

ONLINE VACATION CENTER HOLDINGS CORP

Incorporated in the State of Florida

2307 W. Broward Boulevard
Suite 400
Fort Lauderdale, FL 33312

Telephone: 954-377-6400
Corporate Website: www.onlinevacationcenter.com

SIC CODE: 4724

Quarterly Report

For the period ending March 31, 2025
(the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

7,254,317 as of March 31, 2025

7,254,317 as of December 31, 2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes No

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes No

Change in Control

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes No

ONLINE VACATION CENTER HOLDINGS CORP.
QUARTERLY DISCLOSURE

1) Name and address(es) of the issuer and its predecessors (if any)

The name of the company is Online Vacation Center Holdings Corp., hereinafter referred to as "OVCH" or the "Company".

The Company was incorporated in the State of Florida on July 15, 1996 with the name of Alex Bradley Cigar Corp. The Company changed its name to Online Vacation Center Holdings Corp. on March 22, 2006. The Company is in active standing in the State of Florida.

The Company's common stock started trading in March 2002. The Company continued to file reports with the SEC until February 2011, when it voluntarily filed a Form 15 with the SEC to deregister its common stock. Upon such filing, the Company's obligation to file reports with the SEC was immediately suspended. Upon filing Form 15, the Company's common stock was traded on the OTC Pink under the symbol "ONVC".

There have been no stock splits, stock dividends, recapitalizations, mergers, acquisitions, spin-offs, or reorganizations either currently anticipated or that occurred within the past 12 months:

The address of the issuer's principal executive office and principal place of business:

Check if principal executive office and principal place of business are the same address:

Online Vacation Center Holdings Corp.
2307 West Broward Boulevard, Suite 400
Fort Lauderdale, FL 33312

Phone: 954-377-6400
Fax: 954-377-6368
Website: www.onlinevacationcenter.com

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes:

2) Security Information

Transfer Agent

Manhattan Transfer Registrar Company
Trisha Advaney
60 East 42nd St. Suite 1201
New York, NY 10165
Phone:(631) 928-7655
Fax: (631) 209-8143
Toll Free: (877) 645-8691
Email: requests@mtrco.com
Web: www.mtrco.com

Manhattan Transfer Registrar Company is a full service transfer agency registered with the Securities and Exchange Commission, a member of the STA, and a participant of the DWAC-FAST-DRS system with The Depository Trust Clearing Corporation.

Publicly Quoted or Traded Securities:

Trading symbol:	ONVC
Exact title and class of securities outstanding:	Online Vacation Center Holdings Corp, Common Stock
CUSIP:	68275E104
Par or stated value:	\$0.0001
Total shares authorized:	80,000,000 as of date: March 31, 2025
Total shares outstanding:	7,254,317 as of date: March 31, 2025
Total number of shareholders of record:	632 as of date: March 31, 2025

Other classes of authorized or outstanding equity securities:

Exact title and class of the security:	Online Vacation Center Holdings Corp, Preferred Stock
Par or stated value:	\$0.0001
Total shares authorized:	1,000,000 as of date: March 31, 2025
Total shares outstanding:	0 as of date: March 31, 2025
Total number of shareholders of record:	0 as of date: March 31, 2025

Security Description:

Common Stock

Dividend Rights

Holders of the Company's common stock are entitled to receive ratable dividends or other distributions when and if declared by the Board of Directors of the Company (the "Board"). The Company has not paid an annual cash dividend since 2019. The Company's Board of Directors will consider additional dividends on common shares in the future but has not adopted a dividend policy. State law or contractual agreements entered into in the future may limit the Company's ability to declare cash dividends.

Voting Rights

All shares of the Company's common stock have identical rights and privileges. The holders of the shares of the Company's common stock are entitled to vote on all matters submitted to a vote of the Company's shareholders, including the election of directors. On all matters submitted to be voted on by holders of shares of the Company's common stock, the holders are entitled to one vote for each share of common stock held of record, and have no cumulative voting rights.

Preemptive and Other Rights

Holders of the Company's common stock do not have preemptive, subscription, redemption or conversion rights.

Liquidation Preference

In the event of a liquidation, dissolution or winding up of the Company, after the payment in full of all amounts owed to its creditors and holders of any outstanding shares of its preferred stock (if and when issued), the Company's remaining assets will be distributed ratable to the holders of shares of the Company's common stock. The rights, preferences and privileges of holders of shares of the Company's common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which the Company may designate and issue in the future. The Board is

authorized to issue, without further action by its shareholders, up to 1,000,000 shares of preferred stock with rights and preferences designated from time to time by the Board.

Material Modifications

There have been no material modifications to the rights of holders of the company's securities over the reporting period covered by this report.

