

PROS Holdings, Inc.
Supplemental Information (unaudited)

| Non-GAAP Revenue | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Subscription | \$ 7,395 | \$ 6,889 | \$ 6,906 | \$ 8,025 | \$ 8,201 | \$ 9,143 | \$ 9,852 | \$ 10,962 | \$ 12,214 |
| Maintenance and Support | 15,580 | 15,347 | 15,752 | 17,078 | 16,662 | 16,775 | 17,666 | 17,462 | 18,076 |
| Recurring Revenue | \$ 22,975 | \$ 22,236 | \$ 22,658 | \$ 25,103 | \$ 24,863 | \$ 25,918 | \$ 27,518 | \$ 28,424 | \$ 30,290 |
| License | 11,192 | 9,392 | 5,980 | 6,152 | 3,302 | 2,457 | 2,419 | 3,636 | 2,190 |
| Services | 10,676 | 11,094 | 13,096 | 11,458 | 9,763 | 8,663 | 8,447 | 7,866 | 7,649 |
| Total Revenue | \$ 44,843 | \$ 42,722 | \$ 41,734 | \$ 42,713 | \$ 37,928 | \$ 37,038 | \$ 38,384 | \$ 39,926 | \$ 40,129 |
| Recurring Revenue % | 51% | 52% | 54% | 59% | 66% | 70% | 72% | 71% | 75% |

| Non-GAAP Revenue by Geography | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| United States | \$ 16,813 | \$ 17,796 | \$ 16,797 | \$ 14,393 | \$ 14,476 | \$ 13,706 | \$ 13,436 | \$ 15,156 | \$ 15,830 |
| Europe | 12,040 | 10,164 | 11,860 | 14,042 | 10,830 | 11,238 | 10,379 | 12,208 | 11,406 |
| Rest of World | 15,990 | 14,762 | 13,077 | 14,278 | 12,622 | 12,094 | 14,569 | 12,562 | 12,893 |

| Financial and Operating Metrics | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Non-GAAP Gross Margin | 68% | 65% | 65% | 66% | 61% | 60% | 62% | 63% | 61% |
| Non-GAAP Recurring Revenue Gross Margin | 77% | 73% | 76% | 77% | 75% | 73% | 72% | 72% | 72% |
| Adjusted EBITDA | \$ (1,895) | \$ (3,173) | \$ (4,999) | \$ (2,049) | \$ (10,125) | \$ (9,745) | \$ (6,928) | \$ (8,605) | \$ (10,045) |

| | | | | | | | | | |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cash & Short-Term Investments | \$ 154,147 | \$ 157,028 | \$ 157,445 | \$ 164,270 | \$ 153,651 | \$ 145,105 | \$ 146,160 | \$ 134,035 | \$ 117,868 |
| Recurring Deferred Revenue | \$ 40,152 | \$ 47,169 | \$ 47,913 | \$ 47,218 | \$ 53,544 | \$ 58,085 | \$ 59,354 | \$ 61,708 | \$ 68,083 |
| Total Deferred Revenue | \$ 56,651 | \$ 63,214 | \$ 67,048 | \$ 65,329 | \$ 73,376 | \$ 79,050 | \$ 77,214 | \$ 79,738 | \$ 84,868 |

| | | | | | | | | | |
|----------------|------------|----------|----------|----------|------------|------------|--------|-------------|-------------|
| Free Cash Flow | \$ (2,662) | \$ 2,556 | \$ 1,821 | \$ 6,790 | \$ (6,286) | \$ (8,497) | \$ 531 | \$ (10,007) | \$ (13,249) |
|----------------|------------|----------|----------|----------|------------|------------|--------|-------------|-------------|

| | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-----|-------|-----|
| Total Headcount (including contractors) | 1,030 | 1,031 | 1,032 | 1,033 | 1,027 | 1,023 | 994 | 1,018 | 994 |
| Quota-carrying Personnel | 65 | 67 | 66 | 68 | 68 | 65 | 63 | 77 | 79 |

PROS Holdings, Inc.
Supplemental Information - Explanation of Non-GAAP Measures

PROS has provided certain financial information that has not been prepared in accordance with GAAP. This information includes non-GAAP revenue, adjusted EBITDA and free cash flow. PROS uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating PROS' ongoing operational performance and cloud-first transition.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measure. A reconciliation of GAAP to the non-GAAP financial measures has been provided. PROS' use of non-GAAP financial measures may not be consistent with the presentations by similar companies in PROS' industry.

