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

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| NET REVENUE | $ 42,201 | $ 47,408 | $ 175,662 | $ 203,827 |
| OPERATING EXPENSES: | | | | |
| Marketing | 3,022 | 4,243 | 14,707 | 20,568 |
| Commission | 10,140 | 11,611 | 42,776 | 50,837 |
| Cost of services revenue | 12,442 | 15,949 | 53,837 | 64,932 |
| Cost of hardware revenue | 104 | 217 | 1,381 | 608 |
| General and administrative | 18,331 | 22,388 | 75,274 | 80,799 |
| Impairment of goodwill | — | 10,318 | — | 10,318 |
| Impairment of intangibles and other assets | 8,471 | — | 8,471 | 7,355 |
| Depreciation | 1,507 | 1,579 | 6,238 | 5,977 |
| Amortization | 93 | 206 | 577 | 687 |
| Total operating expenses | 54,110 | 66,511 | 203,261 | 242,081 |
| LOSS FROM OPERATIONS | (11,909) | (19,103) | (27,599) | (38,254) |
| Interest expense | (666) | (160) | (2,369) | (313) |
| Other (expense) income, net | (68) | 319 | (482) | 181 |
| LOSS BEFORE INCOME TAXES | (12,643) | (18,944) | (30,450) | (38,386) |
| INCOME TAX BENEFIT (EXPENSE) | (145) | 4,848 | (19) | (6,102) |
| NET LOSS | $ (12,788) | $ (14,096) | $ (30,469) | $ (44,488) |
| | | | | |
| Basic and diluted loss per common share | $ (0.54) | $ (0.68) | $ (1.31) | $ (2.26) |
| Weighted average shares outstanding, basic and diluted | 23,500 | 20,782 | 23,259 | 19,677 |

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

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 10,857 | $ 11,471 |
| Accounts receivable, net of allowance for doubtful accounts of $15 (2016) and $115 (2015) | 7,972 | 8,163 |
| Prepaid expenses and other current assets | 3,864 | 7,524 |
| Inventory, net | 250 | 2,253 |
| Income tax receivable | 3,314 | 7,730 |
| Deferred subscription solicitation and commission costs | 5,050 | 6,961 |
| Assets held for sale | 104 | — |
| Total current assets | 31,411 | 44,102 |
| PROPERTY AND EQUIPMENT, net | 10,611 | 13,438 |
| GOODWILL | 9,763 | 9,763 |
| INTANGIBLE ASSETS, net | 210 | 1,693 |
| OTHER ASSETS | 862 | 1,034 |
| TOTAL ASSETS | $ 52,857 | $ 70,030 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 2,536 | $ 3,207 |
| Accrued expenses and other current liabilities | 11,068 | 15,845 |
| Accrued payroll and employee benefits | 4,256 | 7,091 |
| Commissions payable | 316 | 375 |
| Current portion of long-term debt, net | 2,146 | — |
| Capital leases, current portion | 471 | 631 |
| Deferred revenue | 8,295 | 2,380 |
| Liabilities held for sale | 104 | — |
| Total current liabilities | 29,192 | 29,529 |
| LONG-TERM DEBT, net | 10,092 | — |
| OBLIGATIONS UNDER CAPITAL LEASES, less current portion | 865 | 1,147 |
| OTHER LONG-TERM LIABILITIES | 3,436 | 3,971 |
| DEFERRED TAX LIABILITY, net | 1,905 | 1,905 |
| TOTAL LIABILITIES | 45,490 | 36,552 |
| COMMITMENTS AND CONTINGENCIES | | |
| STOCKHOLDERS' EQUITY: | | |
| Common stock at $0.01 par value, shares authorized 50,000; shares issued 27,303 (2016) and 26,730 (2015); shares outstanding 23,733 (2016) and 23,236 (2015) | 273 | 267 |
| Additional paid-in capital | 142,247 | 137,705 |
| Treasury stock, shares at cost; 3,570 (2016) and 3,494 (2015) | (33,822) | (33,632) |
| Accumulated deficit | (101,331) | (70,862) |
| TOTAL STOCKHOLDERS' EQUITY | 7,367 | 33,478 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 52,857 | $ 70,030 |

