other products, including directly attributable member services (call center), cost of certain membership benefits that are considered integral to the contractual obligation to Club Members, and fees to payment processors. Cost of revenues was \$4.5 million and \$2.5 million, respectively, for the three months ended September 30, 2025 and 2024. Cost of revenues was \$13.1 million and \$7.7 million, respectively, for the nine months ended September 30, 2025 and 2024.

Cost of revenues increased \$2.0 million for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to the increase in costs recognized upon the sale of pre-purchased vouchers.

Cost of revenues increased \$5.4 million for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to the increase in costs recognized upon the sale of pre-purchased vouchers.

Operating Expenses

Sales and Marketing

Sales and marketing expenses consist primarily of advertising and promotional expenses, salary and related expenses associated with sales, marketing and production employees, expenses related to our participation in industry conferences, marketing professional service costs, public relations expenses and facilities costs. Sales and marketing expenses were \$12.2 million and \$8.2 million for the three months ended September 30, 2025 and 2024, respectively. Sales and marketing expenses were \$34.4 million and \$26.2 million for the nine months ended September 30, 2025 and 2024, respectively. Advertising expenses consist primarily of online advertising which we refer to as traffic acquisition cost and member acquisition costs. For the three months ended September 30, 2025 and 2024, advertising expenses accounted for 26% and 14%, respectively, of the total sales and marketing expenses. For the nine months ended September 30, 2025 and 2024, advertising expenses accounted for 22% and 12%, respectively, of the total sales and marketing expenses. The goal of our advertising was to acquire new members to our email products, increase the traffic to our websites, increase brand awareness and increase our audience through mobile and social media platforms.

Sales and marketing expenses increased \$4.0 million for the three months ended September 30, 2025 from the three months ended September 30, 2024. The increase was primarily due to the increase in member acquisition costs as a result of management's strategic plan.

Sales and marketing expenses increased \$8.1 million for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. The increase was primarily due to the increase in member acquisition costs as a result of management's strategic plan.

Product Development

Product development expenses consist primarily of salary and related expenses associated with software development employees, fees for professional services, software maintenance, amortization, and facilities costs. Product development expenses were \$631,000 and \$594,000 for the three months ended September 30, 2025 and 2024, respectively. Product development expenses were \$2 million and \$1.8 million for the nine months ended September 30, 2025 and 2024, respectively.

Product development expenses increased \$37,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to the increase in salary expense.

Product development expenses increased \$200,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to the increase in salary expense.

General and Administrative

General and administrative expenses consist primarily of salary and related expenses associated with administrative and executive employees, bad debt expense, professional service expenses, legal expenses, amortization of intangible assets, general office expense and facilities costs. General and administrative expenses were \$4.4 million and \$4.7 million for the three months ended September 30, 2025 and 2024, respectively. General and administrative expenses were \$13.4 million and \$13.9 million for the nine months ended September 30, 2025 and 2024, respectively.

General and administrative expenses decreased \$302,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to a \$175,000 decrease in salary expense and a \$193,000 decrease in bad debt.

General and administrative expenses decreased \$455,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to \$335,000 decrease in professional services expenses and \$257,000 decrease in legal expense, offset partially by \$196,000 increase in office expenses.

Other Income (loss), net

Other income, net consisted primarily of foreign exchange transactions gains and losses, sublease income, German federal government funding for COVID-related pandemic relief, interest income and interest expense. Other income (loss), net was (\$64,000) and \$359,000, respectively, for the three months ended September 30, 2025 and 2024. Other income, net was \$727,000 and \$674,000, respectively, for the nine months ended September 30, 2025 and 2024.

Other income (loss), net decreased \$423,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to the interest income and foreign exchange transactions loss.

Other income, net increased \$53,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to the release of JFC VAT liabilities after a four-year statute of limitations and foreign exchange transactions gains.