3) Issuance History

The Company has not made any securities offerings or issuances of securities in the past two years and subsequent interim period.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes:

Shares Outstanding <u>Opening Balance:</u>			
Date <u>1/1/2024</u>		Common: <u>7,594,727</u> Preferred: <u>0</u>	
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities
<u>08/30/2024</u>	<u>Purchase and retirement</u>	<u>340,410</u>	<u>Common</u>
Shares Outstanding on Date of This Report:			
		<u>Ending Balance:</u>	
Date <u>12/31/2024</u>		Common: <u>7,254,317</u> Preferred: <u>0</u>	

On July 17, 2024, the Company commenced an offer to purchase up to 400,000 shares of its common shares at a price of \$1.50 per share. The offer expired on August 30, 2024 and under the terms of the offer, the Company repurchased 340,410 shares for a total cost of \$510,615. The Company used a portion of its cash to fund the repurchases. All repurchased shares were immediately retired.

Included in the repurchase were 100,000 shares from Chairman Edward B. Rudner, 100,000 shares from Mr. Rudner's wife, Deanna Rudner, and 6,000 shares from Director Brenda Josowitz.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes:

4) Issuer's Business, Products and Services

Business Summary

The Company is a Florida holding company which provides vacation travel, marketing, and online sales through its wholly owned subsidiaries, whose operations are consolidated into its financial statements. Its portfolio of companies include:

- Online Vacation Center, Inc. ("Online Vacation Center"), a full service vacation seller focused on serving the affluent retiree market.
- Enrichment Journeys, LLC ("EJ"), a developer and seller of unique river, ocean, and land vacation packages.
- Dunhill Vacations, Inc. ("Dunhill"), the publisher of three travel newsletters, "Top Travel Deals", "Spotlight", and "TravelFlash".
- Luxury Link, LLC ("Luxury Link"), a website connecting travelers with websites to purchase hotel, resort, and vacation experiences.
- Home Based Travel Experts, LLC ("Expedia Cruises of OVC"), an Expedia Cruises franchise focused on travel sales through a team of mobile agents.
- OVC Financial, LLC dba Golf Around the World ("GTA"), an online seller of golf training aids.

The Company's consolidated financial statements include the accounts of Online Vacation Center Holdings Corp. and all of its wholly-owned subsidiaries, consisting of Online Vacation Center, EJ, Dunhill, Luxury Link, Expedia Cruises of OVC, and GTA. All intercompany transactions are balances that have been eliminated in consolidation. For convenience, the Company and its subsidiaries are collectively referred to as the "Company" throughout this Disclosure.

5) Issuer's Facilities

The Company leases approximately 3,700 square feet of corporate office space in Fort Lauderdale, Florida, where it maintains its corporate offices and call center. The lease terminates in March 2030.

The Company assumed a lease effective September 2021 in connection with its acquisition of the assets of Golf Around the World for 2,550 square feet in West Palm Beach, Florida. The lease was renewed in August 2023 and terminates in August 2026.

The Company also pays for an employee's lease of a single office in southern Miami-Dade county. Originally a one year lease, since October 2022, it is on a month to month basis.

6) Officers, Directors, and Control Persons

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Edward B. Rudner	Chairman	Fort Lauderdale, FL	5,766,000 ⁽¹⁾	Common	79.5%	N/A
Stephen A. Rudner	CEO, President, Treasurer	Davie, FL	420,000	Common	5.8%	N/A
Daniel Rudner	Secretary	Miami, FL	150,000	Common	2.1%	N/A
Marc Rudner	Asst. Secretary & Asst. Treasurer	Fort Lauderdale, FL	22,500	Common	0.3%	N/A
Tracey O'Rourke	Asst. Secretary & Asst. Treasurer	Salem, SC	None	Common	None	N/A
Brenda Josowitz	Director, Board Member	Tavernier, FL	None	Common	None	N/A
Richard McKinnon	Director, Board Member	Dallas, TX	None	Common	None	N/A
Allison Shipley	Director, Board Member	Coral Gables, FL	None	Common	None	N/A

(1) Includes an aggregate of 400,000 shares held in two trusts in which Mr. Rudner serves as Trustee for the benefit of his children and 700,000 shares owned by Mr. Rudner's wife, Deanna Rudner, for which he has a proxy to vote. Mr. Rudner disclaims beneficial ownership of these shares.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel

Fox Rothschild LLP
Laura M. Holm
222 Lakeview Avenue, Suite 700
West Palm Beach, FL 33401
(561) 804-4408
lhalm@foxrothschild.com

Legal Counsel

Tripp Scott
Christine Yates
110 SE 6th Street
15th Floor
Fort Lauderdale, FL 33301
954-525-7500
cty@trippscott.com

