



NASDAQ: TZOO

Third Quarter 2021 Performance

October 29, 2021

Important Notice to Investors

Please read this management presentation together with the Company's press release issued earlier today announcing the Company's third quarter 2021 financial results and in conjunction with the Company's recent Annual Report and Quarterly Results as filed with the Securities and Exchange Commission (SEC).

Certain statements contained in this presentation that are not historical facts may be forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. These forward looking statements may include, but are not limited to, statements about our plans, objectives, expectations, prospects, expected future financial guidance and intentions, markets in which we participate and other statements contained in this presentation that are not historical facts. When used in this presentation, 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 presentation.

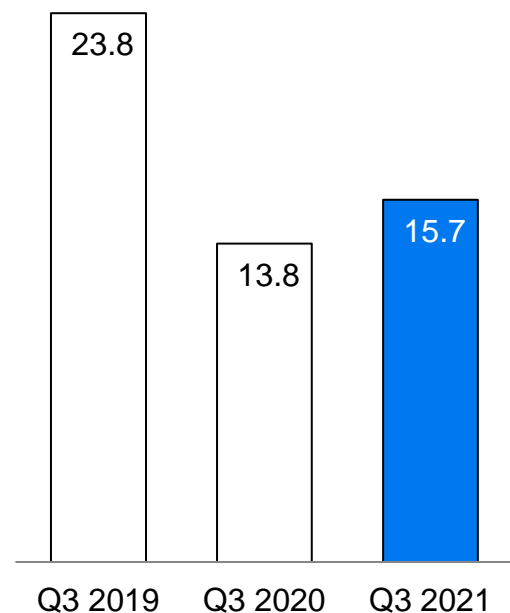
Part 1:
Third Quarter 2021 Performance

Part 2:
Management Focus

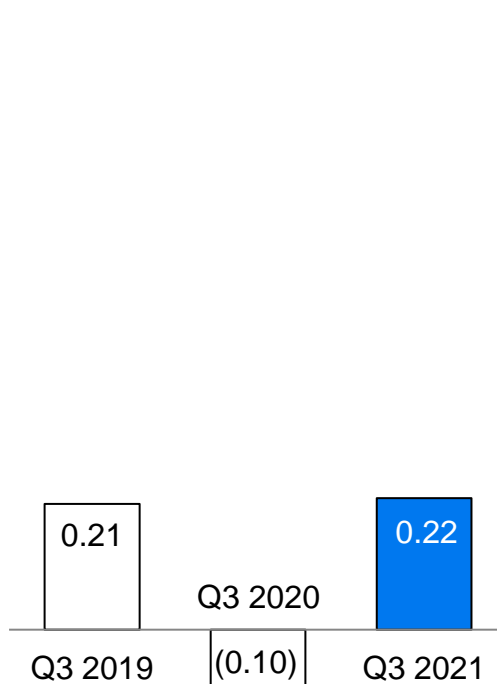
Revenue from North America was negatively impacted by press coverage about the COVID-19 Delta variant. We believe this to be a short-term effect.

Financial Performance (Continuing Operations)

