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, 2017 and 2016; for additional information, please see "Note 2 — Basis of Presentation and Consolidation" in our most recent Annual Report on Form 10-K.

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

	Year Ended December 31,	
	2017	2016
REVENUE	$ 159,620	$ 175,592
OPERATING EXPENSES:		
Marketing	11,330	13,156
Commission	38,386	42,775
Cost of revenue	51,710	53,797
General and administrative	62,530	59,671
Loss on dispositions of Captira and Habits at Work	106	—
Impairment of intangibles and other assets	—	1,428
Depreciation	5,485	4,763
Amortization	152	513
Total operating expenses	169,699	176,103
LOSS FROM OPERATIONS	(10,079)	(511)
Interest expense, net	(2,227)	(2,366)
Loss on extinguishment of debt	(1,525)	—
Other income (expense), net	126	(487)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(13,705)	(3,364)
Income tax benefit (expense) from continuing operations	1,915	(75)
LOSS FROM CONTINUING OPERATIONS	(11,790)	(3,439)
Loss from discontinued operations, net of tax	(2,534)	(27,030)
NET LOSS	$ (14,324)	$ (30,469)
Basic and diluted loss per common share:		
Loss from continuing operations	$ (0.49)	$ (0.15)
Loss from discontinued operations	(0.11)	(1.16)
Net loss per common share, basic and diluted	$ (0.60)	$ (1.31)
Weighted average common shares outstanding, basic and diluted	23,885	23,259

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

	December 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 8,502	$ 10,797
Accounts receivable, net of allowance for doubtful accounts of $34 (2017) and $15 (2016)	8,225	9,449
Prepaid expenses and other current assets	3,232	3,711
Income tax receivable	2,545	3,314
Deferred subscription solicitation and commission costs	1,655	5,050
Current assets of discontinued operations and assets held for sale	—	575
Total current assets	24,159	32,896
PROPERTY AND EQUIPMENT, net	11,040	10,611
GOODWILL	9,763	9,763
INTANGIBLE ASSETS, net	58	210
OTHER ASSETS	1,459	862
TOTAL ASSETS	$ 46,479	$ 54,342
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 3,498	$ 2,000
Accrued expenses and other current liabilities	8,533	10,978
Accrued payroll and employee benefits	1,501	4,128
Commissions payable	141	99
Current portion of long-term debt, net	—	2,146
Capital leases, current portion	423	471
Deferred revenue	7,759	11,430
Current liabilities of discontinued operations and liabilities held for sale	—	858
Total current liabilities	21,855	32,110
LONG-TERM DEBT, net	20,736	10,092
OBLIGATIONS UNDER CAPITAL LEASES, less current portion	392	865
OTHER LONG-TERM LIABILITIES	2,895	3,436
DEFERRED TAX LIABILITY, net	7	1,905
TOTAL LIABILITIES	45,885	48,408
STOCKHOLDERS' EQUITY:		
Common stock at $0.01 par value, shares authorized 50,000; shares issued 28,194 (2017) and 27,303 (2016); shares outstanding 24,102 (2017) and 23,733 (2016)	282	273
Additional paid-in capital	150,305	142,247
Warrants	2,840	—
Treasury stock, shares at cost; 4,092 (2017) and 3,570 (2016)	(35,745)	(33,822)
Accumulated deficit	(117,088)	(102,764)
TOTAL STOCKHOLDERS' EQUITY	594	5,934
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 46,479	$ 54,342

