Explanatory Note:

The information in the following tables is presented giving effect to the disposal of Voyce, with its historical financial results reflected as discontinued operations. We made adjustments to our historical financial results for certain costs and overhead allocations to either discontinued or continuing operations for the year ended December 31, 2016 and nine months ended September 30, 2017; for additional information, please see "Note 2 — Basis of Presentation and Consolidation" in our most recent Form 10-Q.

INTERSECTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
REVENUE	$ 39,248	43,027	$ 119,631	133,392
OPERATING EXPENSES:				
Marketing	2,682	3,202	9,294	10,292
Commission	9,462	10,527	28,966	32,636
Cost of revenue	13,126	13,723	39,694	41,294
General and administrative	15,230	15,729	47,151	45,310
Loss on dispositions of Captira and Habits at Work	—	—	106	—
Depreciation	1,378	1,085	3,966	3,521
Amortization	29	82	123	431
Total operating expenses	41,907	44,348	129,300	133,484
LOSS FROM OPERATIONS	(2,659)	(1,321)	(9,669)	(92)
Interest expense, net	(701)	(621)	(1,895)	(1,702)
Loss on extinguishment of debt	—	—	(1,525)	—
Other (expense) income, net	(3)	(234)	133	(419)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(3,363)	(2,176)	(12,956)	(2,213)
Income tax (expense) benefit	(6)	76	23	69
LOSS FROM CONTINUING OPERATIONS	(3,369)	(2,100)	(12,933)	(2,144)
Loss from discontinued operations, net of tax	(1,030)	(6,008)	(2,449)	(15,538)
NET LOSS	$ (4,399)	$ (8,108)	$ (15,382)	$ (17,682)
Basic and diluted loss per common share:				
Loss from continuing operations	$ (0.14)	$ (0.09)	$ (0.55)	$ (0.09)
Loss from discontinued operations	(0.04)	(0.26)	(0.10)	(0.67)
Net loss per common share—basic and diluted	$ (0.18)	$ (0.35)	$ (0.65)	$ (0.76)
Weighted average common shares outstanding—basic and diluted	23,953	23,378	23,818	23,178

INTERSECTIONS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par value)
(unaudited)

	September 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,970	$ 10,797
Accounts receivable, net of allowance for doubtful accounts of $0 (2017) and $15 (2016)	6,496	7,964
Prepaid expenses and other current assets	3,861	3,711
Income tax receivable	2,548	3,314
Deferred subscription solicitation and commission costs	2,904	5,050
Current assets of discontinued operations and assets held for sale	—	575
Total current assets	22,779	31,411
PROPERTY AND EQUIPMENT, net	10,430	10,611
GOODWILL	9,763	9,763
INTANGIBLE ASSETS, net	88	210
OTHER ASSETS	1,170	862
TOTAL ASSETS	$ 44,230	$ 52,857
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 2,912	$ 2,000
Accrued expenses and other current liabilities	11,009	10,978
Accrued payroll and employee benefits	2,581	4,128
Commissions payable	360	316
Current portion of long-term debt, net	—	2,146
Capital leases, current portion	467	471
Deferred revenue	5,852	8,295
Current liabilities of discontinued operations and liabilities held for sale	—	858
Total current liabilities	23,181	29,192
LONG-TERM DEBT, net	19,182	10,092
OBLIGATIONS UNDER CAPITAL LEASES, less current portion	484	865
OTHER LONG-TERM LIABILITIES	3,107	3,436
DEFERRED TAX LIABILITY, net	1,905	1,905
TOTAL LIABILITIES	47,859	45,490
COMMITMENTS AND CONTINGENCIES (see Notes 13 and 15 in most recent Form 10-Q)		
STOCKHOLDERS' (DEFICIT) EQUITY:		
Common stock at $0.01 par value, shares authorized 50,000; shares issued 28,179 (2017) and 27,303 (2016); shares outstanding 24,122 (2017) and 23,733 (2016)	282	273
Additional paid-in capital	146,291	142,247
Warrants	2,140	—
Treasury stock, shares at cost; 4,057 (2017) and 3,570 (2016)	(35,628)	(33,822)
Accumulated deficit	(116,714)	(101,331)
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(3,629)	7,367
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	$ 44,230	$ 52,857

INTERSECTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (15,382)	$ (17,682)
Loss from discontinued operations, net of tax	(2,449)	(15,538)
Loss from continuing operations	(12,933)	(2,144)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Depreciation and amortization	4,089	3,951
Amortization of debt issuance costs	184	658
Accretion of debt discount	66	—
Provision for doubtful accounts	(15)	(54)
(Gain) loss on disposal of fixed assets	—	261
Share based compensation	4,564	4,658
Amortization of deferred subscription solicitation costs	8,482	9,981
Loss on disposition of Captira Analytical	130	—
Gain on disposition of Habits at Work	(24)	—
Loss on extinguishment of debt	1,525	—
Changes in assets and liabilities:		
Accounts receivable	1,483	(1,092)
Prepaid expenses, other current assets and other assets	(412)	709
Income tax receivable, net	766	594
Deferred subscription solicitation and commission costs	(6,336)	(7,164)
Accounts payable and accrued liabilities	(677)	(5,569)
Commissions payable	29	(71)
Deferred revenue	(2,411)	618
Other long-term liabilities	(329)	(382)
Cash flows (used in) provided by continuing operations	(1,819)	4,954
Cash flows used in discontinued operations	(2,313)	(11,687)
Net cash used in operating activities	(4,132)	(6,733)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received for the liquidating distribution of White Sky, Inc.	—	57
Net cash paid for the disposition of Captira Analytical	(315)	—
Decrease (increase) in restricted cash	115	(265)
Cash paid for withholding tax on vesting of RSUs in exchange for promissory note	(130)	—
Proceeds from sale of property and equipment	—	394
Acquisition of property and equipment	(3,964)	(4,591)
Cash flows used in continuing operations	(4,294)	(4,405)
Cash flows provided by (used in) discontinued operations	4	(853)
Net cash used in investing activities	(4,290)	(5,258)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt	20,000	20,000
Repayments of debt	(13,920)	(2,895)
Repurchase of common stock	(1,510)	—
Proceeds from issuance of warrants	1,500	—
Cash paid for debt and equity issuance costs	(323)	(1,856)
Capital lease payments	(411)	(524)
Withholding tax payment on vesting of restricted stock units	(1,122)	(408)
Cash flows provided by financing activities	4,214	14,317
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,208)	2,326
CASH AND CASH EQUIVALENTS — Beginning of period	10,857	11,471
Cash reclassified to assets held for sale at beginning of period	321	—
CASH AND CASH EQUIVALENTS — End of period	$ 6,970	$ 13,797
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Equipment obtained under capital lease, including acquisition costs	$ 40	$ 101
Equipment additions accrued but not paid	$ 209	$ 490
Shares withheld in lieu of withholding taxes on vesting of restricted stock awards	$ 117	$ 15

INTERSECTIONS INC.
OTHER DATA
(in thousands)
(unaudited)

Revenue

The following tables provide comparative details of our revenue information for the three-month periods ended September 30, 2017, June 31, 2017 and September 30, 2016, and for the nine-month periods ended September 30, 2017 and 2016:

	Quarter Ended				
	September 30, 2017	June 30, 2017	Change	September 30, 2016	Change
Identity Guard® (1)	$ 12,396	$ 12,482	(0.7)%	$ 12,369	0.2%
Canadian business	3,405	3,220	5.7%	3,157	7.9%
U.S. financial institutions	20,774	21,365	(2.8)%	23,533	(11.7)%
Breach services & other (1)	1,270	1,311	(3.1)%	1,012	25.5%
Personal Information Services revenue	37,845	38,378	(1.4)%	40,071	(5.6)%
Other business units	1,403	1,557	(9.9)%	2,956	(52.5)%
Consolidated revenue	$ 39,248	$ 39,935	(1.7)%	$ 43,027	(8.8)%

	Nine Months Ended September 30,		
	2017	2016	Change
Identity Guard® (1)	$ 36,889	$ 38,474	(4.1)%
Canadian business	9,684	9,404	3.0%
U.S. financial institutions	64,042	73,399	(12.7)%
Breach services & other (1)	4,217	2,841	48.4%
Personal Information Services revenue	114,832	124,118	(7.5)%
Other business units	4,799	9,274	(48.3)%
Consolidated revenue	$ 119,631	$ 133,392	(10.3)%

(1) We periodically refine the criteria used to calculate and report our subscriber data. In the nine months ended September 30, 2017, we determined that certain subscribers who receive our breach response services should no longer be included in the presentation of Identity Guard® subscribers or revenue due to the nonrecurring nature of our breach response services. For comparability, all periods presented have been recast to reflect this change in subscribers and revenue.