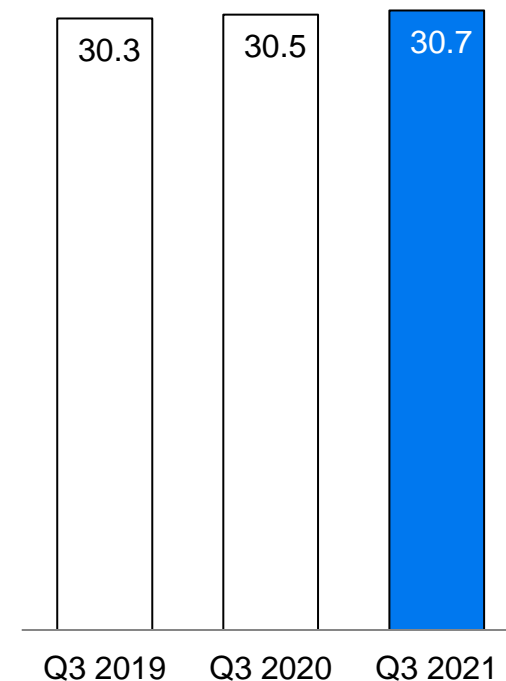
Revenue
\$ millions



EPS
\$ per share



Members

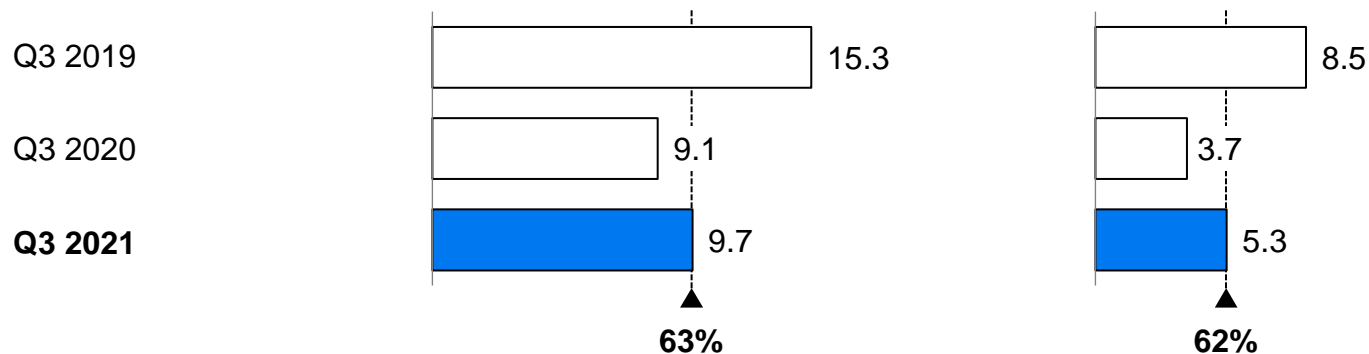


Revenue from Europe grew faster. This had a positive impact on operating income.