Auditors

Kaufman, Rossin & Co., P.A.
Tyler Quinn
3310 Mary Street, Suite 501
Miami, FL 33133
561-620-1749
tquinn@kaufmanrossin.com

Investor Relations

Stephen Rudner, CEO
2307 West Broward Boulevard, Suite 400
Fort Lauderdale, FL 33312
Phone: 954-377-6407
Email: investorrelations@onlinevacationcenter.com

All other means of Investor Communication:

Website: <https://www.onlinevacationcenter.com/investors?tab=investor-relations>

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

None

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Stephen A. Rudner
Title: CEO
Relationship to Issuer: CEO

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Stephen A. Rudner
Title: CEO
Relationship to Issuer: CEO

Describe the qualifications of the person or persons who prepared the financial statements:⁵ Master's degree in accounting

⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

**ONLINE VACATION CENTER HOLDINGS CORP.
CONSOLIDATED BALANCE SHEETS**

ASSETS	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current assets		
Cash and cash equivalents	\$ 2,773,186	\$ 2,657,562
Equity securities	1,388,268	1,358,500
Accounts receivable, net	1,475,637	1,513,497
Employee retention credit receivable	105,624	421,316
Deposits, prepaid items, and inventory	3,206,316	3,698,738
Total current assets	8,949,031	9,649,613
Restricted cash	563,109	562,946
Deferred tax asset, net	167,180	209,774
Lease asset	487,291	549,074
Property and equipment, net	50,901	57,002
Intangible assets, net	506,002	488,227
Goodwill	451,526	451,526
Total assets	\$ 11,175,040	\$ 11,968,162
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,273,253	\$ 3,615,707
Deferred revenue	3,300,732	3,504,224
Lease liability	111,265	147,868
Senior unsecured debentures	162,023	160,415
Total current liabilities	6,847,273	7,428,214
Deferred revenue	313,826	279,123
Senior unsecured debentures	914,969	956,083
Lease liability	377,269	404,943
Total liabilities	8,453,337	9,068,363
 Commitments and contingencies - Note 16		
Stockholders' equity		
Preferred stock, 1,000,000 shares authorized at \$0.0001 par value; 0 shares issued and outstanding	-	-
Common stock, 80,000,000 shares authorized at \$0.0001 par value; 7,254,317 shares issued and outstanding as of March 31, 2025 and December 31, 2024.	725	725
Retained earnings	2,720,978	2,899,074
Total stockholders' equity	2,721,703	2,899,799
Total liabilities and stockholders' equity	\$ 11,175,040	\$ 11,968,162

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended	
	March 31, 2025	March 31, 2024
	(Unaudited)	(Unaudited)
Revenue:		
Service and other	\$ 4,165,803	\$ 4,359,198
Product	685,499	884,717
Total revenue	4,851,302	5,243,915
Cost of revenue:		
Product	317,207	417,677
Total cost of revenue	317,207	417,677
Gross profit	4,534,095	4,826,238
Operating expenses		
Selling and marketing	2,043,925	1,994,103
General and administrative	2,624,825	2,798,321
Depreciation and amortization	95,415	59,584
Operating income	(230,070)	(25,770)
Other income, net		
Investment income, net	38,881	133,011
Interest expense	(11,070)	(12,615)
Income before provision (benefit) for income taxes	(202,259)	94,626
Provision (benefit) for income taxes	(24,163)	32,060
Net income	\$ (178,096)	\$ 62,566
Earnings per share – basic and diluted	\$ (0.025)	\$ 0.008
Weighted average shares outstanding – basic and diluted	7,254,317	7,594,727

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Three Months Ended March 31, 2025

	<u>Common Stock</u>		<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	
Balance, December 31, 2024	7,254,317	\$725	\$2,899,074	\$2,899,799
Net income	<u>-</u>	<u>-</u>	<u>(178,096)</u>	<u>(178,096)</u>
Balance, March 31, 2025	<u>7,254,317</u>	<u>\$725</u>	<u>\$2,720,978</u>	<u>\$2,721,703</u>