Non-GAAP revenue: Business combination accounting principles under GAAP require us to recognize the fair value of software subscription, maintenance and professional services contracts assumed in our acquisitions of SignalDemand, Inc. and Cameleon Software SA. A portion of these software subscription and professional services are deferred and typically recognized over the term of the software subscription contract, so our GAAP revenues during the term of the contract after the acquisition do not reflect the full amount of revenues that would have been reported if the acquired deferred software subscription and professional services revenues were not written down to fair value. The revenue for maintenance is deferred and typically recognized over a one-year period, so our GAAP revenues for the one-year period after the acquisition do not reflect the full amount of revenues that would have been reported if the acquired deferred maintenance revenue was not written down to fair value. The non-GAAP revenue adjustments eliminate the effect of the deferred revenue write-down and include the costs associated with the revenue adjustment. We believe these adjustments to the revenue from these contracts and to the associated costs are useful to investors as an additional means to reflect revenue trends of our business.

Adjusted EBITDA: Adjusted EBITDA is defined as GAAP net income (loss) before interest expense, provision for income taxes, depreciation and amortization, as adjusted to eliminate the effect of tax consequences associated with the stock-based compensation costs arising from our acquisitions, amortization of acquisition-related intangibles, depreciation and amortization, and capitalized internal-use software development costs. Adjusted EBITDA should not be considered as an alternative to net income (loss) as an indicator of our operating performance.

Free Cash Flow: Free cash flow is a non-GAAP financial measure which is defined as net cash provided by (used in) operating activities, less additions to property, plant and equipment, purchases of other (non-acquisition-related) intangible assets and capitalized internal-use software development costs.

PROS Holdings, Inc.
Supplemental Information - GAAP to Non-GAAP Reconciliations (unaudited)

| Revenue | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| GAAP Subscription | \$ 7,300 | \$ 6,780 | \$ 6,886 | \$ 8,023 | \$ 8,201 | \$ 9,143 | \$ 9,852 | \$ 10,962 | \$ 12,214 |
| Acquisition-related deferred revenue write-down | 95 | 109 | 20 | 2 | - | - | - | - | - |
| Non-GAAP Subscription | \$ 7,395 | \$ 6,889 | \$ 6,906 | \$ 8,025 | \$ 8,201 | \$ 9,143 | \$ 9,852 | \$ 10,962 | \$ 12,214 |
| GAAP Maintenance and Support | \$ 15,556 | \$ 15,321 | \$ 15,727 | \$ 17,062 | \$ 16,662 | \$ 16,775 | \$ 17,666 | \$ 17,462 | \$ 18,076 |
| Acquisition-related deferred revenue write-down | 24 | 26 | 25 | 16 | - | - | - | - | - |
| Non-GAAP Maintenance and Support | \$ 15,580 | \$ 15,347 | \$ 15,752 | \$ 17,078 | \$ 16,662 | \$ 16,775 | \$ 17,666 | \$ 17,462 | \$ 18,076 |
| GAAP License | \$ 11,192 | \$ 9,392 | \$ 5,980 | \$ 6,152 | \$ 3,302 | \$ 2,457 | \$ 2,419 | \$ 3,636 | \$ 2,190 |
| Acquisition-related deferred revenue write-down | - | - | - | - | - | - | - | - | - |
| Non-GAAP License | \$ 11,192 | \$ 9,392 | \$ 5,980 | \$ 6,152 | \$ 3,302 | \$ 2,457 | \$ 2,419 | \$ 3,636 | \$ 2,190 |
| GAAP Services | \$ 9,631 | \$ 10,196 | \$ 12,273 | \$ 10,775 | \$ 9,763 | \$ 8,663 | \$ 8,447 | \$ 7,866 | \$ 7,649 |
| Acquisition-related deferred revenue write-down | 1,045 | 898 | 823 | 683 | - | - | - | - | - |
| Non-GAAP Services | \$ 10,676 | \$ 11,094 | \$ 13,096 | \$ 11,458 | \$ 9,763 | \$ 8,663 | \$ 8,447 | \$ 7,866 | \$ 7,649 |
| Revenue by Geography | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
| GAAP United States | \$ 16,227 | \$ 17,247 | \$ 16,277 | \$ 14,003 | \$ 14,476 | \$ 13,706 | \$ 13,436 | \$ 15,156 | \$ 15,830 |
| Acquisition-related deferred revenue write-down | 586 | 549 | 520 | 390 | - | - | - | - | - |
| Non-GAAP United States | \$ 16,813 | \$ 17,796 | \$ 16,797 | \$ 14,393 | \$ 14,476 | \$ 13,706 | \$ 13,436 | \$ 15,156 | \$ 15,830 |
| GAAP Europe | \$ 11,895 | \$ 9,994 | \$ 11,709 | \$ 13,916 | \$ 10,830 | \$ 11,238 | \$ 10,379 | \$ 12,208 | \$ 11,406 |
| Acquisition-related deferred revenue write-down | 145 | 170 | 151 | 126 | - | - | - | - | - |
| Non-GAAP Europe | \$ 12,040 | \$ 10,164 | \$ 11,860 | \$ 14,042 | \$ 10,830 | \$ 11,238 | \$ 10,379 | \$ 12,208 | \$ 11,406 |
| GAAP Rest of World | \$ 15,557 | \$ 14,448 | \$ 12,880 | \$ 14,093 | \$ 12,622 | \$ 12,094 | \$ 14,569 | \$ 12,562 | \$ 12,893 |
| Acquisition-related deferred revenue write-down | 433 | 314 | 197 | 185 | - | - | - | - | - |
| Non-GAAP Rest of World | \$ 15,990 | \$ 14,762 | \$ 13,077 | \$ 14,278 | \$ 12,622 | \$ 12,094 | \$ 14,569 | \$ 12,562 | \$ 12,893 |
| Gross Profit | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
| GAAP Gross Profit | \$ 28,678 | \$ 25,959 | \$ 25,600 | \$ 26,599 | \$ 22,217 | \$ 20,990 | \$ 22,742 | \$ 23,974 | \$ 23,520 |
| Acquisition-related deferred revenue write-down | 421 | 418 | 328 | 206 | - | - | - | - | - |
| Amortization of intangible assets | 557 | 549 | 553 | 542 | 491 | 495 | 490 | 481 | 477 |
| Share-based compensation | 1,013 | 1,031 | 852 | 823 | 599 | 577 | 544 | 547 | 575 |
| Non-GAAP Gross Profit | \$ 30,669 | \$ 27,957 | \$ 27,333 | \$ 28,170 | \$ 23,307 | \$ 22,062 | \$ 23,776 | \$ 25,002 | \$ 24,572 |
| Non-GAAP Gross Margin | 68% | 65% | 65% | 66% | 61% | 60% | 62% | 63% | 61% |

