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FOR IMMEDIATE RELEASE

Travelzoo Reports Third Quarter 2026 Results

NEW YORK, October 27, 2026 — Travelzoo® (NASDAQ: TZOO):

- Revenue of \$22.9 million, up 3% year-over-year
- Consolidated operating loss of \$2.6 million
- Non-GAAP consolidated operating loss of \$2.1 million
- Cash flow from operations of \$1.8 million
- Earnings per share (EPS) of \$(0.20)
- Club Members up 65% year-over-year

Travelzoo, the club for travel enthusiasts, today announced financial results for the third quarter ended September 30, 2026. Consolidated revenue was \$22.9 million, up 3% from \$22.2 million year-over-year. In constant currencies, revenue was \$23.0 million. Travelzoo's reported revenue consists of advertising revenues and commissions, derived from and generated in connection with purchases made by Travelzoo members, and membership fees.

In Q3, we continued to invest significantly in growing Club Members and accelerated the shift towards membership fees revenue. Marketing costs were expensed immediately. Membership fees revenue is recognized ratably over the subscription period of 12 months. Going forward, we expect new and recurring membership fees revenue from a growing base of members. We refer to our investor presentation.

Net Loss attributable to Travelzoo was \$2.0 million for Q3 2026, or \$(0.20) per share, compared with \$0.01 per share in the prior-year period.

Non-GAAP operating loss was \$2.1 million. Non-GAAP operating loss excludes stock option expenses (\$338,000) and severance expense (\$150,000). Please refer to “Non-GAAP Financial Measures” and the tabular reconciliation below.

“We will continue to leverage Travelzoo's global reach, trusted brand, and strong relationships with top travel suppliers to negotiate more Club Offers for Club Members and add new benefits, such as our popular complimentary airport lounge access worldwide in case of a delayed flight,” said Holger Bartel, Travelzoo's Global CEO. “Travelzoo members are affluent, active, and open to new experiences. We inspire travel enthusiasts to travel to places they never imagined they could. Travelzoo is the must-have membership for those who love to travel as much as we do.”

Travelzoo North America

North America business segment revenue increased 4% year-over-year to \$14.8 million. Operating loss for Q3 2026 was \$1.4 million, or 9% of revenue, compared to operating profit of \$1.1 million or 8% of revenue in the prior-year period.

Travelzoo Europe

Europe business segment revenue increased 5% year-over-year to \$6.9 million. Operating loss for Q3 2026 was \$1.2 million, or 18% of revenue, compared to operating loss of \$0.6 million, or 10% of revenue in the prior-year period.

Jack's Flight Club

Jack's Flight Club is a membership subscription service in which Travelzoo has a 60% ownership interest. Revenue decreased 15% year-over-year to \$1.2 million. Jack's Flight Club's revenue from subscriptions is recognized ratably over the subscription period (quarterly, semi-annually, annually). Operating profit for Q3 2026 was \$34,000, compared to operating profit of \$20,000 in the prior-year period.

New Initiatives

New Initiatives business segment revenue, which includes Licensing and Travelzoo META, was \$27,000. Operating loss for Q3 2026 was \$3,000.

In 2020, Travelzoo entered into royalty-bearing licensing agreements with local licensees for the exclusive use of Travelzoo's brand, business model, and members in Australia, Japan, New Zealand, and Singapore. Under these arrangements, Travelzoo's existing members in Australia, Japan, New Zealand, and Singapore will continue to be owned by Travelzoo as the licensor. Licensing revenue from

the licensee in Australia was \$11,000 for Q3 2026. Licensing revenue from the licensee in Japan was \$5,000 for Q3 2026. Licensing revenue is expected to increase going forward.

Reach

Travelzoo reaches 30 million travelers. This includes Jack's Flight Club. Comparisons to prior periods are no longer meaningful due to strategic developments of the Travelzoo membership.

In 2024, we introduced a membership fee for Travelzoo. Legacy Members, who joined prior to 2024, continue to receive certain travel offers. However, Club Offers and new benefits are only available to Club Members, who pay the membership fee. Therefore, we are seeing many Legacy Members become Club Members over time—in addition to new members who join. In Q3, the number of Club Members increased by 65% year-over-year.

Income Taxes

The reported income tax benefit for Q3 2026 was \$436,000.

Balance Sheet

As of September 30, 2026, cash, cash equivalents and restricted cash were \$8.8 million. Cash flow from operations was \$1.8 million.

Deferred revenue increased because membership fees are earned over the subscription period. Membership fees revenue is recognized ratably over the subscription period.

Share Repurchase Program

During Q3 2026, the Company repurchased 256,898 shares of its outstanding common stock.