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	March 31, 2025	March 31, 2024
	(Unaudited)	(Unaudited)
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Net (loss)/income	\$ (178,096)	\$ 62,566
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	95,415	59,584
Amortization of lease asset	61,783	58,120
Deferred income taxes	42,595	26,904
Realized (gain)/loss on sale of equity securities	(7,897)	(3,244)
Unrealized (gain)/loss on sale of equity securities	(13,575)	(109,872)
Changes in operating assets and liabilities		
Accounts receivable	37,860	129,529
Employee retention credit receivable	315,692	-
Deposits, prepaid items, and inventory	492,422	(81,105)
Accounts payable and accrued liabilities	(342,456)	(224,723)
Deferred revenue	(168,788)	159,191
Lease liability	(64,277)	(58,144)
Net cash provided by operating activities	<u>270,678</u>	<u>18,806</u>
Cash flows from investing activities		
Acquisition of intangible assets	(107,089)	(62,151)
Purchase of equity securities	(38,374)	(57,476)
Proceeds from the sale of equity securities	30,078	47,795
Net cash used in investing activities	<u>(115,385)</u>	<u>(71,832)</u>
Cash flows from financing activities		
Repayment of debt	(39,506)	(74,394)
Net cash used in financing activities	<u>(39,506)</u>	<u>(74,394)</u>
Net change in cash and restricted cash	115,787	(127,420)
Beginning cash and restricted cash	3,220,508	4,414,166
Ending cash and restricted cash	<u>\$ 3,336,295</u>	<u>\$ 4,286,746</u>
Supplemental cash flow information		
Cash paid for taxes	\$ 2,700	\$ 2,400
Cash paid for interest	11,070	12,615
Cash and cash equivalents	\$ 2,773,186	\$ 3,723,816
Restricted cash	563,109	562,930
Total cash and restricted cash	<u>\$ 3,336,295</u>	<u>\$ 4,286,746</u>

See accompanying notes to consolidated financial statements.

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BACKGROUND

Overview: Online Vacation Center Holdings Corp. is a Florida holding company, focused on internally growing and developing its group of diversified vacation marketers with a range of products that can be cross-sold to an extensive database as well as online sales of golf training aids.

Online Vacation Center Holdings Corp. provides vacation travel, marketing, and online sales through its wholly-owned subsidiaries (collectively, the “Company”). Its portfolio of companies include:

Online Vacation Center, Inc., a full service vacation seller focused on serving the affluent retiree market.

Enrichment Journeys, LLC, a developer and seller of unique river, ocean, and land vacation packages.

Dunhill Vacations, Inc., the publisher of three travel newsletters, "Top Travel Deals", "Spotlight", and "TravelFlash".

Luxury Link, LLC, a website connecting travelers with websites to purchase hotel, resort, and vacation experiences.

Home Based Travel Experts, LLC, an Expedia Cruises franchise focused on travel sales through a team of mobile agents.

OVC Financial, LLC dba Golf Around the World, an online seller of golf training aids.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Preparation of Interim Financial Statements: The accompanying consolidated financial statements included in this report are unaudited and have been prepared by the Company and, in the opinion of management, include all adjustments (consisting of normal recurring accruals and adjustments necessary for adoption of new accounting standards) necessary to present fairly the results of the interim periods shown. Management believes that its disclosures are sufficiently presented to prevent this information from being misleading. Due to seasonality and other factors, the results for the interim periods are not necessarily indicative of results for a full year. For further information, refer to the consolidated financial statements and footnotes included in the Company’s Annual Report for the year ended December 31, 2024.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Online Vacation Center Holdings Corp. and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The Company makes operating decisions, assesses performance and manages the business as one reportable segment.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. These estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting periods. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

Revenue Recognition: The Company’s revenue is recognized in accordance with Accounting Standards Update (ASU) No. 2014-09, “Revenue from Contracts with Customers” (“ASC 606”).

Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services, which is generally upon shipment of the goods and performance of the service. The amount of revenue

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

recognized reflects the consideration to which the Company expects to receive in exchange for goods or services. Under the standard, a contract's transaction price is allocated to each distinct performance obligation. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identifies the contracts with a customer; (ii) identifies the performance obligations within the contract, including whether they are distinct and capable of being distinct in the context of the contract; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when, or as, the Company satisfies each performance obligation.

Revenue Recognition – Service and Other: The majority of the Company's revenue consists of the sale of travel marketing services to companies, primarily related to cruises. Revenue is provided by the travel provider who generally directs which method of the marketing service is provided. Travel marketing services may be referred to as commission, bonus commission (overrides), or advertising. Vacation travel sales transactions and insurance services are billed to travelers at the time of booking. The commission revenue related to travel sales is recognized in the accompanying consolidated financial statements in the period the commissions are earned which occurs up to the travel date. The commission revenue related to insurance sales is recognized in the accompanying consolidated financial statements when the service is no longer cancelable without penalty. Advertising revenue is recognized upon distribution of the marketing publication. Override (volume incentive "Bonus Commission") revenue is recognized when the agreed-upon goal is achieved as specified in the override agreement.

After considering and weighing relevant qualitative factors regarding the Company's status as a primary obligor, the extent of the pricing latitude of the Company's vacation travel sales transactions and in accordance with the prescribed GAAP gross vs. net indicators, the Company's vacation travel suppliers assume the majority of the business risks such as providing the service and the risk of unsold travel packages. As such, all vacation travel sales transactions are recorded at the net amount, which is the amount charged to the customer less the amount to be paid to the supplier. The Company frequently reviews its product offerings to determine whether the vacation package falls within the scope of gross revenue reporting. The method of net revenue presentation does not impact operating income, net income, earnings per share or cash flows.