INTERSECTIONS INC.
OTHER DATA, continued
(in thousands)
(unaudited)

Personal Information Services Segment Subscribers

The following tables provide details of our Personal Information Services segment subscriber information for the three and nine months ended September 30, 2017:

Three months ended:

	Financial Institution	Identity Guard® (1)	Canadian Business Lines	Total
Balance at June 30, 2017	663	329	161	1,153
Additions	—	38	23	61
Cancellations	(23)	(29)	(25)	(77)
Balance at September 30, 2017	640	338	159	1,137

Nine months ended:

	Financial Institution	Identity Guard® (1)	Canadian Business Lines	Total
Balance at December 31, 2016	705	317	162	1,184
Additions	2	116	81	199
Cancellations	(67)	(95)	(84)	(246)
Balance at September 30, 2017	640	338	159	1,137

(1) We periodically refine the criteria used to calculate and report our subscriber data. In the nine months ended September 30, 2017, we determined that certain subscribers who receive our breach response services should no longer be included in the presentation of Identity Guard® subscribers or revenue due to the nonrecurring nature of our breach response services. For comparability, all periods presented have been recast to reflect this change in subscribers and revenue.

INTERSECTIONS INC.
OTHER DATA, continued
(unaudited)

Intersections Inc.
Reconciliation of Non-GAAP Financial Measures

The table below includes financial information prepared in accordance with accounting principles generally accepted in the United States, ("GAAP"), as well as other financial measures referred to as non-GAAP financial measures. Consolidated adjusted EBITDA (loss) before share related compensation and non-cash impairment charges ("Adjusted EBITDA") is presented in a manner consistent with the way management evaluates operating results and which management believes is useful to investors and others. Share related compensation includes non-cash share based compensation. An explanation regarding the Company's use of non-GAAP financial measures and a reconciliation of non-GAAP financial measures used by the Company to GAAP measures is provided below. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, net income (loss) and the other information prepared in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies. Management strongly encourages shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Consolidated Adjusted EBITDA represents consolidated (loss) income from continuing operations before income taxes plus: share related compensation; non-cash impairment of goodwill, intangibles and other assets; loss on disposal of fixed assets; (gain) loss on sale of Captira Analytical and Habits at Work; loss on extinguishment of debt; depreciation and amortization; and interest expense. We believe that the consolidated Adjusted EBITDA calculation provides useful information to investors because they are indicators of our operating performance, and we use these measures in communications with our board of directors, creditors, investors and others concerning our financial performance. Consolidated Adjusted EBITDA is commonly used as a basis for investors and analysts to evaluate and compare the periodic and future operating performance and value of companies within our industry. Our Board of Directors and management use consolidated Adjusted EBITDA to evaluate the operating performance of the Company. In addition, consolidated Adjusted EBITDA, as defined in our New Credit Agreement with PEAK6 Investments, L.P., as amended, is used to measure covenant compliance.

We provide this information to show the impact of share related compensation on our operating results, as it is excluded from our internal operating and budgeting plans and measurements of financial performance; however, we do consider the dilutive impact to our shareholders when awarding share related compensation and consider both the Black-Scholes value and GAAP value (to the extent applicable) in connection therewith, and value such awards accordingly.