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

| | 2016 | 2015 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | $ (30,469) | $ (44,488) |
| Adjustments to reconcile net loss to cash flows used in operating activities: | | |
| Depreciation | 6,238 | 5,977 |
| Depreciation of other operating assets | 24 | — |
| Amortization | 577 | 687 |
| Deferred income tax, net | — | 13,356 |
| Amortization of debt issuance cost | 884 | 109 |
| Provision for doubtful accounts | (89) | 100 |
| Adjustment for surplus and obsolete inventories | 801 | — |
| Loss on disposal of fixed assets | 451 | 65 |
| Share based compensation | 4,882 | 5,441 |
| Amortization of deferred subscription solicitation and commission costs | 12,656 | 17,538 |
| Impairment of goodwill, intangibles and other assets | 8,471 | 17,673 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 57 | 7,221 |
| Prepaid expenses and other current assets | 3,661 | 979 |
| Inventory, net | (2,585) | (2,253) |
| Income tax, net | 4,415 | (1,036) |
| Deferred subscription solicitation and commission costs | (10,744) | (17,578) |
| Other assets | 79 | 782 |
| Accounts payable | (845) | (2,147) |
| Accrued expenses and other current liabilities | (4,895) | (3,305) |
| Accrued payroll and employee benefits | (2,793) | 1,810 |
| Commissions payable | (59) | (94) |
| Deferred revenue | 5,916 | (532) |
| Other long-term liabilities | (554) | (574) |
| Cash flows used in operating activities | (3,921) | (269) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Cash received for the liquidating distribution of White Sky, Inc. | 57 | — |
| Cash paid for acquisition of technology related intangible | — | (202) |
| Cash paid for the business acquisitions | — | (626) |
| Increase in restricted cash | (375) | — |
| Proceeds from sale of property and equipment | 394 | — |
| Acquisition of property and equipment | (6,685) | (4,212) |
| Cash flows used in investing activities | (6,609) | (5,040) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from issuance of debt | 20,000 | — |
| Repayments of debt | (6,568) | — |
| Cash paid for debt issuance costs | (1,990) | — |
| Stock issuance proceeds, net of stock issuance costs | — | 7,394 |
| Capital lease payments | (719) | (696) |
| Withholding tax payment on vesting of restricted stock units and stock option exercises | (486) | (1,243) |
| Cash flows provided by financing activities | 10,237 | 5,455 |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (293) | 146 |
| CASH AND CASH EQUIVALENTS — Beginning of period | 11,471 | 11,325 |
| Less: cash reclassified to assets held for sale at end of period | (321) | — |
| CASH AND CASH EQUIVALENTS — End of period | $ 10,857 | $ 11,471 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid for interest | $ 1,641 | $ 179 |
| Cash paid for taxes | $ 28 | $ 230 |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES: | | |
| Equipment obtained under capital lease, including acquisition costs | $ 923 | $ 926 |
| Equipment additions accrued but not paid | $ 423 | $ 115 |
| Shares withheld in lieu of withholding taxes on vesting of restricted stock awards | $ 39 | $ 141 |
| Shares issued in the business acquired from White Sky, Inc., net of liquidating distributions | $ — | $ 576 |
| Shares issued in the business acquired from Health at Work Wellness Actuaries LLC | $ — | $ 1,551 |
| Transfer of land and building to held for sale | $ — | $ 214 |

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

***Personal Information Services Segment Revenue***

The following tables provide details of our Personal Information Services segment revenue information for the three months and years ended December 31, 2016 and 2015:

| | Quarters Ended December 31, | | | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| Bank of America | $ 18,497 | $ 21,247 | 46.7% | 48.4% |
| All other financial institution clients | 4,306 | 5,416 | 10.9% | 12.3% |
| IDENTITY GUARD® | 13,355 | 14,179 | 33.7% | 32.3% |
| Canadian business lines | 3,084 | 3,076 | 7.8% | 7.0% |
| Other | 343 | — | 0.9% | 0.0% |
| Total Personal Information Services revenue | $ 39,585 | $ 43,918 | 100.0% | 100.0% |

| | Years Ended December 31, | | | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| Bank of America | $ 77,841 | $ 89,932 | 47.6% | 47.7% |
| All other financial institution clients | 18,361 | 25,492 | 11.2% | 13.5% |
| IDENTITY GUARD® | 54,545 | 55,594 | 33.3% | 29.5% |
| Canadian business lines | 12,488 | 17,511 | 7.6% | 9.3% |
| Other | 467 | — | 0.3% | 0.0% |
| Total Personal Information Services revenue | $ 163,702 | $ 188,529 | 100.0% | 100.0% |

