

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

**Form 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2026

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 May 13, 2026 was 10,279,709.



# TRAVELZOO

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**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements**

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

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,571	\$ 10,007
Accounts receivable, less allowance for doubtful accounts of \$783 and \$1,222 as of March 31, 2026 and December 31, 2025, respectively	13,537	10,723
Prepaid income taxes	1,512	1,364
Prepaid expenses and other	2,799	1,302
Total current assets	28,419	23,396
Deposits and other	206	166
Deferred tax assets	4,120	4,202
Restricted cash	754	756
Operating lease right-of-use assets	4,793	4,047
Property and equipment, net	181	231
Intangible assets, net	1,450	1,450
Goodwill	10,944	10,944
Total assets	\$ 50,867	\$ 45,192
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 8,273	\$ 7,761
Merchant payables	13,453	11,665
Accrued expenses and other	4,572	3,926
Deferred revenue	10,657	8,728
Income tax payable	128	279
Operating lease liabilities	2,116	1,811
Total current liabilities	39,199	34,170
Long-term tax liabilities	10,316	9,260
Long-term operating lease liabilities	4,507	4,184
Total liabilities	54,022	47,614
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; 10,432 shares issued and outstanding as of March 31, 2026, 10,932 shares issued and outstanding as of December 31, 2025)	104	109
Additional paid-in capital	—	—
Tax indemnification	(9,537)	(9,537)
Retained earnings	6,461	7,243
Accumulated other comprehensive loss	(5,297)	(5,331)
Total Travelzoo stockholders' equity (deficit)	(8,269)	(7,516)
Non-controlling interest	5,114	5,094
Total stockholders' equity (deficit)	(3,155)	(2,422)
Total liabilities and stockholders' equity	\$ 50,867	\$ 45,192

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	
	March 31,	
	2026	2025
Revenues	\$ 24,273	\$ 23,140
Cost of revenues	5,236	4,172
Gross profit	19,037	18,968
Operating expenses:		
Sales and marketing	11,116	10,225
Product development	664	634
General and administrative	3,812	4,305
Total operating expenses	15,592	15,164
Operating income	3,445	3,804
Other income (loss), net	(5)	629
Income before income taxes	3,440	4,433
Income tax expense	942	1,173
Net income	2,498	3,260
Net income attributable to non-controlling interest	20	93
Net income attributable to Travelzoo	\$ 2,478	\$ 3,167
Net income per share —basic	\$ 0.23	\$ 0.27
Net Income per share—diluted	\$ 0.23	\$ 0.26
Shares used in per share calculation—basic	10,837	11,670
Shares used in per share calculation—diluted	10,837	12,249

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended	
	March 31,	
	2026	2025
Net income	\$ 2,498	\$ 3,260
Other comprehensive income (loss):		
Foreign currency translation adjustment	34	(120)
Total comprehensive income	<u>\$ 2,532</u>	<u>\$ 3,140</u>

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended	
	March 31,	
	2026	2025
<b>Cash flows from operating activities:</b>		
Net income	\$ 2,498	\$ 3,260
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56	76
Stock-based compensation	35	369
Deferred income tax	(25)	4
Net foreign currency effect	77	(106)
Provision for accounts receivable and refund reserve	11	206
Changes in operating assets and liabilities:		
Accounts receivable	(2,818)	434
Prepaid income taxes	(253)	(63)
Prepaid expenses, deposits and other	(1,531)	(418)
Accounts payable	510	(144)
Merchant payables	1,909	(1,651)
Accrued expenses and other	554	867
Deferred revenue	1,983	1,241
Income tax payable	(64)	(949)
Other liabilities	909	158
Net cash provided by operating activities	<u>3,851</u>	<u>3,284</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(8)	(21)
Net cash used in investing activities	<u>(8)</u>	<u>(21)</u>
<b>Cash flows from financing activities:</b>		
Repurchase of common stock	(3,267)	(8,918)
Net cash used in financing activities	<u>(3,267)</u>	<u>(8,918)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(14)	142
Net increase (decrease) in cash, cash equivalents and restricted cash	562	(5,513)
Cash, cash equivalents and restricted cash at beginning of period	10,763	17,740
Cash, cash equivalents and restricted cash at end of period	<u>\$ 11,325</u>	<u>\$ 12,227</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net	\$ 290	\$ 1,541
Right-of-use assets obtained in exchange for lease obligations—operating leases	\$ 1,213	\$ 321
Cash paid for amounts included in the measurement of lease liabilities	\$ 845	\$ 861
Non-cash investing and financing activities:		
Accrued excise tax for share repurchases	\$ 33	\$ 89