Income Taxes

Our income is generally taxed in the U.S., Canada and U.K. Our income tax provision reflects federal, state and country statutory rates applicable to our worldwide income. Income tax expense was \$245,000 and \$1.1 million, respectively, for the three months ended September 30, 2025 and 2024. Our effective tax rate from continuing operations was 58% and 26%, respectively, for the three months ended September 30, 2025 and 2024. The Company's effective tax rate for the three months ended September 30, 2025 changed from the three months ended September 30, 2024 primarily due to a higher interest expense related to unrecognized tax positions in the three months ended September 30, 2025. Income tax expense was \$2.2 million and \$3.9 million, respectively, for the nine months ended September 30, 2025 and 2024. The Company's effective tax rate from continuing operations was 30% and 27% for the nine months ended September 30, 2025 and 2024.

We expect our effective tax rate to fluctuate in future periods depending on the geographic mix of our worldwide income or losses mainly incurred by our operations, statutory tax rate changes that may occur, existing or new uncertain tax matters that may arise and require changes in tax reserves and the need for valuation allowances on certain tax assets, if any. See Note 5—Income Taxes to the accompanying condensed consolidated financial statements for further information.

We do not know what our income taxes will be in future periods. There may be fluctuations that have a material impact on our results of operations. Our income taxes are dependent on numerous factors such as the geographic mix of our taxable income, federal and state and foreign country tax law and regulations and changes thereto, the determination of whether valuation allowances for certain tax assets are required or not, audits of prior years' tax returns resulting in adjustments, resolution of uncertain tax positions and different treatment for certain items for tax versus books. We expect fluctuations in our

income taxes from year to year and from quarter to quarter. Some of the fluctuations may be significant and have a material impact on our results of operations.

Travelzoo North America

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)		(In thousands)	
Revenues	\$ 14,231	\$ 12,822	\$ 45,492	\$ 41,184
Operating profit	\$ 1,128	\$ 3,150	\$ 7,541	\$ 11,305
Operating profit as a % of revenue	7.9 %	24.6 %	16.6 %	27.4 %

North America revenues increased by \$1.4 million for the three months ended September 30, 2025 from the three months ended September 30, 2024. This increase was primarily due to the increase in paid membership fees and *Getaway* vouchers. North America expenses increased by \$3.4 million for the three months ended September 30, 2025 from the three months ended September 30, 2024. The increase was primarily due to a \$1.3 million increase in cost of revenue related to purchase of vouchers and gift cards which were sold during the three months ended September 30, 2025, and a \$1.7 million increase in member acquisition costs.

North America revenues increased by \$4.3 million for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. This increase was primarily due to the increase in paid membership fees and *Getaway* vouchers. North America expenses increased by \$8.1 million for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. The increase was primarily due to a \$3.9 million increase in cost of revenue related to purchase of vouchers and gift cards which were sold during the nine months ended September 30, 2025, and a \$3.3 million increase in member acquisition costs.

Travelzoo Europe

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)		(In thousands)	
Revenues	\$ 6,565	\$ 6,018	\$ 19,661	\$ 18,631
Operating profit (loss)	\$ (640)	\$ 1,028	\$ (1,296)	\$ 2,922
Operating profit (loss) as a % of revenue	(9.7)%	17.1 %	(6.6)%	15.7 %

Europe revenues increased by \$547,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024. The increase was primarily due to the increase in paid membership fees. Europe expenses increased by \$2.2 million for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to \$833,000 in member acquisition costs, a \$569,000 increase in cost of revenue related to the purchase of vouchers and gift cards which were sold during the three months ended September 30, 2025, and a \$269,000 increase in salary and related expenses.

Europe revenues increased by \$1 million for the nine months ended September 30, 2025 from the nine months ended September 30, 2024. The increase was primarily due to the increase in paid membership fees. Europe expenses increased by \$5.2 million for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to \$1.6 million in member acquisition costs, a \$1.4 million increase in cost of revenue related to the purchase of vouchers and gift cards which were sold during the three months ended September 30, 2025, and a \$1.1 million increase in salary and related expenses.

Foreign currency movements relative to the U.S. dollar negatively impacted our local currency income from our operations in Europe by approximately \$41,000 for the three months ended September 30, 2025 and positively impacted our local currency income from our operations in Europe by approximately \$31,000 for the three months ended September 30, 2024. Foreign currency movements relative to the U.S. dollar negatively impacted our local currency income from our operations in Europe by approximately \$31,000 for the nine months ended September 30, 2025 and positively impacted our local currency income from our operations in Europe by approximately \$84,000 for the nine months ended September 30, 2024.