PROS Holdings, Inc.
Supplemental Information - GAAP to Non-GAAP Reconciliations (unaudited)

| Adjusted EBITDA | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| GAAP Loss From Operations | \$ (11,723) | \$ (12,868) | \$ (15,866) | \$ (15,040) | \$ (17,974) | \$ (18,050) | \$ (13,116) | \$ (16,258) | \$ (17,668) |
| Acquisition-related deferred revenue write-down | 421 | 418 | 328 | 206 | - | - | - | - | - |
| Amortization of intangible assets | 1,100 | 1,063 | 1,703 | 974 | 785 | 766 | 737 | 683 | 669 |
| Accretion expense for contingent consideration | 11 | 11 | - | - | - | - | - | - | - |
| Impairment of internal use software | - | - | - | 2,890 | - | - | - | - | - |
| Recovery of bankruptcy claim | (626) | - | - | - | - | - | - | - | - |
| Severance | - | - | 756 | 940 | - | - | 1,070 | - | - |
| Share-based compensation | 7,745 | 7,005 | 6,631 | 6,483 | 5,384 | 5,869 | 3,192 | 6,021 | 6,162 |
| Depreciation | 1,295 | 1,313 | 1,449 | 1,498 | 1,680 | 1,742 | 1,686 | 1,428 | 1,364 |
| Capitalized internal-use software development costs | (118) | (115) | - | - | - | (72) | (497) | (479) | (572) |
| Adjusted EBITDA | \$ (1,895) | \$ (3,173) | \$ (4,999) | \$ (2,049) | \$ (10,125) | \$ (9,745) | \$ (6,928) | \$ (8,605) | \$ (10,045) |

| Free Cash Flow | Q1 '15 | Q2 '15 | Q3 '15 | Q4 '15 | Q1 '16 | Q2 '16 | Q3 '16 | Q4 '16 | Q1 '17 |
|---|-------------------|-----------------|-----------------|-----------------|-------------------|-------------------|-----------------|--------------------|--------------------|
| Cash Flow From Operations | \$ (1,434) | \$ 3,411 | \$ 4,827 | \$ 8,728 | \$ (2,764) | \$ (6,608) | \$ 2,213 | \$ (7,186) | \$ (12,193) |
| Purchase of property and equipment | (1,110) | (740) | (3,006) | (1,938) | (3,522) | (1,817) | (1,185) | (717) | (484) |
| Purchase of intangible asset | - | - | - | - | - | - | - | (1,625) | - |
| Capitalized internal-use software development costs | (118) | (115) | - | - | - | (72) | (497) | (479) | (572) |
| Free Cash Flow | \$ (2,662) | \$ 2,556 | \$ 1,821 | \$ 6,790 | \$ (6,286) | \$ (8,497) | \$ 531 | \$ (10,007) | \$ (13,249) |