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

	Year Ended December 31, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (14,324)	$ (30,469)
Loss from discontinued operations, net of tax	(2,534)	(27,030)
Loss from continuing operations	(11,790)	(3,439)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Depreciation and amortization	5,637	5,275
Deferred income tax, net	(1,898)	—
Amortization of debt issuance cost	200	884
Accretion of debt discount	104	
Provision for doubtful accounts	19	(89)
Loss on disposal of fixed assets	—	267
Share based compensation	8,530	4,745
Amortization of deferred subscription solicitation and commission costs	10,326	12,655
Loss on disposition of Captira Analytical	130	—
Gain on disposition of Habits at Work	(24)	—
Loss on extinguishment of debt	1,525	—
Impairment of goodwill, intangibles and other assets	—	1,428
Changes in assets and liabilities:		
Accounts receivable	1,204	65
Prepaid expenses, other current assets and other assets	(91)	796
Income tax receivable, net	769	4,415
Deferred subscription solicitation and commission costs	(6,931)	(10,744)
Accounts payable and accrued liabilities	(3,608)	(8,308)
Commissions payable	28	(59)
Deferred revenue	(3,639)	5,925
Other long-term liabilities	(541)	(554)
Cash flows (used in) provided by continuing operations	(50)	13,262
Cash flows used in discontinued operations	(2,398)	(17,183)
Net cash used in operating activities	(2,448)	(3,921)
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	135	(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	(6,077)	(5,764)
Cash flows used in continuing operations	(6,387)	(5,578)
Cash flows provided by (used in) discontinued operations	4	(1,031)
Net cash used in investing activities	(6,383)	(6,609)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt	21,500	20,000
Repayments of debt	(13,920)	(6,568)
Repurchase of common stock	(1,511)	—
Proceeds from issuance of warrants	2,200	—
Cash paid for debt and equity issuance costs	(322)	(1,990)
Capital lease payments	(548)	(719)
Withholding tax payment on vesting of restricted stock units	(1,244)	(486)
Net cash provided by financing activities	6,155	10,237
DECREASE IN CASH AND CASH EQUIVALENTS	(2,676)	(293)
CASH AND CASH EQUIVALENTS — Beginning of period	10,797	11,471
Cash reclassified to assets held for sale at beginning of period	381	—
Less: cash reclassified to assets held for sale at end of period	—	(381)
CASH AND CASH EQUIVALENTS — End of period	$ 8,502	$ 10,797
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 1,874	$ 1,641
Cash paid for taxes	$ 9	$ 28
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Equipment obtained under capital lease, including acquisition costs	$ 202	$ 241
Equipment additions accrued but not paid	$ 22	$ 173
Withholding tax payments accrued on vesting of restricted stock units and stock option exercises	$ 27	$ —
Shares withheld in lieu of withholding taxes on vesting of restricted stock awards	$ 35	$ 39

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

Revenue

The following tables provide comparative details of our revenue information for the quarters ended December 31, 2017, September 30, 2017 and December 31, 2016, and for the years ended December 31, 2017 and 2016:

	Quarter Ended				
	December 31, 2017	September 30, 2017	Change	December 31, 2016	Change
Identity Guard® (1)	$ 13,618	$ 12,396	9.9%	$ 12,097	12.6%
Canadian business	3,412	3,405	0.2%	3,084	10.6%
U.S. financial institutions	20,022	20,774	(3.6)%	22,803	(12.2)%
Breach services & other (1)	1,266	1,270	(0.3)%	1,601	(20.9)%
Personal Information Services revenue	38,318	37,845	1.2%	39,585	(3.2)%
Other business units	1,670	1,403	19.0%	2,615	(36.1)%
Consolidated revenue	$ 39,988	$ 39,248	1.9%	$ 42,200	(5.2)%

	Year Ended December 31,		
	2017	2016	Change
Identity Guard® (1)	$ 50,507	$ 50,571	(0.1)%
Canadian business	13,096	12,488	4.9%
U.S. financial institutions	84,064	96,202	(12.6)%
Breach services & other (1)	5,484	4,441	23.5%
Personal Information Services revenue	153,151	163,702	(6.4)%
Other business units	6,469	11,890	(45.6)%
Consolidated revenue	$ 159,620	$ 175,592	(9.1)%

(1) We periodically refine the criteria used to calculate and report our subscriber data. In the year ended December 31, 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 months and year ended December 31, 2017:

Three months ended:

	Financial Institution	Identity Guard® (1)	Canadian Business Lines	Total
		(in thousands)		
Balance at September 30, 2017	640	338	159	1,137
Additions	—	44	25	69
Cancellations	(20)	(23)	(23)	(66)
Balance at December 31, 2017	620	359	161	1,140

Year ended:

	Financial Institution	Identity Guard® (1)	Canadian Business Lines	Total
		(in thousands)		
Balance at December 31, 2016	705	317	162	1,184
Additions	2	160	106	268
Cancellations	(87)	(118)	(107)	(312)
Balance at December 31, 2017	620	359	161	1,140

(1) We periodically refine the criteria used to calculate and report our subscriber data. In the year ended December 31, 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 tables below include 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. Adjusted EBITDA (as defined below) 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), general and administrative expense, 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.