# 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 years ended December 31, 2016 and 2015:

*Three months ended:*

| | Financial Institution | IDENTITY GUARD® | Canadian Business Lines | Total |
|---|---|---|---|---|
| Balance at September 30, 2016 | 732 | 375 | 161 | 1,268 |
| Additions | 1 | 41 | 30 | 72 |
| Cancellations | (28) | (36) | (29) | (93) |
| Balance at December 31, 2016 | 705 | 380 | 162 | 1,247 |
| Balance at September 30, 2015 | 861 | 389 | 164 | 1,414 |
| Additions | 2 | 37 | 30 | 69 |
| Cancellations | (34) | (63) | (29) | (126) |
| Balance at December 31, 2015 | 829 | 363 | 165 | 1,357 |

*Years ended:*

| | Financial Institution | IDENTITY GUARD® | Canadian Business Lines | Total |
|---|---|---|---|---|
| Balance at December 31, 2014 | 1,421 | 342 | 296 | 2,059 |
| Additions | 4 | 253 | 103 | 360 |
| Cancellations | (596) | (232) | (234) | (1,062) |
| Balance at December 31, 2015 | 829 | 363 | 165 | 1,357 |
| Reclassification (1) | (11) | 11 | — | — |
| Additions | 2 | 200 | 123 | 325 |
| Cancellations | (115) | (194) | (126) | (435) |
| Balance at December 31, 2016 | 705 | 380 | 162 | 1,247 |

(1) We periodically refine the criteria used to calculate and report our subscriber data. In the year ended December 31, 2016, we reclassified certain subscribers that receive our breach response services, and the associated revenue, from the Financial Institution category to the Identity Guard® category. The reclassification is excluded from our calculations of decrease and increase in subscribers in our Financial Institution and Consumer Direct categories, respectively.

**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, or GAAP, as well as other financial measures referred to as non-GAAP financial measures. Consolidated adjusted EBITDA 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 before income taxes plus: share related compensation; non-cash impairment of goodwill, intangibles and other long-lived assets; (gain) loss on disposal of fixed assets; adjustment for surplus and obsolete inventories; depreciation and amortization; and interest (income) 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 credit agreement, as amended, with Crystal Financial SPV LLC ("Amended Credit Agreement") 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 table reconciles Core Business, Voyce and consolidated income (loss) before income taxes to consolidated Adjusted EBITDA, as defined, for the previous eight quarters through December 31, 2016. 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 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-K.