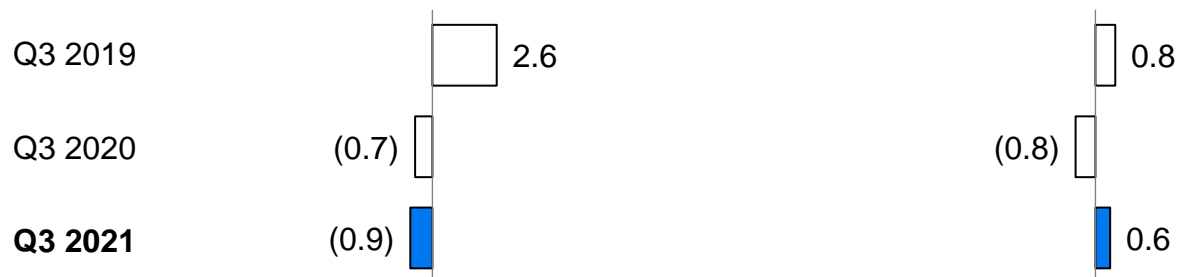
North America Business Segment

Europe Business Segment

Revenue
\$ millions



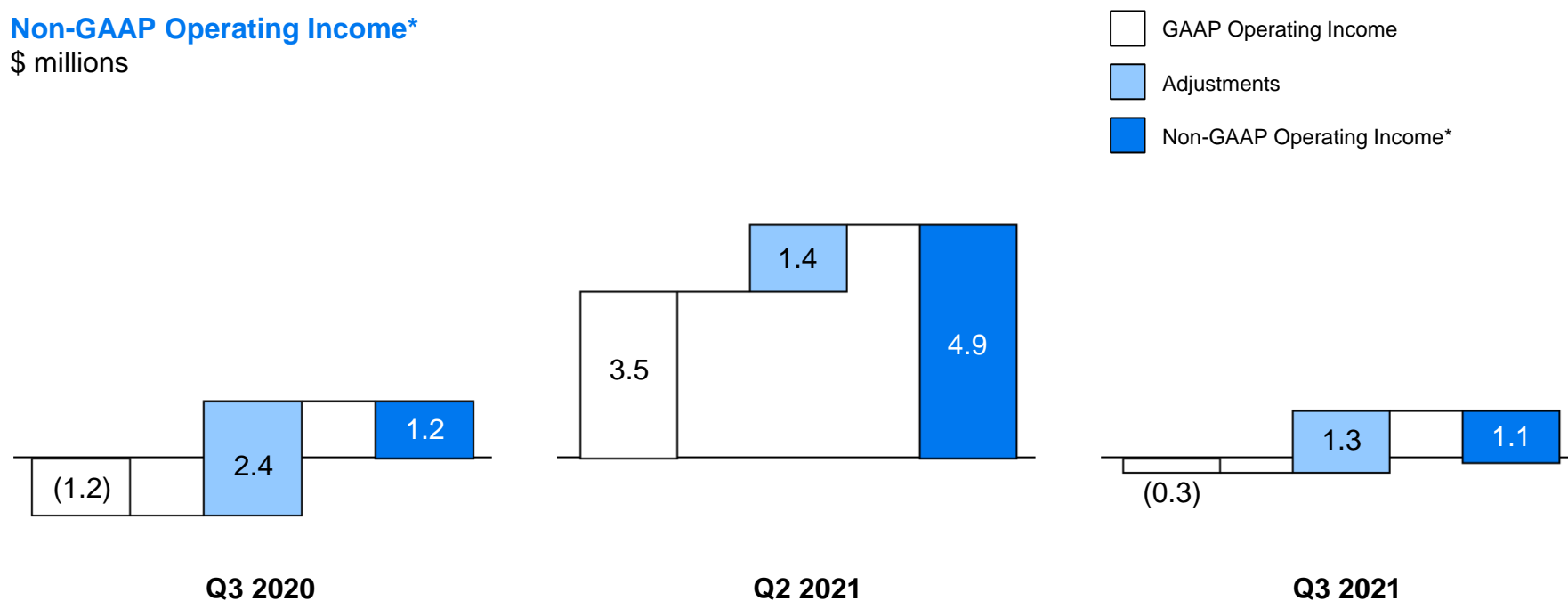
Operating Income
\$ millions



Non-GAAP operating profit, which we use to measure our financial performance, was \$1.1 million.

Non-GAAP Operating Income*

\$ millions



* GAAP operating income + impairment of intangibles and goodwill + amortization of intangibles + stock option expenses + severance-related expenses = Non-GAAP operating income