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	Retained Earnings	Accumulated Other Comprehensive Loss	Total Travelzoo Stockholders' Equity (Deficit)	Non-controlling interest	Total Stockholders' Equity (Deficit)
	Shares	Amount								
Balances, December 31, 2025	10,932	109	—	—	(9,537)	7,243	(5,331)	(7,516)	5,094	(2,422)
Stock-based compensation expense	—	—	—	35	—	—	—	35	—	35
Repurchase of common stock (1)	—	—	(3,300)	—	—	—	—	(3,300)	—	(3,300)
Retirement of treasury stock	(500)	(5)	3,300	(35)	—	(3,260)	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	34	34	—	34
Net income	—	—	—	—	—	2,478	—	2,478	20	2,498
Balances, March 31, 2026	10,432	\$ 104	\$ —	\$ —	(9,537)	\$ 6,461	(5,297)	(8,269)	\$ 5,114	(3,155)

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

	Common Stock		Treasury Stock	Additional Paid-In Capital	Tax Indemnification	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	—	—	—	369	—	—	—	369	—	369
Repurchase of common stock (1)	—	—	(9,007)	—	—	—	—	(9,007)	—	(9,007)
Retirement of treasury stock	(591)	(6)	9,007	(369)	—	(8,632)	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	(120)	(120)	—	(120)
Net income	—	—	—	—	—	3,167	—	3,167	93	3,260
Balances, March 31, 2025	11,245	\$ 112	\$ —	\$ —	(9,537)	\$ 8,819	(5,447)	(6,053)	\$ 4,908	(1,145)

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

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**

We (or the “Company”) are a global Internet media company. We operate *Travelzoo*®, the club for travel enthusiasts, *Jack’s Flight Club*®, a subscription service that provides information about exceptional airfares, and *Travelzoo META*.

The Company generates revenue primarily from advertising and membership fees.

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 March 31, 2026, holds approximately 35.1% of the Company’s outstanding shares.

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, 2025, included in the Company’s Form 10-K filed with the SEC on March 11, 2026.

The condensed consolidated financial statements include the accounts of Travelzoo 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 three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026 or any other future period, and the Company makes no representations related thereto.

**(b) Recent Accounting Pronouncements**

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, 2025.

***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 include revenue generated from the publishing of travel and entertainment offers on the *Travelzoo* website, in emails, on social media platforms and through the *Travelzoo Network*, and 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, vacation package sales 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, vacation package sales and sales of pre-purchased vouchers or hotel inventory, 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 travel companies or entertainment companies. 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.

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 as of December 31, 2023. On January 1, 2026, we increased the annual membership fee to \$50 in the United States for new members. For existing members, the new pricing is applied from the next renewal of their membership after February 1, 2026. On April 1, 2026, we increased the annual membership fee to €40 in Germany for new members. For existing members, the new pricing is applied from the next renewal of their membership after May 1, 2026.

## 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, 2025, \$2.2 million was recorded as deferred revenue for Jack's Flight Club, of which \$1.1 million was recognized in the three months ended March 31, 2026, and \$6.5 million was recorded as deferred revenue for Travelzoo North America and Travelzoo Europe, of which \$3.1 million was recognized as revenue in the three months ended March 31, 2026. As of March 31, 2026, deferred revenue was \$10.7 million, of which \$2.4 million was for Jack's Flight Club, and \$8.3 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 March 31, 2026, the Company had approximately \$3.4 million of unredeemed vouchers that had been sold, representing the Company's commission earned. The Company estimated and recorded a refund reserve of \$283,000 for these unredeemed vouchers as of March 31, 2026, 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, 2025, the Company had approximately \$2.9 million of unredeemed vouchers that had been sold representing the Company's commission earned from the sale and estimated a refund reserve of \$188,000 for these unredeemed vouchers as of December 31, 2025, 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 \$13.5 million as of March 31, 2026 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.