Adjusted EBITDA represents consolidated (loss) income from continuing operations before income taxes plus (minus): 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; (benefit) from change in vacation policy; 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. 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 Adjusted EBITDA to evaluate the operating performance of the Company. In addition, consolidated Adjusted EBITDA, as defined in our 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 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.

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 Adjusted EBITDA, as defined, for the previous eight quarters through December 31, 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 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 (as recast and revised):

	2017 Quarter Ended				2016 Quarter Ended			
	December 31	**September 30**	**June 30**	**March 31**	**December 31**	**September 30**	**June 30**	**March 31**
Reconciliation from consolidated income (loss) from continuing operations before income taxes to consolidated Adjusted EBITDA:								
Consolidated income (loss) from continuing operations before income taxes (1)	$ 1,270	$ (2,960)	$ (7,765)	$ (4,250)	$ (1,150)	$ (2,176)	$ (668)	$ 630
Non-cash share based compensation (1)	1,948	1,809	3,676	1,097	87	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 sales of Captira Analytical and Habits at Work	—	—	(24)	130	—	—	—	—
Loss on extinguishment of debt	—	—	1,525	—	—	—	—	—
Benefit from change in vacation policy	(1,113)	—	—	—	—	—	—	—
Depreciation and amortization	1,548	1,407	1,336	1,346	1,323	1,167	1,359	1,426
Interest expense, net	332	701	603	591	664	621	839	242
Consolidated Adjusted EBITDA	$ 3,985	$ 957	$ (735)	$ (1,000)	$ 2,358	$ 1,833	$ 3,150	$ 3,376

	Year Ended December 31,	
	2017	**2016**
Reconciliation from consolidated loss from continuing operations before income taxes to consolidated Adjusted EBITDA:		
Consolidated loss from continuing operations before income taxes	$ (13,705)	$ (3,364)
Non-cash share based compensation	8,530	4,745
Impairment of goodwill, intangibles and other assets	—	1,428
Loss on disposal of fixed assets	—	267
Loss on sales of Captira Analytical and Habits at Work	106	—
Loss on extinguishment of debt	1,525	—
Benefit from change in vacation policy	(1,113)	—
Depreciation and amortization	5,637	5,275
Interest expense, net	2,227	2,366
Consolidated Adjusted EBITDA	$ 3,207	$ 10,717
Consolidated Revenue from Continuing Operations	$ 159,620	$ 175,592
Consolidated Adjusted EBITDA % of Revenue	2.0%	6.1%

Note (1): The results of operations for the years ended December 31, 2017 and 2016 have been recast to show the effects of our discontinued operations and to reflect an adjustment to our share based compensation expense. For additional information, please see Note 21 to our consolidated financial statements in our most recent Form 10-K.

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

Consolidated Adjusted G&A Expense (as recast and revised):

	2017 Quarter Ended				2016 Quarter Ended			
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Reconciliation from consolidated general and administrative expenses to Adjusted G&A Expense:								
Consolidated general and administrative expenses (1)	$ 13,361	$ 14,826	$ 17,962	$ 16,381	$ 14,361	$ 15,729	$ 15,940	$ 13,641
Non-cash share based compensation (1)	(1,948)	(1,809)	(3,676)	(1,097)	(87)	(2,216)	(1,364)	(1,078)
Benefit from change in vacation policy	1,113	—	—	—	—	—	—	—
Adjusted G&A Expense	$ 12,526	$ 13,017	$ 14,286	$ 15,284	$ 14,274	$ 13,513	$ 14,576	$ 12,563

	Year Ended December 31,	
	2017	2017
Reconciliation from consolidated general and administrative expenses to Adjusted G&A Expense:		
Consolidated general and administrative expenses	$ 62,530	$ 59,671
Non-cash share based compensation	(8,530)	(4,745)
Benefit from change in vacation policy	1,113	—
Adjusted G&A Expense	$ 55,113	$ 54,926

Note (1): The results of operations for the years ended December 31, 2017 and 2016 have been recast to show the effects of our discontinued operations and to reflect an adjustment to our share based compensation expense. For additional information, please see Note 21 to our consolidated financial statements in our most recent Form 10-K.