Revenue Recognition – Product: The Company operates an online merchant business which sells golf training aids. Sales for this business are reported as gross revenue and the related cost of goods sold are reported on the Company's consolidated statements of operations.

Product revenue is recognized at a point in time when control of the goods is transferred to the customer, which generally occurs when products are shipped to the customer. Shipping and handling costs are considered fulfillment activities and as such are not accounted for as separate performance obligations. Product revenue is recorded net of sales tax.

Costs of goods sold primarily consists of the purchase price of products and shipping costs. Shipping costs to receive products from suppliers are included in inventory and recognized as cost of goods sold upon sale of products to the customer.

Risks and Concentrations: The Company's business is subject to certain risks and concentrations, including dependence on relationships with travel suppliers (primarily cruise lines), and to a lesser extent, exposure to risks associated with online commerce security and credit card fraud. The Company is highly dependent on its relationships with five major cruise lines: Celebrity Cruises, Norwegian Cruise Line, Royal Caribbean Cruise Line, Oceania Cruises and Viking River Cruises. The Company also depends on third party service providers for processing certain fulfillment services.

The Company's product sales are significantly dependent on the Amazon Marketplace e-commerce platform.

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Concentrations of credit risk with respect to client accounts receivable are limited because of the Company's policy to require deposits from customers, the number of customers comprising the client base and their dispersion across geographical locations.

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and bank certificates of deposit. These accounts are maintained with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) for balances up to \$250,000. At March 31, 2025, the Company had cash deposits of \$510,423 that exceeded the federally insured limit of \$250,000. The Company believes that no significant concentration of credit risk exists with respect to these cash balances because of its assessment of the creditworthiness and financial viability of the financial institutions.

Marketing Costs: Substantially all marketing costs are expensed as incurred and principally represent production, printing, direct mail costs, and online advertising. Marketing expense for the three months ended March 31, 2025 and 2024 were \$870,596 and \$708,520, respectively.

Cash and Cash Equivalents: The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents included cash in the bank, cash on hand and highly liquid investments.

Accounts Receivable: Accounts receivable related to Service and other sales is stated at the amounts invoiced to suppliers, commissions earned on travel that has commenced, or override income that has been earned, less an allowance for doubtful accounts. Travel suppliers generally pay commissions between 60 days before to 90 days after travel has commenced, overrides in the first quarter following the period earned, and marketing and advertising invoices between 30 days to 90 days after the invoice date.

Accounts receivable for product sales is stated at amounts invoiced to customers, less an allowance for credit losses, and is generally due upon delivery of the product. Accounts receivable, net at March 31, 2025 and December 31, 2024 amounted to \$1,475,637 and \$1,513,497, respectively.

The carrying amount of accounts receivable may be reduced by an allowance that reflects management's best estimate of the amounts that will not be collected by considering a number of factors, including the length of time trade accounts receivable are past due, the Company's previous loss history, the specific supplier's current ability to pay its obligation to the Company and the condition of the general economy and the industry as a whole. At each reporting date, this allowance is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. The Company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are recognized as credit loss recovery in the period received. At March 31, 2025 and December 31, 2024, the allowance for credit losses was \$26,605.

Employee Retention Credit Receivable: Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Company is eligible for a refundable employee retention credit subject to certain criteria. In connection with the CARES Act, the Company adopted a policy to recognize the employee retention credit when applied for and to offset the credit against the related expenditure. Accordingly, the Company recorded a \$0.7 million employee retention credit during the year ended December 31, 2021. In March 2025, \$0.3 million was received and the unpaid portion is included in the Employee Retention Credit Receivable in the consolidated balance sheets.

Restricted Cash: Cash which is restricted as to withdrawal is considered a noncurrent asset. At March 31, 2025 and December 31, 2024, certificates of deposit and restricted accounts of \$563,109 and \$562,946, respectively, are collateral for outstanding letters of credit. The letters of credit are required by the Company's landlord, merchant processor, a supplier and industry regulations and will be renewed upon expiration.

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Leases: The Company evaluates arrangements at inception to determine if an arrangement is or contains a lease. Operating lease assets represent the Company's right to control an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Control of an underlying asset is conveyed to the Company if the Company obtains the rights to direct the use of and to obtain substantially all the economic benefits from using the underlying asset. Operating lease assets and liabilities are recognized at the commencement date of the lease based upon the present value of lease payments over the lease term. When determining the lease term, the Company includes options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company uses an incremental borrowing rate that the Company would expect to incur for a fully collateralized loan over a similar term under similar economic conditions to determine the present value of the lease payments. The Company has lease arrangements which include lease and non-lease components, which the Company has elected to account for as a single lease component for all classes of underlying assets.