### ***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, increased fuel prices or increased prices due to tariffs, changes in international trade policies and immigration, flight cancellations due to macroeconomic factors resulting in uncertainty for consumers 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 March 31, 2026 and December 31, 2025, the Company did not have any customers that accounted for 10% or more of accounts receivable.

As of March 31, 2026, the Company had merchant payables of \$13.5 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 \$10.8 million at March 31, 2026. Payables to merchants are generally due upon redemption of vouchers by members who purchased them from the Company. As of March 31, 2026, unredeemed vouchers have maturities through March 2027; 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.

#### ***Cash, Cash Equivalents and Restricted Cash***

Cash and 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.

Management expects that cash on hand as of March 31, 2026 will be sufficient to provide for working capital needs for at least the next twelve months.

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:

	March 31, 2026	December 31, 2025
Cash and cash equivalents	\$ 10,571	\$ 10,007
Restricted cash	754	756
Total cash, cash equivalents and restricted cash in the condensed consolidated statements of cash flows	<u>\$ 11,325</u>	<u>\$ 10,763</u>

The Company's restricted cash was included in noncurrent assets as of March 31, 2026 and December 31, 2025.

#### **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 March 31,	
	2026	2025
<b>Numerator:</b>		
Net income attributable to Travelzoo	\$ 2,478	\$ 3,167
<b>Denominator:</b>		
Weighted average common shares—basic	10,837	11,670
Effect of dilutive securities: stock options	—	579
Weighted average common shares—diluted	<u>10,837</u>	<u>12,249</u>
Net income per share —basic	\$ 0.23	\$ 0.27
Net income per share—diluted	\$ 0.23	\$ 0.26

For the three months ended March 31, 2026, options to purchase 1.2 million shares of common stock were not included in the computation of diluted net income per share because the effect would have been anti-dilutive.

### Note 3: Goodwill and Intangible Assets

#### *Intangible Assets*

The Company's goodwill and intangible assets, 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, 2025 and did not identify any indicators of impairment for the year ended December 31, 2025. As of March 31, 2026, no indicators of impairment have been identified.

#### **Amortization of Acquired Intangible Assets**

The following table represents the activities of intangible assets for the three months ended March 31, 2026 and 2025 (in thousands):

	<b>Jack's Flight Club</b>
Intangible assets—December 31, 2024	1,460
Amortization of intangible assets with definite lives	(3)
Intangible assets—March 31, 2025	1,457
Amortization of intangible assets with definite lives	(2)
Intangible assets—June 30, 2025	1,455
Amortization of intangible assets with definite lives	(3)
Intangible assets—September 30, 2025	1,452
Amortization of intangible assets with definite lives	(2)
Intangible assets—December 31, 2025	1,450
Amortization of intangible assets with definite lives	—
Intangible assets—March 31, 2026	<u>\$ 1,450</u>

Amortization expense for acquired intangibles was \$0 and \$27,000 for the three months ended March 31, 2026 and 2025, respectively. There is no future amortization expense of acquired intangible assets for the three months ended March 31, 2026.

The Company performed its annual impairment testing of the Jack's Flight Club trade name as of October 31, 2025 using a relief from royalty method. No impairment was identified in 2025. As of March 31, 2026, the carrying value of the trade name was \$1.5 million. The Company did not identify any indicators of impairment during the three months ended March 31, 2026.

#### **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 March 31, 2026 and December 31, 2025. 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 leases office space in Canada, Germany, Spain, the U.K., and the U.S. 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 \$772,000 and \$687,000 for the three months ended March 31, 2026 and 2025, respectively. See Note 10—Leases for more information.

The Company has purchase commitments aggregating approximately \$581,000 as of March 31, 2026, 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 March 31, 2026 and 2025, the Company's reported effective income tax rate was 27% and 26%, respectively. This increase of the Company's reported effective income tax rate is primarily due to a decrease in operating profit.

As of March 31, 2026, 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 \$1 million.