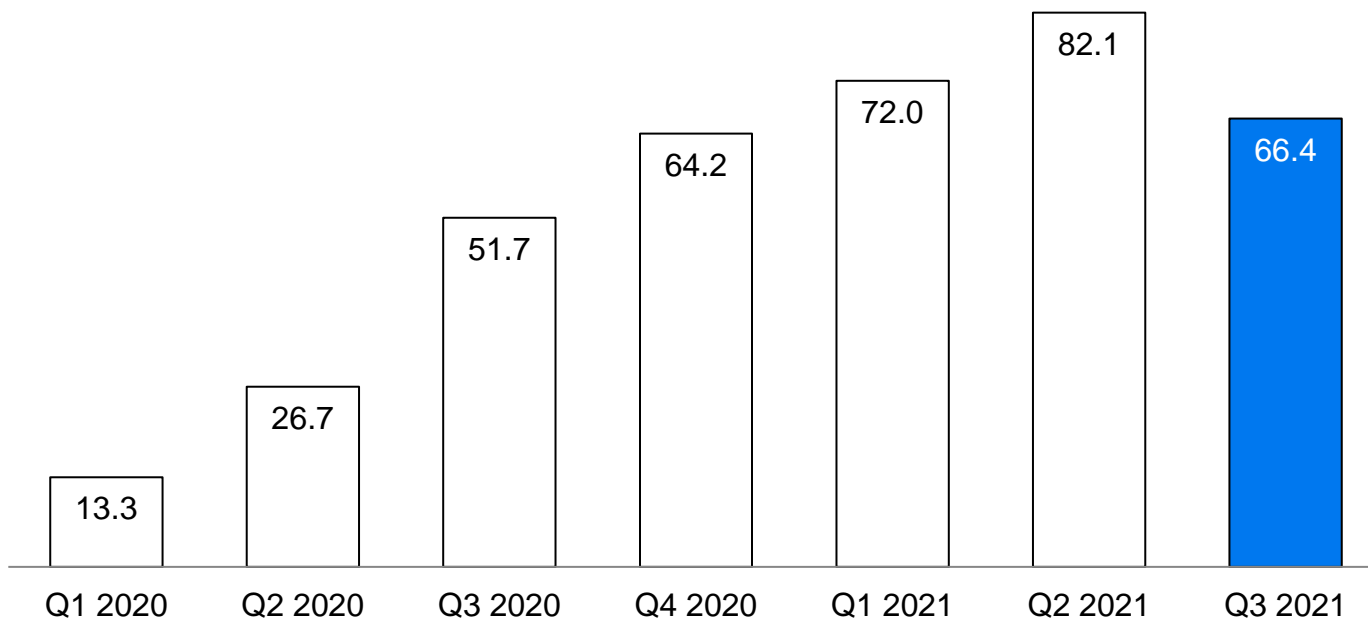
Here are the details on the items that are excluded in the calculation of Non-GAAP operating profit.

\$ millions	Q3 2020	Q2 2021	Q3 2021
Adjustments	2.4	1.4	1.4
Impairment of intangibles and goodwill	0	0	0
Amortization of intangibles	0.3	0.3	0.3
Stock option expense	1.2	0.9	0.9
Severance-related expenses	0.9	0.2	0.1

The cash balance reached the expected level as more vouchers were used and merchant payables decreased. An additional factor was deposits related to the switch to a more efficient payment processor.