Jack's Flight Club

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)		(In thousands)	
Revenues	\$ 1,375	\$ 1,225	\$ 4,028	\$ 3,321
Operating profit (loss)	\$ 20	\$ 27	\$ 188	\$ (106)
Operating profit (loss) as a % of revenue	1.5 %	2.2 %	4.7 %	(3.2)%

Jack's Flight Club revenues increased by \$150,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 due to the increase of subscription fees paid by the members. Jack's Flight Club expenses increased by \$140,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to the increase in advertising expenses.

Jack's Flight Club revenues increased by \$707,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 due to the increase of subscription fees paid by the members. Jack's Flight Club expenses increased by \$413,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to the increase in advertising expenses.

New Initiatives

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In thousands)		(In thousands)	
Revenues	\$ 27	\$ 33	\$ 64	\$ 88
Operating loss	\$ (20)	\$ (160)	\$ (81)	\$ (474)

New Initiatives segment primarily consists of Travelzoo licensing business, Travelzoo META, Metaverse experience scouting and development business and the retail and fashion business acquired with MTE. New Initiatives revenues decreased \$6,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to the decrease in the retail and fashion business. New Initiatives segment expenses decreased by \$145,000 for the three months ended September 30, 2025 from the three months ended September 30, 2024 primarily due to the decrease in salary and related expenses.

New Initiatives revenues decreased \$24,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to the decrease in the retail and fashion business. New Initiatives segment expenses decreased by \$417,000 for the nine months ended September 30, 2025 from the nine months ended September 30, 2024 primarily due to the decrease in salary and related expenses.

Liquidity and Capital Resources

As of September 30, 2025, we had \$8.5 million in cash and cash equivalents, of which \$6.1 million was held outside the U.S. in our foreign operations. If this cash is distributed to the U.S., we may be subject to additional foreign withholdings taxes in certain circumstances. We also had \$756,000 in restricted cash held in the U.S. and U.K. as of September 30, 2025.

Cash, cash equivalents and restricted cash decreased \$8.5 million from \$17.7 million as of December 31, 2024 to \$9.2 million as of September 30, 2025, primarily due to \$13 million cash used to repurchase common stock, offset partially by \$4.2 million cash provided by operating activities.

As of September 30, 2025, we had merchant payables of \$11.8 million related to unredeemed vouchers. In the Company's financial statements presented in this 10-Q report, following U.S. generally accepted accounting principles ("GAAP"), we classified all merchant payables as current. When all merchant payables are classified as current, there is negative net working capital (which is defined as current assets minus current liabilities) of \$11.4 million. Payables to merchants are generally due upon redemption of vouchers. As of September 30, 2025, unredeemed vouchers have maturities through March 2026; however, expiration dates may be extended on a case-by-case basis and final payment to merchants upon expiration may not be due for up to a year after. Based on current projections of redemption activity, we expect that cash on hand as of September 30, 2025 will be sufficient to provide for working capital needs for at least the next twelve months.

The following table provides a summary of our cash flows from operating, investing and financing activities:

	Nine Months Ended September 30,	
	2025	2024
	(In thousands)	
Net cash provided by operating activities	\$ 4,209	\$ 13,257
Net cash used in investing activities	(49)	(129)
Net cash used in financing activities	(13,068)	(17,197)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	415	(214)
Net decrease in cash, cash equivalents and restricted cash	\$ (8,493)	\$ (4,283)

Net cash provided by operating activities is net income adjusted for certain non-cash items and changes in assets and liabilities. Net cash provided by operating activities for the nine months ended September 30, 2025 was \$4.2 million, which primarily consisted of net income of \$4.9 million, \$1.2 million increase in non-cash items and \$884,000 decrease in cash from changes in operating assets and liabilities. Adjustments for non-cash items primarily consisted of \$1.1 million for stock-based compensation and \$239,000 for depreciation and amortization. The decrease in cash from changes in operating assets and liabilities was primarily due to \$5.1 million decrease in merchant payables, offset partially by \$2.4 million increase in deferred revenue and \$2.1 million increase in accounts payable.