The Company maintains a reserve for potential liabilities for uncertain tax positions. As of March 31, 2026, 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 March 31, 2026 and December 31, 2025, the Company had approximately \$1.7 million and \$1.6 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 2021 and forward and is subject to California tax examinations for years after 2020.

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 March 31, 2026. 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	
	March 31,	
	2026	2025
Beginning balance	\$ (5,331)	\$ (5,327)
Other comprehensive loss due to foreign currency translation, net of tax	34	(120)
Ending balance	<u>\$ (5,297)</u>	<u>\$ (5,447)</u>

There were no amounts reclassified from accumulated other comprehensive loss for the three months ended March 31, 2026 and 2025. 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 originally expire in January 2026. In January 2026, the Company approved the extension of the exercise period of the options for two years. The options now expire on January 1, 2028. 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 March 31, 2026, 12,500 options were vested and outstanding. 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 March 31, 2026, 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 \$0 and \$30,000 was recorded in sales and marketing expenses for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, 41,667 options were vested and outstanding. Stock-based compensation related to this grant was fully expensed in 2025.

On March 8, 2023, the Company granted its Chief Membership Officer and General Counsel, 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 March 31, 2026, 100,000 options were outstanding and 50,000 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 of the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, there was approximately \$104,000 of unrecognized stock-based compensation expense relating to these options. This amount is expected to be recognized over 0.8 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 March 31, 2026, 600,000 options were outstanding and vested. Total stock-based compensation related to this option grant of \$0 and \$305,000 was recorded in general and administrative expenses for the three months ended March 31, 2026 and 2025, respectively. Stock-based compensation related to this grant was fully expensed in 2025.

#### 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 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.

On March 5, 2026, 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. During the three months ended March 31, 2026, the Company repurchased 500,000 shares of common stock for an aggregate purchase price of \$3.3 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, 2026, there were 500,000 shares remaining to be repurchased under this program.

#### Note 9: Segment Reporting and Significant Customer Information

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

Three Months Ended March 31, 2026	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 15,326	\$ 7,585	\$ 1,345	\$ 17	\$ 24,273
Intersegment revenues	341	(308)	(33)	—	—
Total net revenues	15,667	7,277	1,312	17	24,273
Sales and marketing (1)	6,003	4,521	592	—	11,116
Other costs and expenses (2)	6,416	2,477	768	51	9,712
Operating profit (loss)	\$ 3,248	\$ 279	\$ (48)	\$ (34)	\$ 3,445
Other income, net					(5)
Income from continuing operations before income taxes					3,440

(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 \$35,000 and \$0, respectively.

Three Months Ended March 31, 2025	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 14,830	\$ 6,970	\$ 1,323	\$ 17	\$ 23,140
Intersegment revenues	298	(258)	(40)	—	—
Total net revenues	15,128	6,712	1,283	17	23,140
Sales and marketing (1)	5,700	3,902	623	—	10,225
Other costs and expenses (2)	5,834	2,582	648	47	9,111
Operating profit (loss)	\$ 3,594	\$ 228	\$ 12	\$ (30)	\$ 3,804
Other income, net					629
Income from continuing operations before income taxes					4,433

(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.

A measure of segment assets is not currently provided to the chief operating decision maker (“CODM”) and has therefore not been provided.

For the three months ended March 31, 2026 and 2025, 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:

	Three Months Ended March 31,	
	2026	2025
Advertising and Commerce	\$ 19,688	\$ 20,680
Membership Fees	4,568	2,443
Other	17	17
Total revenues	\$ 24,273	\$ 23,140

#### Note 10: Leases

The Company leases office space in Canada, Germany, Spain, the U.K. and the U.S. Our leases have remaining lease terms ranging from less than one year to up to five years.

The following table summarizes the components of lease expense for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	2025
Operating lease cost	\$ 504	\$ 552
Short-term lease cost	239	140
Variable lease cost	240	114
Total lease cost	\$ 983	\$ 806

Cash payments against the operating lease liabilities totaled \$845,000 and \$861,000 for the three months ended March 31, 2026 and 2025. ROU assets obtained in exchange for lease obligations was \$1.2 million and \$321,000 for the three months ended March 31, 2026 and 2025, respectively.