Cash Balance at End of Quarter*

\$ millions

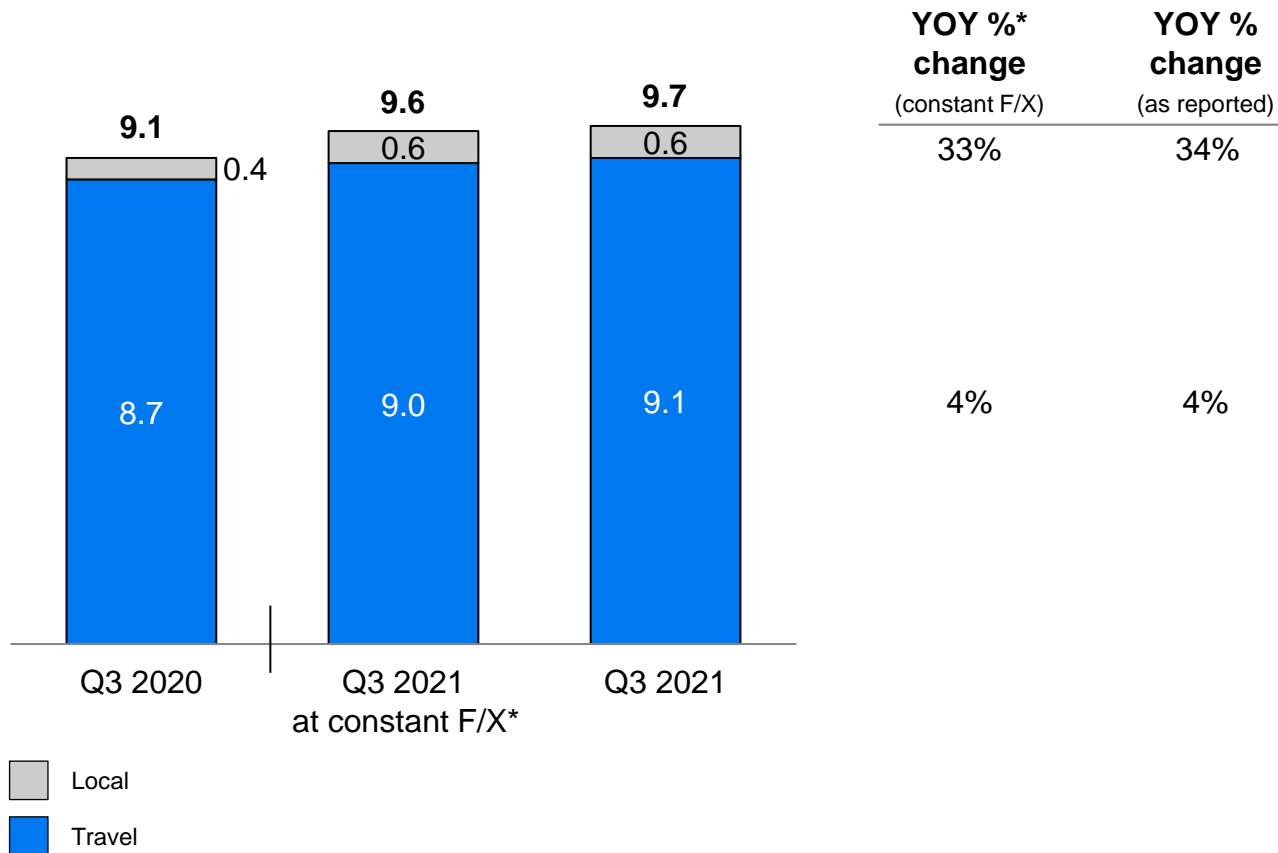


* Includes cash, cash equivalents and restricted cash

North America business segment revenue

North America Revenue by Type

\$ millions

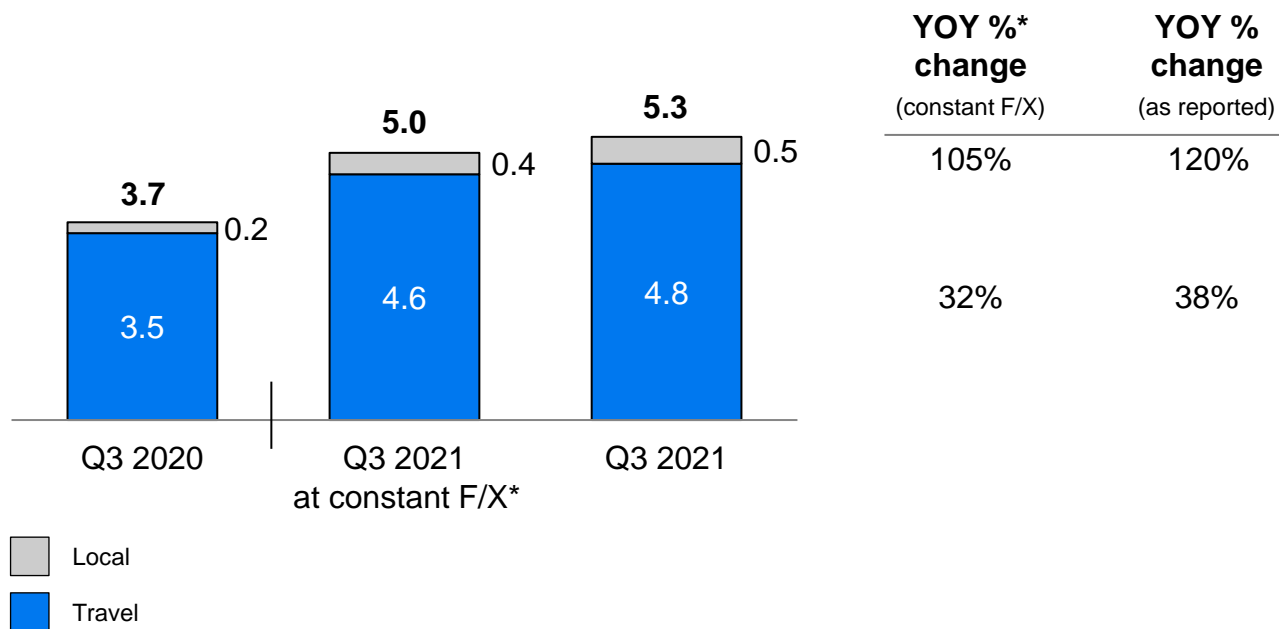


* Based on constant F/X rates for CAD

Europe business segment revenue