# INTERSECTIONS INC.
# OTHER DATA, continued
### (unaudited)

***Core Business, Voyce and consolidated Adjusted EBITDA (in thousands):***

| | 2016 Quarter Ended | | | | 2015 Quarter Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | December 31 | September 30 | June 30 | March 31 | December 31 | September 30 | June 30 | March 31 |
| Reconciliation from consolidated loss before income taxes to consolidated Adjusted EBITDA: | | | | | | | | |
| Core Business (1): | | | | | | | | |
| Income (loss) before income taxes (2) | $ 190 | $ (1,857) | $ (257) | $ 870 | $ (13,835) | $ (2,043) | $ (6,209) | $ 3,115 |
| Non-cash share based compensation | (38) | 2,319 | 1,446 | 1,155 | 1,018 | 1,422 | 1,427 | 1,574 |
| Impairment of goodwill, intangibles and other assets | 1,428 | — | — | — | 10,318 | — | 7,355 | — |
| Loss on disposal of fixed assets | 6 | 6 | 256 | — | 2 | 1 | — | 7 |
| Depreciation | 1,239 | 1,082 | 1,179 | 1,249 | 1,175 | 1,096 | 1,237 | 1,265 |
| Amortization | 81 | 81 | 174 | 177 | 189 | 188 | 142 | 119 |
| Interest expense (income), net | 664 | 620 | 840 | 242 | 160 | 71 | (21) | 103 |
| Core Business Adjusted EBITDA | $ 3,570 | $ 2,251 | $ 3,638 | $ 3,693 | $ (973) | $ 735 | $ 3,931 | $ 6,183 |
| Voyce Business: | | | | | | | | |
| Loss before income taxes (2) | $ (12,833) | $ (6,384) | $ (5,050) | $ (5,129) | $ (5,109) | $ (4,668) | $ (4,827) | $ (4,810) |
| Impairment of goodwill, intangibles and other assets | 7,043 | — | — | — | — | — | — | — |
| Adjustment for surplus and obsolete inventories | — | 801 | — | — | — | — | — | — |
| Loss on disposal of fixed assets | 91 | 96 | — | — | 2 | — | — | 53 |
| Depreciation | 268 | 404 | 410 | 407 | 404 | 392 | 376 | 32 |
| Depreciation of other operating assets | 4 | 4 | 15 | 1 | — | — | — | — |
| Amortization | 12 | 18 | 18 | 16 | 17 | 18 | 14 | — |
| Interest expense (income), net | 2 | 1 | — | — | — | — | — | — |
| Voyce Adjusted EBITDA | $ (5,413) | $ (5,060) | $ (4,607) | $ (4,705) | $ (4,686) | $ (4,258) | $ (4,437) | $ (4,725) |
| Consolidated: | | | | | | | | |
| Consolidated loss before income taxes | $ (12,643) | $ (8,241) | $ (5,307) | $ (4,259) | $ (18,944) | $ (6,711) | $ (11,036) | $ (1,695) |
| Non-cash share based compensation | (38) | 2,319 | 1,446 | 1,155 | 1,018 | 1,422 | 1,427 | 1,574 |
| Impairment of goodwill, intangibles and other assets | 8,471 | — | — | — | 10,318 | — | 7,355 | — |
| Adjustment for surplus and obsolete inventories | — | 801 | — | — | — | — | — | — |
| Loss on disposal of fixed assets | 97 | 102 | 256 | — | 4 | 1 | — | 60 |
| Depreciation | 1,507 | 1,486 | 1,589 | 1,656 | 1,579 | 1,488 | 1,613 | 1,297 |
| Depreciation of other operating assets | 4 | 4 | 15 | 1 | — | — | — | — |
| Amortization | 93 | 99 | 192 | 193 | 206 | 206 | 156 | 119 |
| Interest expense (income), net | 666 | 621 | 840 | 242 | 160 | 71 | (21) | 103 |
| Consolidated Adjusted EBITDA | $ (1,843) | $ (2,809) | $ (969) | $ (1,012) | $ (5,659) | $ (3,523) | $ (506) | $ 1,458 |

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

| | Year Ended December 31, 2016 | | | Year Ended December 31, 2015 | | |
|---|---|---|---|---|---|---|
| | Core Business (1) | Voyce | Consolidated | Core Business (1) | Voyce | Consolidated |
| Reconciliation from consolidated loss before income taxes to consolidated Adjusted EBITDA: | | | | | | |
| Consolidated loss before income taxes (2) | $ (1,054) | $ (29,396) | $ (30,450) | $ (18,972) | $ (19,414) | $ (38,386) |
| Non-cash share based compensation | 4,882 | — | 4,882 | 5,441 | — | 5,441 |
| Impairment of goodwill, intangibles and other long-lived assets | 1,428 | 7,043 | 8,471 | 17,673 | — | 17,673 |
| Adjustment for surplus and obsolete inventories | — | 801 | 801 | — | — | — |
| Loss on disposal of fixed assets | 268 | 187 | 455 | 10 | 55 | 65 |
| Depreciation | 4,749 | 1,489 | 6,238 | 4,773 | 1,204 | 5,977 |
| Depreciation of other operating assets | — | 24 | 24 | — | — | — |
| Amortization | 513 | 64 | 577 | 638 | 49 | 687 |
| Interest expense (income), net | 2,366 | 3 | 2,369 | 313 | — | 313 |
| Consolidated Adjusted EBITDA | $ 13,152 | $ (19,785) | $ (6,633) | $ 9,876 | $ (18,106) | $ (8,230) |

(1) "Core Business" comprises all the business of Intersections Inc. with the exception of its Voyce business.

(2) In the year ended December 31, 2016, we implemented an allocation policy to charge a portion of general and administrative expenses from our Corporate business unit into our other segments. The charge is a reasonable estimate of the services provided by our Corporate business unit to support each segment's operations. For comparability, the results of operations for the year ended December 31, 2015 have been recast to reflect this allocation.