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

	March 31, 2026	December 31, 2025
<b>Assets:</b>		
Operating lease right-of-use assets	\$ 4,793	\$ 4,047
<b>Liabilities:</b>		
Operating lease liabilities	\$ 2,116	\$ 1,811
Long-term operating lease liabilities	4,507	4,184
Total operating lease liabilities	\$ 6,623	\$ 5,995
Weighted average remaining lease term (years)	3.47	3.84
Weighted average discount rate	4.4 %	4.1 %

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

Years ending December 31,	
2026	\$ 2,343
2027	2,044
2028	1,738
2029	1,495
2030	225
Total lease payments	7,845
Less interest	(1,222)
Present value of operating lease liabilities	\$ 6,623

## Note 11: Related Party Transactions

### *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, 2026. 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, performance management consulting, strategic advisory to IT and brand strategy and public relations support. For the three months ended March 31, 2026, the fees payable to Mr. Bartel, including the reimbursement of travel expenses, pursuant to the Consulting Agreement totaled \$85,000.

### *Service Agreement with Talenti Milanesi S.r.l.*

On February 28, 2019, with the unanimous approval of the Audit Committee, the Company entered into a service agreement with Talenti Milanesi S.r.l. ("TM"), a company controlled by Azzurro. Azzurro is the Company's largest shareholder. Pursuant to the Framework Agreement, TM provides advertising sales services for Italy and office space in Milan. For the three months ended March 31, 2026, the aggregate fee payable to TM pursuant to the service agreement was \$25,000.

## 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

We are a global Internet media company. We operate *Travelzoo*®, the club for travel enthusiasts, *Jack’s Flight Club*®, a subscription service that provides information about exceptional airfares, and *Travelzoo META*. We reach 30 million travelers. Club Members, who pay a membership fee, receive Club Offers negotiated and rigorously vetted by our deal experts around the globe.

*Travelzoo* membership has historically been free, however, beginning in 2024, new members in the United States, Canada, United Kingdom and Germany were charged an annual fee of \$40 (or local equivalent), with the 2024 annual fee waived for existing members as of December 31, 2023. On January 1, 2026, we increased the annual membership fee to \$50 in the United States for new members. For existing members, the new pricing is applied from the next renewal of their membership after February 1, 2026. On April 1, 2026, we increased the annual membership fee to €40 in Germany for new members. For existing members, the new pricing is applied from the next renewal of their membership after May 1, 2026. For any subscription revenue derived from the paid membership, we recognize revenue monthly pro rata over the subscription period.

We also license *Travelzoo* products, services and intellectual property to licenses in (a) Australia, New Zealand, and Singapore and (b) Japan and South Korea, in each case, where the Company is entitled to a quarterly royalty payment based on a percentage of net revenue. Under the licensing agreements, existing *Travelzoo* members in the applicable territories continue to be owned by the Company.

### 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 primarily 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 March 31, 2026 and December 31, 2025, the Company had approximately \$3.4 million and \$2.9 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 \$283,000 and \$188,000 as of March 31, 2026 and December 31, 2025, 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 \$13.5 million as of March 31, 2026 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. On January 1, 2026, we increased the annual membership fee to \$50 in the United States for new members, For existing members, the new pricing is applied from the next renewal of their membership after February 1, 2026. On April 1, 2026, we increased the annual membership fee to €40 in Germany for new members. For existing members, the new pricing is applied from the next renewal of their membership after May 1, 2026. 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**

The Company’s ability to grow revenues depends heavily upon the ability to maintain and grow the number of *Travelzoo* members and *Jack’s Flight Club* members. The costs to market our membership have had, and we expect will continue to have, a significant impact on our financial results and can vary from period to period.

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.