Europe Revenue by Type

\$ millions

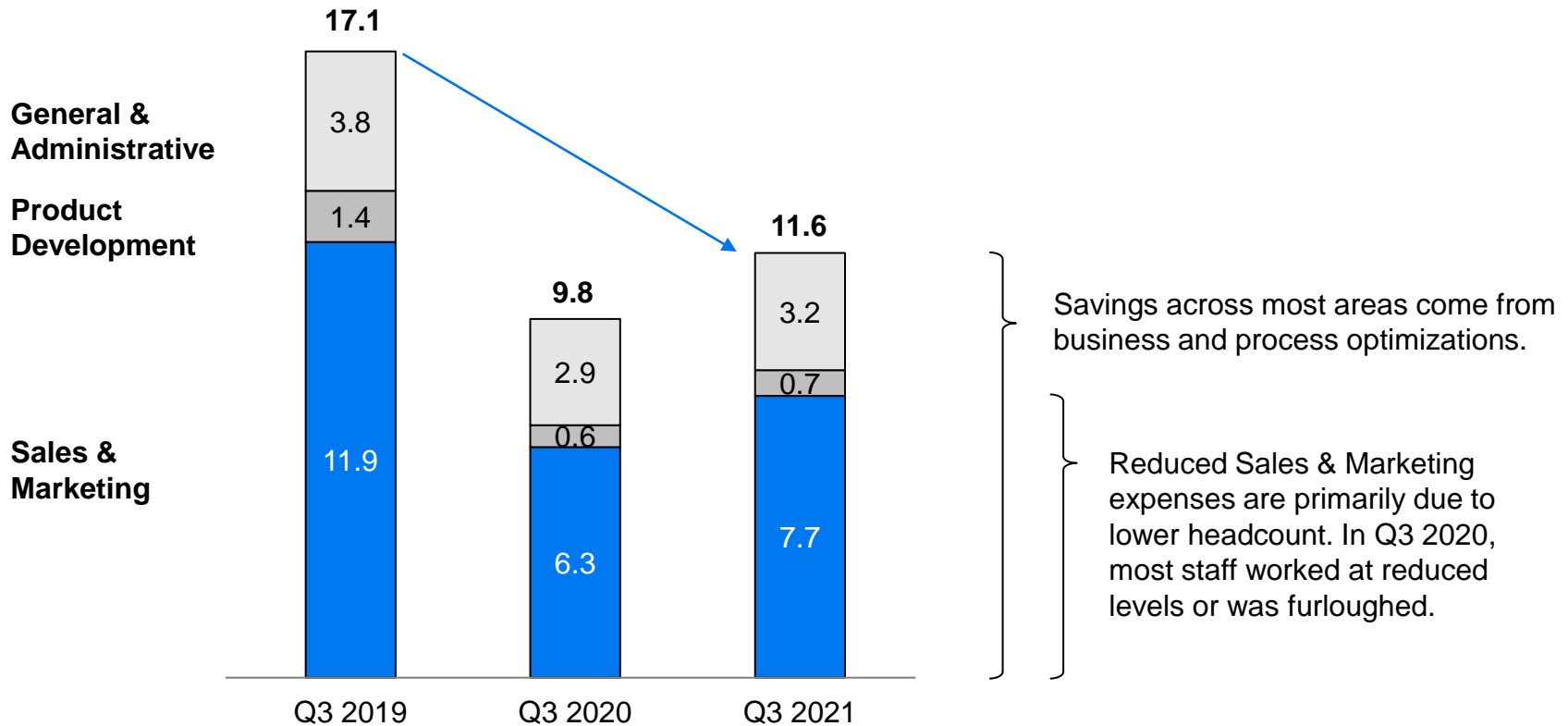


* Based on constant F/X rates for EUR and GBP

The quick adjustment of our cost structure right at the beginning of the pandemic has improved the organization's efficiency.

Non-GAAP Operating Expenses* (All Business Segments)

\$ millions