The lease payments used to determine the Company's operating lease assets may include lease incentives and stated rent increases and are recognized in lease asset in the consolidated balance sheets. Operating lease assets are amortized to rent expense over the lease term and included in operating expenses in the consolidated statements of operations.

Property and Equipment: Property and equipment are recorded at cost, net of depreciation. Repairs and maintenance and any gains or losses on dispositions are recognized as incurred. Depreciation is provided for on a straight-line basis to allocate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over the term of the lease or the useful life of the improvement, whichever is shorter.

<u>Asset Category</u>	<u>Depreciation Period</u>
Office equipment	1 to 5 Years
Furniture and fixtures	5 to 8 Years
Leasehold Improvements	3 to 8 Years

Goodwill: Goodwill represents the excess of the purchase price over the fair value assigned to net tangible and identifiable intangible assets of businesses acquired and accounted for under the acquisition method. Goodwill acquired in business combinations is assigned to reporting units that are expected to benefit from the synergies of the combination as of the acquisition date. The Company assesses goodwill for impairment annually during the fourth quarter, or more frequently if events and circumstances indicate impairment may have occurred. In accordance with the provisions of ASU 2017-04, if the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company records an impairment loss equal to the difference. No impairment occurred in the three months ended March 31, 2025 and 2024

Long-Lived Assets: The Company's accounting policy regarding the assessment of the recoverability of the carrying value of long-lived assets, including property and equipment and assets with finite lives, is to review the carrying value of the assets whenever events or changes in circumstances indicate that they may be impaired. If this review indicates that the carrying value will not be recoverable, as determined based on the projected undiscounted future cash flows, the carrying value is reduced to its estimated fair value. No impairment occurred in the three months ended March 31, 2025 and 2024.

Income Taxes: The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences and carryforwards are expected to be recovered or settled.

The Company applies the guidance issued by the Financial Accounting Standards Board (the "FASB") with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

The Company files income tax returns in the U.S. federal jurisdiction and various states. It is subject to U.S. federal and certain state tax examinations for years after 2020. To the Company's knowledge, none of its federal or state income tax returns are currently under examination.

The Company's policy is to account for interest and penalties in income tax expense. There was \$71 and \$0 in interest and penalties during the three months ended March 31, 2025 and 2024, respectively.

Earnings Per Share: Basic earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised or equity awards vested resulting in the issuance of common stock or the conversion of notes into shares of common stock that could share in the earnings of the Company. The diluted earnings per share calculation is not done for periods in a loss position as this would be antidilutive.

NOTE 3 – FAIR VALUE MEASUREMENT AND INVESTMENTS

The Fair Value Measurement Topic of the FASB ASC defines fair value, establishes a framework for measuring fair value under GAAP and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The Fair Value Measurement Topic describes a fair value hierarchy based on the following three levels of inputs that may be used to measure fair value, of which the first two are considered observable and the last unobservable:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company determines the fair value of its investment portfolio assets by obtaining non-binding market prices from its third-party portfolio managers on the last day of the quarter, whose sources may use quoted prices in active markets for identical assets (Level 1 inputs) or inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) in determining fair value. There were no transfers between Level 1, Level 2, or Level 3 measurements for the three months ended March 31, 2025 and 2024.

The Company's investments are comprised of equity securities. Equity securities are carried at fair value, measured using Level 1 inputs, with changes in fair value reported in other income (expense), net in the consolidated statements of operations. All equity securities have readily determinable fair values.

Realized gains and losses on sales of investments are determined using the specific identification method. Realized gains and losses are included in other income (expense), net in the consolidated statements of operations.

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2025 and December 31, 2024, the estimated fair value of the Company's investments included a net unrealized gain of \$131,998 and \$118,423, respectively.

NOTE 4 – DEPOSITS, PREPAID ITEMS, AND INVENTORY

Deposits, prepaid items, and inventory consist of the following:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Prepaid travel costs and other expenses	\$ 2,479,070	\$ 3,007,112
Inventory	524,401	517,085
Prepaid commissions and employee advances	100,213	41,145
Refundable deposits with suppliers	<u>102,632</u>	<u>133,397</u>
	<u>\$ 3,206,316</u>	<u>\$ 3,698,738</u>

Inventory consists of golf training aids and is stated at the lower of cost or net realizable value. Cost is determined by the average cost method. Management regularly reviews and evaluates individual inventory items and the movement history and records impairment charges for the excess of the carrying value over the net realizable value. No impairment charges were recorded during the three months ended March 31, 2025 and 2024.