## 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	
	March 31,	
	2026	2025
Revenues	100.0 %	100.0 %
Cost of revenues	21.6	18.0
Gross profit	78.4	82.0
Operating expenses:		
Sales and marketing	45.8	44.2
Product development	2.7	2.7
General and administrative	15.7	18.6
Total operating expenses	64.2	65.5
Operating income	14.2	16.5
Other income, net	—	2.7
Income from continuing operations before income taxes	14.2	19.2
Income tax expense	3.9	5.1
Net income	10.3	14.1
Net income attributable to non-controlling interest	0.1	0.4
Net income attributable to Travelzoo	10.2 %	13.7 %

## 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	
	March 31,	
	2026	2025
Advertising and Commerce	\$ 19,688	\$ 20,680
Membership Fees	4,568	2,443
Other	17	17
Total revenues	\$ 24,273	\$ 23,140

### Advertising and Commerce

Advertising and Commerce revenue decreased by \$992,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025. This decrease was primarily driven by selling less advertising insertion orders, as the Company prioritized the sale of memberships.

### Membership Fees

Revenues from Membership fees increased \$2.1 million for the three months ended March 31, 2026 from the three months ended March 31, 2025 due to the increase in paying members.

### Other

Revenues from Other remained flat for the three months ended March 31, 2026 from the three months ended March 31, 2025.

## 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 \$5.2 million and \$4.2 million, respectively, for the three months ended March 31, 2026 and 2025.

Cost of revenues increased \$1.0 million for the three months ended March 31, 2026 from the three months ended March 31, 2025 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 \$11.1 million and \$10.2 million for the three months ended March 31, 2026 and 2025, 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 March 31, 2026 and 2025, advertising expenses accounted for 22% and 15%, 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 \$0.9 million for the three months ended March 31, 2026 from the three months ended March 31, 2025. 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 \$664,000 and \$634,000 for the three months ended March 31, 2026 and 2025, respectively.

Product development expenses increased \$30,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025 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 \$3.8 million and \$4.3 million for the three months ended March 31, 2026 and 2025, respectively.

General and administrative expenses decreased \$493,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025 primarily due to a \$305,000 decrease in stock compensation expenses and a \$210,000 decrease in bad debt.

### *Other Income (loss), net*

Other income, net consisted primarily of foreign exchange transaction gains and losses, sublease income, German federal government funding for COVID-related pandemic relief, interest income and interest expense. Other income (loss), net was (\$5,000) and \$629,000, respectively, for the three months ended March 31, 2026 and 2025.

Other income (loss), net decreased \$634,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025 primarily due to the foreign exchange transaction loss.

## 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 \$0.9 million and \$1.2 million, respectively, for the

three months ended March 31, 2026 and 2025. Our effective tax rate from continuing operations was 27% and 26%, respectively, for the three months ended March 31, 2026 and 2025. The Company's effective tax rate for the three months ended March 31, 2026 changed from the three months ended March 31, 2025 primarily due to a decrease in operating profit in the three months ended March 31, 2026.

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 book purposes. 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***

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
Revenues	\$ 15,667	\$ 15,128
Operating profit	\$ 3,248	\$ 3,594
Operating profit as a % of revenue	20.7 %	23.8 %

North America revenues increased by \$539,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025. This increase was primarily due to the increase in paid membership fees and *Getaways* vouchers. North America expenses increased by \$0.9 million for the three months ended March 31, 2026 from the three months ended March 31, 2025. The increase was primarily due to a \$932,000 increase in cost of revenue related to purchase of vouchers and gift cards which were sold during the three months ended March 31, 2026.

#### ***Travelzoo Europe***

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
Revenues	\$ 7,277	\$ 6,712
Operating profit	\$ 279	\$ 228
Operating profit as a % of revenue	3.8 %	3.4 %

Europe revenues increased by \$565,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025. The increase was primarily due to the increase in paid membership fees and *Getaway* vouchers. Europe expenses increased by \$514,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025 primarily due to a \$408,000 increase in member acquisition costs and a \$260,000 increase in cost of revenue related to the purchase of vouchers and gift cards which were sold during the three months ended March 31, 2026.

Foreign currency movements relative to the U.S. dollar positively impacted our local currency income from our operations in Europe by approximately \$2,000 and \$11,000 for the three months ended March 31, 2026 and 2025, respectively.

#### ***Jack's Flight Club***

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Revenues	\$ 1,312	\$ 1,283
Operating profit (loss)	\$ (48)	\$ 12
Operating profit (loss) as a % of revenue	(3.7)%	0.9 %

Jack's Flight Club revenues increased by \$29,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025 due to the increase in subscription fees paid by the members. Jack's Flight Club expenses increased by \$89,000 for the three months ended March 31, 2026 from the three months ended March 31, 2025 primarily due to the increase in advertising expenses.