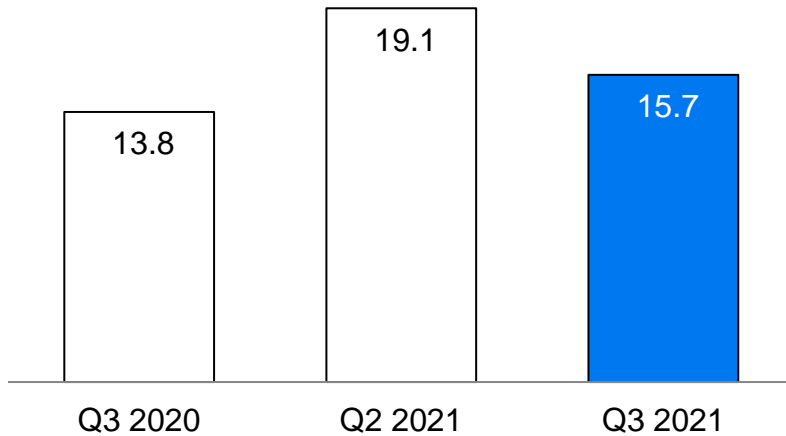


* Excluding amortization of intangibles, stock option expenses, and severance-related expenses

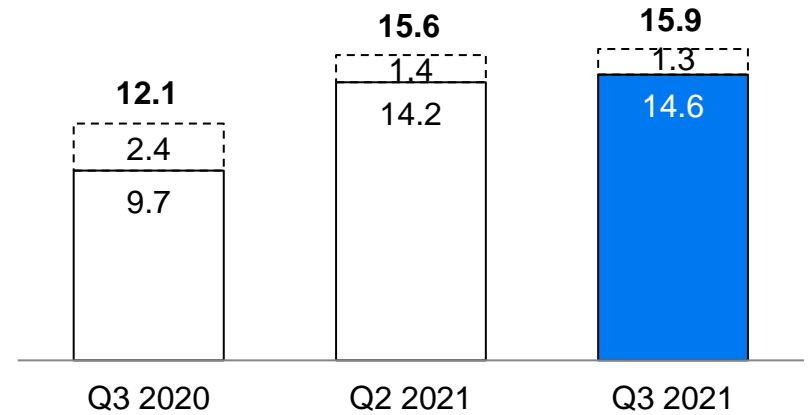
As our operating expense consists of mostly fixed costs, we expect profits to increase if revenues continue to rise.

Financial Performance (Continuing Operations)