INTERSECTIONS INC.
OTHER DATA, continued
(unaudited)

We do not consider share related compensation charges when we evaluate the performance of our individual business groups or formulate our short and long-term operating plans. Due to its nature, individual managers generally are unable to project the impact of share related compensation and accordingly we do not hold them accountable for the impact of equity award grants. When we consider making share related compensation grants, we primarily take into account the need to attract and retain high quality employees, overall shareholder dilution and the Black-Scholes values of the equity grant to the recipient, rather than the potential accounting charges associated with such grants. For comparability purposes, we believe it is useful to provide a non-GAAP financial measure that excludes share related compensation in order to better understand the long-term performance of our core business and to compare our results to the results of our peer companies because of varying available valuation methodologies and the variety of award types that companies can use under GAAP. Furthermore, the value of share related compensation is determined using a complex formula that incorporates factors, such as market volatility, that are beyond our control. Accordingly, we believe that the presentation of consolidated Adjusted EBITDA when read in conjunction with our reported GAAP results can provide useful supplemental information to our management, to investors and to our lenders regarding financial and business trends relating to our financial condition and results of operations.

Consolidated Adjusted EBITDA has limitations due to the fact it does not include all compensation related expenses. For example, if we only paid cash based compensation as opposed to a portion in share related compensation, the cash compensation expense included in our general and administrative expenses would be higher. We compensate for this limitation by providing information required by GAAP about outstanding share based awards in the footnotes to our financial statements in our SEC filings. We believe equity based compensation is an important element of our compensation program and all forms of share related awards are valued and included as appropriate in our operating results.

The following tables reconcile consolidated (loss) income from continuing operations before income taxes to consolidated Adjusted EBITDA, as defined, for the previous seven quarters through September 30, 2017. The information in the following tables is presented giving effect to the disposal of Voyce, with its historical financial results reflected as discontinued operations. We made adjustments to our historical financial results for certain costs and overhead allocations to either discontinued or continuing operations for the year ended December 31, 2016 and nine months ended September 30, 2017; for additional information, please see "Note 2 — Basis of Presentation and Consolidation" in our most recent Form 10-Q. In managing our business, we analyze our performance quarterly on a consolidated income (loss) before income tax basis.

In the second quarter of 2016, we ceased adding other expense (income) to consolidated loss before income taxes as part of our calculation of Adjusted EBITDA, to be consistent with the definition of Adjusted EBITDA in our Prior Credit Agreement. Prior periods have been recast to reflect the new presentation. For additional information, Please see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” in our most recent Form 10-Q.

INTERSECTIONS INC.
OTHER DATA, continued
(in thousands)
(unaudited)

Consolidated Adjusted EBITDA:

	2017 Quarter Ended			2016 Quarter Ended			
	September 30	**June 30**	**March 31**	**December 31**	**September 30**	**June 30**	**March 31**
Reconciliation from consolidated (loss) income from continuing operations before income taxes to consolidated Adjusted EBITDA:							
Consolidated (loss) income from continuing operations before income taxes	$ (3,363)	$ (5,344)	$ (4,249)	$ (1,151)	$ (2,176)	$ (668)	$ 631
Non-cash share based compensation	2,213	1,255	1,096	88	2,216	1,364	1,078
Impairment of goodwill, intangibles and other assets	—	(86)	86	1,428	—	—	—
Loss on disposal of fixed assets	—	—	—	6	5	256	—
(Gain) loss on sale of Captira Analytical and Habits at Work	—	(24)	130	—	—	—	—
Loss on extinguishment of debt	—	1,525	—	—	—	—	—
Depreciation and amortization	1,407	1,336	1,346	1,324	1,167	1,359	1,426
Interest expense, net	701	603	591	664	621	839	242
Consolidated Adjusted EBITDA	$ 958	$ (735)	$ (1,000)	$ 2,359	$ 1,833	$ 3,150	$ 3,377

	Nine Months Ended September 30,	
	2017	**2016**
Reconciliation from consolidated loss from continuing operations before income taxes to consolidated Adjusted EBITDA:		
Consolidated loss from continuing operations before income taxes	$ (12,956)	$ (2,213)
Non-cash share based compensation	4,564	4,658
Loss on disposal of fixed assets	—	261
Loss on sale of Captira Analytical and Habits at Work	106	—
Loss on extinguishment of debt	1,525	—
Depreciation and amortization	4,089	3,952
Interest expense, net	1,895	1,702
Consolidated Adjusted EBITDA	$ (777)	$ 8,360