NOTE 5 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Office equipment	\$ 915,486	\$ 915,486
Furniture and fixtures	250,531	250,531
Leasehold Improvements	<u>207,156</u>	<u>207,156</u>
	1,373,173	1,373,174
Less: Accumulated Depreciation	<u>(1,322,272)</u>	<u>(1,316,171)</u>
Property and equipment, net	<u>\$ 50,901</u>	<u>\$ 57,002</u>

Depreciation expense for the three months ended March 31, 2025 and 2024 was \$6,101 and \$9,635, respectively.

NOTE 6 – INTANGIBLE ASSETS, NET

Intangible assets acquired other than goodwill are capitalized at their respective fair values and are amortized over their estimated useful lives.

Intangible assets consist of the following:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Customer lists	\$ 7,699,262	\$ 7,598,309
Trade names	402,445	396,309
Customer relationships	178,000	178,000
Franchise fee and other	<u>37,349</u>	<u>37,349</u>
	8,317,056	8,209,967
Less Accumulated amortization	<u>(7,811,054)</u>	<u>(7,721,740)</u>
Intangible assets, net	<u>\$ 506,002</u>	<u>\$ 488,227</u>

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amortization expense for the three months ended March 31, 2025 and 2024 was \$89,314 and \$49,948, respectively.

NOTE 7 – GOODWILL

The Company recorded goodwill in conjunction with its acquisition of Dunhill, the assets of Golf Around the World, and certain assets of The Putting Arc. During the fourth quarter of 2024, the Company tested the carrying value of the goodwill for impairment. The results of the tests indicated that the carrying value of the goodwill was not impaired. At March 31, 2025 and December 31, 2024, the carrying amount of goodwill was \$451,526. Golf Around the World, to which \$387,000 of goodwill is allocated, had a negative carrying amount on March 31, 2025 and December 31, 2024 of approximately \$738,000 and \$705,000, respectively.

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	March 31, 2025	December 31, 2024
Customer deposits	\$ 1,739,183	\$ 2,139,108
Accrued compensation	979,063	963,356
Other accrued expenses	238,248	180,744
Accounts payable	316,759	332,499
Total	\$ 3,273,253	\$ 3,615,707

NOTE 9 – DEFERRED REVENUE

Deferred revenue consists of funds received that have not yet been earned. At March 31, 2025 and December 31, 2024, deferred revenue was \$3,614,558 and \$3,783,347, respectively.

NOTE 10 – LEASES

The Company records lease assets and liabilities for non-cancelable operating leases primarily for real estate and equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheets. Expense related to leases is recorded on a straight-line basis over the lease term, including rent holidays.

The following table sets forth the Lease assets and liabilities as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Assets		
Lease assets	\$ 487,291	\$ 549,074
Liabilities		
Lease Liabilities - Current	111,265	147,868
Lease Liabilities - Long Term	377,269	404,943
Total Lease liabilities	\$ 488,534	\$ 552,811

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents information about the amount, timing, and uncertainty of cash flows arising from the Company's operating leases as of March 31, 2025 and December 31, 2024:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Maturity of Operating Lease Liabilities		
2025	\$ 102,234	\$ 168,397
2026	124,499	124,499
2027	98,252	98,252
2028	100,936	100,936
2029	103,694	103,694
2030	25,628	25,628
Total undiscounted operating leases payments	<u>555,243</u>	<u>621,406</u>
Less: Imputed interest	<u>(66,709)</u>	<u>(68,595)</u>
Present value of operating lease liabilities	<u>\$ 488,534</u>	<u>\$ 552,811</u>

Rent expense for the three months ended March 31, 2025 and 2024 was \$106,319 and \$144,031, respectively.

The Company entered into a lease which commenced in March 2014 and terminated in February 2022 for approximately 17,000 square feet of corporate office space in Fort Lauderdale, Florida. The lease granted a renewal option for one additional term of sixty months. In August 2021, the Company agreed to a lease amendment for approximately 10,000 square feet in the same building for a three-year term, terminating in March 2025. In August 2024, the Company agreed to a lease amendment for approximately 3,700 square feet in the same building for a five-year term, terminating in March 2030. Base rent is \$7,096 per month and increases by 3% annually. Lease assets and liabilities of \$394,404 were recognized at that time.

In November 2024, the Company entered into a five-year copier lease. Base rent is \$715 per month. Lease assets and liabilities of \$37,435 were recognized at that time.

The Company assumed a lease effective September 2021 in connection with its acquisition of the assets of Golf Around the World for 2,550 square feet in West Palm Beach, Florida. In September 2023, the Company agreed to a lease renewal for a three-year term, terminating in September 2026. Base rent is \$3,400 per month and increases by 3% annually. Lease assets and liabilities of \$115,862 were recognized at that time.

