

USE OF NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA is a “non-GAAP financial measure” as defined in Item 10(e) of Regulation S-K as promulgated by the Securities and Exchange Commission. We use Adjusted EBITDA as a supplement to operating income (loss), the most comparable GAAP financial measure, to evaluate the operational performance of our reportable segment. Adjusted EBITDA represents operating income (loss) plus depreciation and amortization expense, share-based compensation expense, and net other income, less other loss. You should not consider our presentation of Adjusted EBITDA in isolation, or consider it superior to, or as a substitute for, financial information prepared and presented in accordance with GAAP. You should also note that our calculation of Adjusted EBITDA may be different from the calculation of Adjusted EBITDA or similarly-titled non-GAAP financial measures used by other companies; therefore, our Adjusted EBITDA may not be comparable to such other measures.

The following table presents certain financial information for our travel and entertainment segment (in thousands):

	Travel and Entertainment Segment	Corporate Entity and Other	Consolidated
Three Months Ended June 30, 2016			
GAAP financial measures:			
Net revenue	\$ 14,234	\$ 741	\$ 14,975
Operating loss	\$ 405	\$ (3,908)	\$ (3,503)
Non-GAAP financial measure:			
Adjusted EBITDA	\$ 2,419	\$ (2,522)	\$ (103)
Six Months Ended June 30, 2016			
GAAP financial measures:			
Net revenue	\$ 27,777	\$ 1,452	\$ 29,229
Operating loss	\$ (978)	\$ (7,701)	\$ (8,679)
Non-GAAP financial measure:			
Adjusted EBITDA	\$ 3,064	\$ (4,510)	\$ (1,446)

The following table reconciles Adjusted EBITDA for the segment and for the corporate entity and other business units to Operating loss (in thousands):

	Travel and Entertainment Segment	Corporate Entity and Other	Consolidated
Three Months Ended June 30, 2016			
Adjusted EBITDA	\$ 2,419	\$ (2,522)	(103)
Less:			
Depreciation and amortization	(2,013)	(466)	(2,479)
Share-based compensation expense	—	(988)	(988)
Other income, net	(1)	—	(1)
Plus:			
Other loss	—	68	68
Operating loss	<u>\$ 405</u>	<u>\$ (3,908)</u>	<u>\$ (3,503)</u>
Six Months Ended June 30, 2016			
Adjusted EBITDA	\$ 3,064	\$ (4,510)	(1,446)
Less:			
Depreciation and amortization	(4,012)	(864)	(4,876)
Share-based compensation expense	—	(2,398)	(2,398)
Other income, net	(30)	—	(30)
Plus:			
Other loss	—	71	71
Operating loss	<u>\$ (978)</u>	<u>\$ (7,701)</u>	<u>\$ (8,679)</u>