Net cash provided by operating activities is net income adjusted for certain non-cash items and changes in assets and liabilities. Net cash provided by operating activities for the nine months ended September 30, 2024 was \$13.3 million, which primarily consisted of net income of \$10.4 million, \$1.9 million increase in non-cash items and \$963,000 increase in cash from changes in operating assets and liabilities. Adjustments for non-cash items primarily consisted of \$1.2 million for stock-based compensation and \$737,000 for depreciation and amortization. The increase in cash from changes in operating assets and liabilities was primarily due to \$1.8 million increase in deferred revenue, \$1.4 million increase in other non-current liabilities and \$802,000 increase in accounts payable and accrued expenses, offset partially by \$3.3 million decrease in merchant payables.

Cash paid for income tax, net of refunds received, during the nine months ended September 30, 2025 and 2024 was \$3.6 million and \$1.5 million, respectively.

Net cash used in investing activities for the nine months ended September 30, 2025 and 2024 was \$49,000 and \$129,000, respectively. The cash used in investing activities for the nine months ended September 30, 2025 consisted of purchases of property and equipment.

Net cash used for financing activities for the nine months ended September 30, 2025 was \$13 million which primarily consisted of the repurchase of common stock of \$13 million. Net cash used for financing activities for the nine months ended September 30, 2024 was \$16.6 million which primarily consisted of the repurchase of common stock.

Consistent with our growth, we experienced fluctuations in our cost of revenues, sales and marketing expenses, product development expenses and general and administrative expenses, and we anticipate that these increases will continue for the foreseeable future. We believe cash on hand will be sufficient to pay such costs for at least the next twelve months. In addition, we will continue to evaluate possible investments in businesses, products and technologies, the consummation of any of which would increase our capital requirements.

Although we currently believe we have sufficient capital resources to meet our anticipated working capital and capital expenditure requirements for at least the next twelve months, unanticipated events and opportunities or a less favorable than expected development of our business with one or more advertising formats may require us to sell additional equity or debt securities or establish credit facilities to raise capital in order to meet our capital requirements.

If we sell additional equity or convertible debt securities, such sale could dilute the ownership of our existing stockholders. If we issue debt securities or establish a new credit facility, our fixed obligations could increase and we may be required to agree to operating covenants that would restrict our operations. We cannot be sure that any such financing will be available in amounts or on terms acceptable to us.

If the development of our business is less favorable than expected, we may decide to significantly reduce the size of our operations and marketing expenses in certain markets with the objective of reducing cash outflows.

The information set forth under “Note 4—*Commitments and Contingencies*” and “Note 10—*Leases*” to the accompanying condensed consolidated financial statements included in this report. Litigation and claims against the Company may result in legal defense costs, settlements or judgments that could have a material impact on our financial condition.

We also have contingencies related to net unrecognized tax benefits, including interest and penalties, of approximately \$23.9 million as of September 30, 2025. See “Note 5: Income Taxes” to the accompanying unaudited condensed consolidated financial statements for further information.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those that we believe are important in the preparation of our condensed consolidated financial statements because they require that we use judgment and estimates in applying those policies. Preparation of the condensed consolidated financial statements and accompanying notes requires that we make estimates and assumptions that affect the reported amounts and classifications of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements as well as revenue and expenses during the periods reported. We base our estimates on historical experience, where applicable, and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions. Our critical accounting policies include income taxes. For additional information about our critical accounting policies and estimates, see the disclosure included in our Annual Report on Form 10-K for the year ended December 31, 2024 as well as updates in the current fiscal year provided in “Note 1 Summary of Significant Accounting Policies” in the notes to the condensed consolidated financial statements.

Recent Accounting Pronouncements

See “Note 1—The Company and Basis of Presentation” to the accompanying unaudited condensed consolidated financial statements included in this report, regarding the impact of certain recent accounting pronouncements on our unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Based on management's evaluation (with the participation of the Company's Global Chief Executive Officer (CEO), Financial Controller, North America, General Counsel and Head of Global Functions and other supporting Finance staff), as of September 30, 2025, management has concluded that our 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)), are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in U.S. SEC rules and forms, and that such information is accumulated and communicated to management, including our Global CEO, Financial Controller, North America and General Counsel and Head of Global Functions, as appropriate, to allow timely decisions regarding required disclosure.