Looking Ahead

For Q4 2026, we expect year-over-year revenue growth. We also expect revenue growth in subsequent quarters, as membership fees revenue is recognized ratably over the subscription period of 12 months, as we grow Club Members, and as more Legacy Members become Club Members. Over time, we expect profitability to increase as recurring membership fees revenue will be recognized. In the short-term, fluctuations in reported net income are likely.

Non-GAAP Financial Measures

Management calculates non-GAAP operating income when evaluating the financial performance of the business. Calculation of non-GAAP operating income, also called “non-GAAP operating profit” in this

press release and today's earnings conference call, excludes the following items: amortization of intangibles, stock option expenses, and severance-related expenses. This press release includes a table which reconciles GAAP operating income to the calculation of non-GAAP operating income. Non-GAAP operating income is not required by, or presented in accordance with, generally accepted accounting principles in the United States of America ("GAAP"). This information should be considered as supplemental in nature and should not be considered in isolation or as a substitute for the financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similarly titled measures reported by other companies.

Conference Call

Travelzoo will host a conference call to discuss third quarter 2026 results today at 11:00 a.m. ET.

Please visit <http://ir.travelzoo.com/events-presentations> to

- download the management presentation (PDF format) to be discussed in the conference call
- access the webcast.

About Travelzoo

We, Travelzoo®, are the club for travel enthusiasts. We reach 30 million travelers. Club Members receive Club Offers negotiated and rigorously vetted by our deal experts around the globe. Our relationships with thousands of top travel companies give us access to irresistible deals. Our club and its benefits are built around the lifestyle of a modern travel enthusiast.

Certain statements contained in this press release that are not historical facts may be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. These forward-looking statements may include, but are not limited to, statements about our plans, objectives, expectations, prospects and intentions, markets in which we participate and other statements contained in this press release that are not historical facts. When used in this press release, the words "expect", "predict", "project", "anticipate", "believe", "estimate", "intend", "plan", "seek" and similar expressions are generally intended to identify forward-looking statements. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including changes in our plans, objectives, expectations, prospects and intentions and other factors discussed in our filings with the SEC. We cannot guarantee any future levels of activity, performance or achievements. Travelzoo undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this press release.

Travelzoo
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenues	\$ 22,910	\$ 22,198	\$ 70,391	\$ 69,245
Cost of revenues	5,748	4,519	18,088	13,132
Gross profit	17,162	17,679	52,303	56,113
Operating expenses:				
Sales and marketing	14,604	12,198	39,454	34,378
Product development	589	631	1,855	1,963
General and administrative	4,529	4,362	12,872	13,420
Total operating expenses	19,722	17,191	54,181	49,761
Operating income (loss)	(2,560)	488	(1,878)	6,352
Other income, net	166	(64)	436	727
Income (loss) before income taxes	(2,394)	424	(1,442)	7,079
Income tax expense (benefit)	(436)	245	124	2,158
Net income (loss)	(1,958)	179	(1,566)	4,921
Net income attributable to non-controlling interest	51	29	101	201
Net income (loss) attributable to Travelzoo	\$ (2,009)	\$ 150	\$ (1,667)	\$ 4,720
Net income (loss) per share—basic	\$ (0.20)	\$ 0.01	\$ (0.16)	\$ 0.41
Net income (loss) per share—diluted	\$ (0.20)	\$ 0.01	\$ (0.16)	\$ 0.39
Shares used in per share calculation—basic	10,197	10,987	10,449	11,585
Shares used in per share calculation—diluted	10,197	11,213	10,449	11,974

Travelzoo
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,090	\$ 10,007
Accounts receivable, net	11,198	10,723
Prepaid income taxes	2,093	1,364
Prepaid expenses and other	1,958	1,302
Total current assets	23,339	23,396
Deposits and other	397	166
Deferred tax assets	4,964	4,202
Restricted cash	754	756
Operating lease right-of-use assets	4,737	4,047
Property and equipment, net	117	231
Intangible assets, net	1,450	1,450
Goodwill	10,944	10,944
Total assets	<u>\$ 46,702</u>	<u>\$ 45,192</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 10,468	\$ 7,761
Merchant payables	10,419	11,665
Accrued expenses and other	5,003	3,926
Deferred revenue	13,523	8,728
Income tax payable	27	279
Operating lease liabilities	2,197	1,811
Total current liabilities	41,637	34,170
Long-term tax liability	10,675	9,260
Long-term operating lease liabilities	4,151	4,184
Total liabilities	56,463	47,614
Common stock	100	109
Tax indemnification	(9,537)	(9,537)
Retained earnings (losses)	(151)	7,243
Accumulated other comprehensive loss	(5,368)	(5,331)
Total Travelzoo stockholders' equity (deficit)	(14,956)	(7,516)
Non-controlling interest	5,195	5,094
Total stockholders' equity (deficit)	(9,761)	(2,422)
Total liabilities and stockholders' equity	<u>\$ 46,702</u>	<u>\$ 45,192</u>