Revenue
\$ millions



Operating Expenses and Cost of Revenues
\$ millions

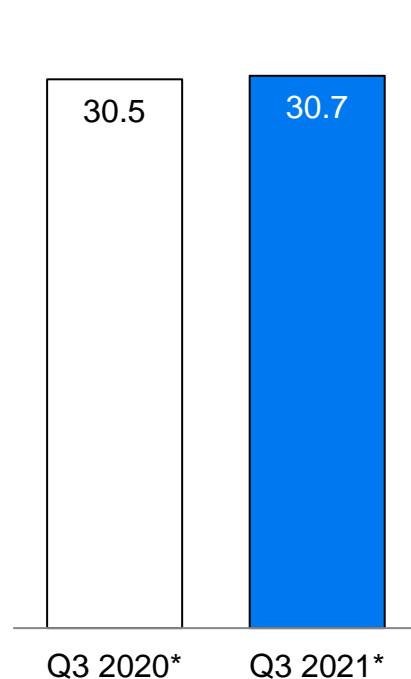


Non-GAAP Adjustments
 OPEX and Cost of Revenues

With more than 30 million members, 6.8 million mobile app users, and 4 million social media followers, Travelzoo is loved by travel enthusiasts who are affluent, active, and open to new experiences.

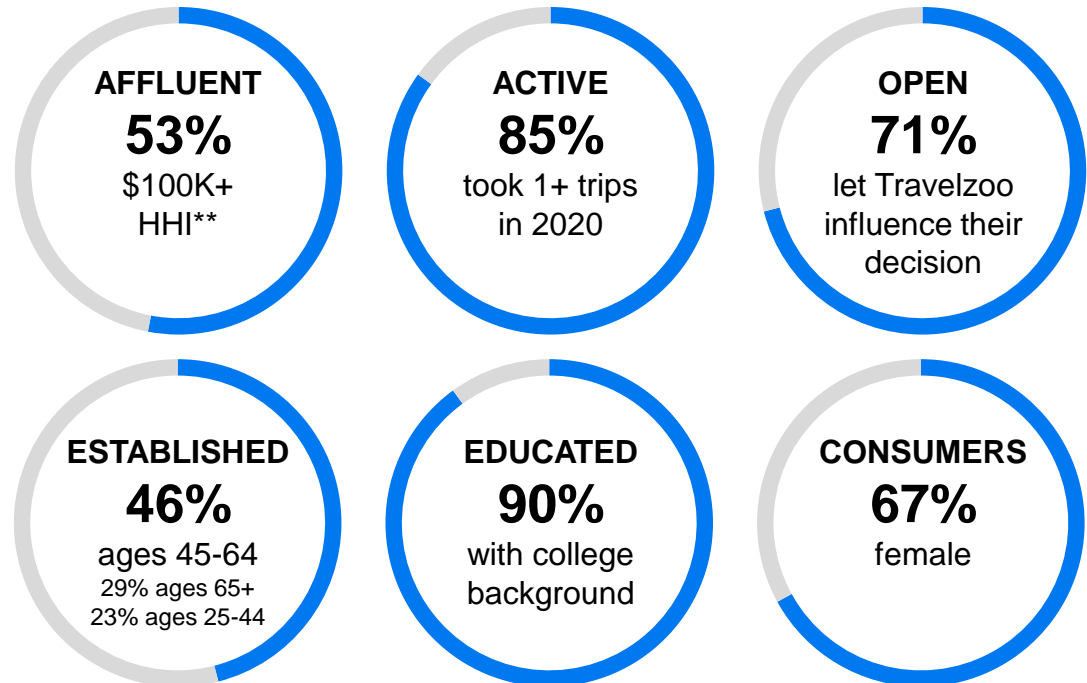
Travelzoo's Global Reach

Members (Email Subscribers) Millions



High-Quality Users, Followers and Subscribers

Travelzoo U.S. Member Survey November/December 2020



* Including members of Jack's Flight Club

** As a reference point: Of the total U.S. population, 34% have an HHI of \$100K+

Part 1:
Third Quarter 2021 Performance

Part 2:
Management Focus

- Seize the exceptional industry opportunities for providing 30 million Travelzoo® members with exclusive and irresistible travel, entertainment, and local offers and experiences.
- Accelerate member growth in 2022.
- Grow Jack's Flight Club's profitable subscription revenue.
- Grow profitability as demand for travel returns.

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HAVE A NICE DAY!

For questions, please contact Travelzoo Investor Relations:

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