During the quarter ended September 30, 2025, there were no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under “Note 4—Commitments and Contingencies” to the accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this report is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, “Item 1A Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, which are incorporated herein by reference. These risk factors could materially affect our business, financial position, or results of operations. These are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial position, or results of operations.

Because we recognize revenue from subscriptions for our club membership over the term of the subscription, downturns or upturns may not be immediately reflected in our operating results.

We generally recognize membership revenue ratably over the terms of their agreements, which are typically one year. As a result, most of the revenue we report in each quarter is the result of subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be reflected in our revenue results for that quarter. Any such decline, however, will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns or declines in conversion or retention rates, may not be fully apparent or reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Repurchases of Equity Securities

We repurchased 148,602 shares of our common stock during the three months ended September 30, 2025.

Period	Total Number of Shares Purchased	Average Price paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Shares that May Yet be Purchased Under the Program
July 1, 2025 – July 31, 2025	100,000	\$ 10.47	100,000	48,602
August 1, 2025 – August 31, 2025	48,602	\$ 10.25	48,602	—
September 1, 2025 – September 30, 2025	—	\$ —	—	—
	<u>148,602</u>		<u>148,602</u>	

On October 23, 2024, the Company announced that its Board of Directors authorized the repurchase of up to 1,000,000 shares of the Company's outstanding common stock. For the three months ended September 30, 2025, the Company repurchased 148,602 shares of common stock for an aggregate purchase price of \$1.5 million, excluding excise tax due under the Inflation Reduction Act of 2022, with such shares retired and recorded as a reduction of additional paid-in capital until extinguished with the remaining amount reflected as a reduction of retained earnings. This completed the share repurchase program authorized on October 23, 2024.

Item 3: Defaults Upon Senior Securities

None.

Item 4: Mine Safety Disclosures

None.

Item 5: Other Information

None.

Item 6. Exhibits

The following table sets forth a list of exhibits:

<u>Exhibit Number</u>	<u>Description</u>
3.1	— Certificate of Incorporation of Travelzoo (Incorporated by reference to our Pre-Effective Amendment No. 6 to our Registration Statement on Form S-4 (File No. 333-55026), filed February 14, 2002)
3.2	— Certificate of Amendment of Certificate Incorporation of Travelzoo (File No. 000-50171), filed May 10, 2017)
3.3	— Certificate of Amendment of Certificate of Incorporation to Authorize a Reduction of the Authorized Number of Shares of Our Common Stock from 40,000,000 to 20,000,000 Shares
3.4	— Amended and Restated By-laws of Travelzoo (Incorporated by reference to Exhibit 3.5 on Form 8-K (File No. 000-50171), filed April 5, 2022).
10.1	— Form of Director and Officer Indemnification Agreement (Incorporated by reference to Exhibit 10.1 on Form 10-Q (File No. 000-50171), filed November 9, 2007)
31.1‡	— Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2‡	— Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	— Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	— Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS†	XBRL Instance Document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document

* This exhibit is a management contract or a compensatory plan or arrangement.

‡ Filed herewith

† Furnished herewith

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.

TRAVELZOO
(Registrant)

By:

/s/ JEFF HOFFMAN

Jeff Hoffman

On behalf of the Registrant and as Principal Accounting Officer

Date: November 10, 2025

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Holger Bartel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Travelzoo;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; 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 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.

/s/ HOLGER BARTEL

Holger Bartel

Global Chief Executive Officer

Date: November 10, 2025

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeff Hoffman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Travelzoo;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; 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 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.

/s/ JEFF HOFFMAN

Jeff Hoffman

Principal Accounting Officer

Date: November 10, 2025

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirements of the Securities Exchange Act of 1934, and in connection with the quarterly report of Travelzoo on Form 10-Q for the three months ended September 30, 2025, the undersigned hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that (1) this report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and (2) the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: November 10, 2025

By: /s/ HOLGER BARTEL

Holger Bartel

Global Chief Executive Officer

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirements of the Securities Exchange Act of 1934, and in connection with the quarterly report of Travelzoo on Form 10-Q for the three months ended September 30, 2025, the undersigned hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that (1) this report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and (2) the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: November 10, 2025

By: /s/ JEFF HOFFMAN

Jeff Hoffman

Principal Accounting Officer