Travelzoo
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Cash flows from operating activities:				
Net income (loss)	\$ (1,958)	\$ 179	\$ (1,566)	\$ 4,921
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	44	57	153	239
Stock-based compensation	338	399	1,057	1,108
Deferred income tax	(219)	(1)	(972)	4
Net foreign currency effects	14	71	66	(224)
Provision of loss (net recoveries) on accounts receivable and refund reserve	(35)	(93)	(182)	30
Changes in operating assets and liabilities:				
Accounts receivable	3,367	(988)	(490)	756
Prepaid income taxes	(271)	(154)	(846)	84
Prepaid expenses, deposits and other	(98)	(559)	(620)	(702)
Accounts payable	983	2,314	1,667	2,134
Merchant payables	(286)	(612)	(1,100)	(5,053)
Accrued expenses and other	(540)	(981)	1,193	859
Deferred revenue	783	643	4,881	2,363
Income tax payable	(44)	(576)	(165)	(2,583)
Other liabilities	(259)	(73)	927	273
Net cash (used) provided by operating activities	1,819	(374)	4,003	4,209
Cash flows from investing activities:				
Purchases of property and equipment	(33)	(15)	(46)	(49)
Net cash used in investing activities	(33)	(15)	(46)	(49)
Cash flows from financing activities:				
Repurchase of common stock	(530)	(1,545)	(5,735)	(12,964)
Exercise of stock options and taxes paid for net share settlement of equity awards	—	—	—	(104)
Net cash used in financing activities	(530)	(1,545)	(5,735)	(13,068)
Effect of exchange rate on cash, cash equivalents and restricted cash	(4)	(17)	(141)	415
Net increase (decrease) in cash, cash equivalents and restricted cash	1,252	(1,951)	(1,919)	(8,493)
Cash, cash equivalents and restricted cash at beginning of period	7,592	11,198	10,763	17,740
Cash, cash equivalents and restricted cash at end of period	\$ 8,844	\$ 9,247	\$ 8,844	\$ 9,247

Travelzoo
Segment Information from Continuing Operations
(Unaudited)
(In thousands)

Three months ended September 30, 2026	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 14,664	\$ 7,031	\$ 1,188	\$ 27	\$ 22,910
Intersegment revenues	137	(114)	(23)	—	—
Total net revenues	14,801	6,917	1,165	27	22,910
Sales and marketing expenses	9,069	5,097	438	—	14,604
Other expenses	7,108	3,035	693	30	10,866
Operating profit (loss)	(1,376)	(1,215)	34	(3)	(2,560)
Other income, net					166
Loss from operations before income taxes					(2,394)

Three months ended September 30, 2025	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 13,728	\$ 7,036	\$ 1,407	\$ 27	\$ 22,198
Intersegment revenues	503	(471)	(32)	—	—
Total net revenues	14,231	6,565	1,375	27	22,198
Sales and marketing expenses	6,998	4,549	651	—	12,198
Other expenses	6,105	2,655	704	48	9,512
Operating profit (loss)	1,128	(640)	20	(20)	488
Other loss, net					(64)
Income from operations before income taxes					424

Nine months ended September 30, 2026	Travelzoo North America	Travelzoo Europe	Jack's Flight Club	New Initiatives	Consolidated
Revenues from unaffiliated customers	\$ 45,539	\$ 20,991	\$ 3,800	\$ 61	\$ 70,391
Intersegment revenues	610	(561)	(49)	—	—
Total net revenues	46,149	20,430	3,751	61	70,391
Sales and marketing expenses	23,379	14,439	1,636	—	39,454
Other expenses	22,394	8,125	2,163	133	32,815
Operating profit (loss)	376	(2,134)	(48)	(72)	(1,878)
Other income, net					436
Loss from operations before income taxes					(1,442)

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

Travelzoo
Reconciliation of GAAP to Non-GAAP Information
(Unaudited)
(In thousands, except per share amounts)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2026	2025	2026	2025
GAAP operating expense	\$ 19,722	\$ 17,191	\$ 54,181	\$ 49,761
Non-GAAP adjustments:				
Amortization of intangibles (A)	—	2	—	45
Stock option expenses (B)	338	399	1,057	1,108
Severance-related expenses (C)	150	167	165	395
Non-GAAP operating expense	19,234	16,623	52,959	48,213
GAAP operating income (loss)	(2,560)	488	(1,878)	6,352
Non-GAAP adjustments (A through C)	488	568	1,222	1,548
Non-GAAP operating income (loss)	(2,072)	1,056	(656)	7,900

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