The Company also pays for an employee's lease of a single office in southern Miami-Dade county. The one year lease is \$975 per month and since October 2022, is on a month to month basis.

NOTE 11 - INCOME TAXES

The provision (benefit) from income taxes for the three months ended March 31, 2025 and 2024 consists of the following:

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
Current		
Federal	\$ (73,379)	\$ (1,954)
State	6,621	7,111
	<u>(66,758)</u>	<u>5,157</u>
Deferred		
Federal	31,543	21,978
State	11,052	4,925
	<u>42,595</u>	<u>26,903</u>
Provision (benefit) for income taxes, net	<u>\$ (24,163)</u>	<u>\$ 32,060</u>

The difference between income tax expense computed by applying the federal statutory corporate tax rate and actual income tax expense is as follows:

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
Statutory federal income tax rate	21.0%	21.0%
State income taxes	-6.9%	10.0%
Tax effect of non-deductible or non-taxable items	-2.3%	3.7%
Other	0.1%	-0.8%
Effective tax rate	<u>11.9%</u>	<u>33.9%</u>

The effective tax rate exceeded the statutory rate primarily due to state tax expense and non-deductible items for the three months ended March 31, 2025 and 2024. Other includes tax rate differentials and the true-up of permanent tax differences from prior periods.

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax asset and liabilities result principally from the following:

	March 31, 2025	December 31, 2024
Capitalized list costs	\$ (72,105)	\$ (62,676)
Federal property and equipment basis difference	(4,952)	(6,499)
State property and equipment basis difference	4,620	6,930
Amortization	89,415	88,890
Unrealized gains and losses	(33,456)	(30,015)
Revenue recognition timing	70,743	70,743
Accruals and other	112,915	142,401
Net deferred income tax asset	<u>\$ 167,180</u>	<u>\$ 209,774</u>

ONLINE VACATION CENTER HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - EARNINGS PER SHARE

As of March 31, 2025 and December 31, 2024, there were no stock options or stock awards that would have been included in the computation of diluted earnings per share that could potentially dilute basic earnings per share in the future.

NOTE 13 – STOCK REPURCHASES

On July 17, 2024, the Company commenced an offer to purchase up to 400,000 shares of its common shares at a price of \$1.50 per share. The offer expired on August 30, 2024 and under the terms of the offer, the Company repurchased 340,410 shares for a total cost of \$510,615. The Company used a portion of its cash to fund the repurchases. All repurchased shares were immediately retired.

NOTE 14 – DEBENTURES

In 2020, the Company issued \$2.65 million in Senior Unsecured Debentures (“Debentures”) with five shareholders in exchange for shares of its common stock. The Debentures have a maturity date of February 1, 2040 and bear interest from the date of issue at 4.0% per annum, with interest and principal payable quarterly on February 1, May 1, August 1, and November 1 of each year.

In June 2023, one of the debentures was amended for a monthly payment of \$10,178, representing interest and principal, with a new maturity date of October 2026. In December 2023, two of the debentures were repaid in full.

NOTE 15 – LOANS PAYABLE

In May 2021, the Company’s subsidiaries received interest-free loans totaling \$323,000 from Royal Caribbean International’s “RCCL Cares” program. The loans required monthly payments of \$13,458 commencing in May 2022 through maturity in April 2024.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

On January 1, 2024, the Company entered into an executive employment agreement with its Chairman. The Company will pay an annual base salary of \$250,000, payable bi-weekly. The base salary is not subject to increase. The Chairman will also receive a car allowance and reimbursement of membership dues. The term of the agreement is seven years.

The Company participates in a 401(k) plan managed by a 401(k) administrator. Contributions to the plan are at the discretion of the Company’s Board of Directors.

The Company is involved from time to time in various legal claims and actions arising in the ordinary course of business. While from time to time claims are asserted that may make demands for sums of money, the Company does not believe that the resolution of any of these matters, either individually or in the aggregate, will materially affect its financial position, cash flows or the results of its operations.

NOTE 17 – SUBSEQUENT EVENTS

On May 1, 2025, the Company commenced an offer to purchase up to 100,000 shares of its common shares at a price of \$1.75 per share. The offer will expire on May 30, 2025 at 5:00 pm, Eastern time, unless the offer is extended or withdrawn.

10) Issuer Certification

I, Edward B. Rudner certify that:

1. I have reviewed this Disclosure Statement for Online Vacation Center Holdings Corp;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 15, 2025

/s/ Edward B. Rudner, Chairman

I, Stephen A. Rudner, certify that:

1. I have reviewed this Disclosure Statement for Online Vacation Center Holdings Corp.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 15, 2025

/s/ Stephen A. Rudner, CEO