### ***New Initiatives***

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Revenues	\$ 17	\$ 17
Operating loss	\$ (34)	\$ (30)

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.

### **Liquidity and Capital Resources**

As of March 31, 2026, we had \$10.6 million in cash and cash equivalents, of which \$7.4 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 withholding taxes in certain circumstances. We also had \$754,000 in restricted cash held in the U.S. and U.K. as of March 31, 2026.

Cash, cash equivalents and restricted cash increased \$562,000 from \$10.8 million as of December 31, 2025 to \$11.3 million as of March 31, 2026, primarily due to \$3.9 million cash provided by operating activities, partially offset by \$3.3 million cash used to repurchase common stock.

As of March 31, 2026, we had merchant payables of \$13.5 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 \$10.8 million. Payables to merchants are generally due upon redemption of vouchers. As of March 31, 2026, 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 March 31, 2026 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:

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Net cash provided by operating activities	\$ 3,851	\$ 3,284
Net cash used in investing activities	(8)	(21)
Net cash used in financing activities	(3,267)	(8,918)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(14)	142
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 562	\$ (5,513)

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 three months ended March 31, 2026 was \$3.9 million, which primarily consisted of net income of \$2.5 million, \$154,000 increase in non-cash items and a \$1.2 million increase in cash from changes in operating assets and liabilities. Adjustments for non-cash items primarily consisted of \$77,000 for net foreign currency effect and \$56,000 for depreciation and amortization. The increase in cash from changes in operating assets and liabilities was primarily due to \$2.8 million decrease in accounts receivable, offset partially by \$2 million increase in deferred revenue and \$1.9 million increase in merchant payables.

Cash paid for income tax, net of refunds received, during the three months ended March 31, 2026 and 2025 was \$290,000 and \$1.5 million, respectively.

Net cash used in investing activities for the three months ended March 31, 2026 and 2025 was \$8,000 and \$21,000, respectively. The cash used in investing activities for the three months ended March 31, 2026 consisted of purchases of property and equipment.

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.

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.

### **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 and recent accounting pronouncements, see the disclosure included in our Annual Report on Form 10-K for the year ended December 31, 2025 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.

**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, Chief Membership Officer and General Counsel and other supporting Finance staff), as of March 31, 2026, 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 Chief Membership Officer and General Counsel, as appropriate, to allow timely decisions regarding required disclosure.

During the quarter ended March 31, 2026, 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, 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.

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

#### Repurchases of Equity Securities

We repurchased 500,000 shares of our common stock during the three months ended March 31, 2026.

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
January 1, 2026 – January 31, 2026	—	\$ —	—	—
February 1, 2026 – February 28, 2026	—	\$ —	—	—
March 1, 2026 – March 31, 2026	500,000	\$ 6.53	500,000	500,000
	<u>500,000</u>		<u>500,000</u>	

On March 5, 2026, 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 March 31, 2026, the Company repurchased 500,000 shares of common stock for an aggregate purchase price of \$3.2 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, 2026, there were 500,000 shares remaining to be repurchased under this program.

### 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>
<a href="#">3.1</a>	— 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)
<a href="#">3.2</a>	— Certificate of Amendment of Certificate Incorporation of Travelzoo (File No. 000-50171), filed May 10, 2017)
<a href="#">3.3</a>	— 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
<a href="#">3.4</a>	— 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).
<a href="#">10.1</a>	— 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)
<a href="#">31.1‡</a>	— Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">31.2‡</a>	— Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
<a href="#">32.1†</a>	— Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
<a href="#">32.2†</a>	— 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: May 14, 2026

**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

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Holger Bartel

*Global Chief Executive Officer*

Date: May 14, 2026

**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

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Jeff Hoffman

*Principal Accounting Officer*

Date: May 14, 2026

**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 March 31, 2026, 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: May 14, 2026

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 March 31, 2026, 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: May 14, 2026

By: /s/ JEFF HOFFMAN

Jeff Hoffman

*Principal Accounting Officer*