

**PROS Holdings, Inc.**  
**Supplemental Information (unaudited)**

<b>Revenue</b>	<b>Q1 '16</b>	<b>Q2 '16</b>	<b>Q3 '16</b>	<b>Q4 '16</b>	<b>Q1 '17</b>	<b>Q2 '17</b>	<b>Q3 '17</b>	<b>Q4 '17</b>
Subscription	\$ 8,201	\$ 9,143	\$ 9,852	\$ 10,962	\$ 12,214	\$ 13,434	\$ 15,809	\$ 19,082
Maintenance and Support	16,662	16,775	17,666	17,462	18,076	17,132	17,124	17,076
<b>Recurring Revenue</b>	<b>\$ 24,863</b>	<b>\$ 25,918</b>	<b>\$ 27,518</b>	<b>\$ 28,424</b>	<b>\$ 30,290</b>	<b>\$ 30,566</b>	<b>\$ 32,933</b>	<b>\$ 36,158</b>
License	3,302	2,457	2,419	3,636	2,190	1,090	603	1,679
Services	9,763	8,663	8,447	7,866	7,649	8,750	8,401	8,507
<b>Total Revenue</b>	<b>\$ 37,928</b>	<b>\$ 37,038</b>	<b>\$ 38,384</b>	<b>\$ 39,926</b>	<b>\$ 40,129</b>	<b>\$ 40,406</b>	<b>\$ 41,937</b>	<b>\$ 46,344</b>
Recurring Revenue %	66%	70%	72%	71%	75%	76%	79%	78%

<b>Revenue by Geography</b>	<b>Q1 '16</b>	<b>Q2 '16</b>	<b>Q3 '16</b>	<b>Q4 '16</b>	<b>Q1 '17</b>	<b>Q2 '17</b>	<b>Q3 '17</b>	<b>Q4 '17</b>
United States	\$ 14,476	\$ 13,706	\$ 13,436	\$ 15,156	\$ 15,830	\$ 15,199	\$ 15,829	\$ 16,239
Europe	10,830	11,238	10,379	12,208	11,406	11,076	12,574	16,217
Rest of World	12,622	12,094	14,569	12,562	12,893	14,131	13,534	13,888

<b>Financial and Operating Metrics</b>	<b>Q1 '16</b>	<b>Q2 '16</b>	<b>Q3 '16</b>	<b>Q4 '16</b>	<b>Q1 '17</b>	<b>Q2 '17</b>	<b>Q3 '17</b>	<b>Q4 '17</b>
Non-GAAP Gross Margin	61%	60%	62%	63%	61%	63%	61%	64%
Non-GAAP Recurring Revenue Gross Margin	75%	73%	72%	72%	72%	74%	71%	73%
Adjusted EBITDA	\$ (10,125)	\$ (9,745)	\$ (6,928)	\$ (8,605)	\$ (10,045)	\$ (9,542)	\$ (9,212)	\$ (4,893)

Cash & Short-Term Investments	\$ 153,651	\$ 145,105	\$ 146,160	\$ 134,035	\$ 117,868	\$ 203,969	\$ 157,359	\$ 160,505
Recurring Deferred Revenue	\$ 53,544	\$ 58,085	\$ 59,354	\$ 61,708	\$ 68,083	\$ 71,221	\$ 78,231	\$ 80,255
Total Deferred Revenue	\$ 73,376	\$ 79,050	\$ 77,214	\$ 79,738	\$ 84,868	\$ 84,863	\$ 91,764	\$ 95,195

Free Cash Flow	\$ (6,286)	\$ (8,497)	\$ 531	\$ (10,007)	\$ (13,249)	\$ (10,063)	\$ (9,842)	\$ 3,633
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Total Headcount (including contractors)	1,027	1,023	994	1,018	994	1,009	1,080	1,066
Quota-carrying Personnel	68	65	63	77	79	82	88	93

**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 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.

**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 stock-based compensation cost, amortization of acquisition-related intangibles, depreciation and amortization, integration costs and other one-time direct costs associated with our acquisitions, 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)**

<b>Gross Profit</b>	<b>Q1 '16</b>	<b>Q2 '16</b>	<b>Q3 '16</b>	<b>Q4 '16</b>	<b>Q1 '17</b>	<b>Q2 '17</b>	<b>Q3 '17</b>	<b>Q4 '17</b>
<b>GAAP Gross Profit</b>	\$ 22,217	\$ 20,990	\$ 22,742	\$ 23,974	\$ 23,520	\$ 24,320	\$ 24,213	\$ 28,197
Amortization of intangible assets	491	495	490	481	477	485	1,055	1,280
Share-based compensation	599	577	544	547	575	515	479	402
<b>Non-GAAP Gross Profit</b>	<b>\$ 23,307</b>	<b>\$ 22,062</b>	<b>\$ 23,776</b>	<b>\$ 25,002</b>	<b>\$ 24,572</b>	<b>\$ 25,320</b>	<b>\$ 25,747</b>	<b>\$ 29,879</b>
<b>Non-GAAP Gross Margin</b>	<b>61%</b>	<b>60%</b>	<b>62%</b>	<b>63%</b>	<b>61%</b>	<b>63%</b>	<b>61%</b>	<b>64%</b>

<b>Adjusted EBITDA</b>	<b>Q1 '16</b>	<b>Q2 '16</b>	<b>Q3 '16</b>	<b>Q4 '16</b>	<b>Q1 '17</b>	<b>Q2 '17</b>	<b>Q3 '17</b>	<b>Q4 '17</b>
<b>GAAP Loss From Operations</b>	<b>\$ (17,974)</b>	<b>\$ (18,050)</b>	<b>\$ (13,116)</b>	<b>\$ (16,258)</b>	<b>\$ (17,668)</b>	<b>\$ (16,710)</b>	<b>\$ (17,750)</b>	<b>\$ (12,814)</b>
Acquisition-related expenses	-	-	-	-	-	-	613	107
Amortization of intangible assets	785	766	737	683	669	680	1,713	2,112
Severance	-	-	1,070	-	-	-	-	-
Share-based compensation	5,384	5,869	3,192	6,021	6,162	5,932	5,571	5,131
Depreciation	1,680	1,742	1,686	1,428	1,364	1,292	1,329	1,372
Capitalized internal-use software development costs	-	(72)	(497)	(479)	(572)	(736)	(688)	(801)
<b>Adjusted EBITDA</b>	<b>\$ (10,125)</b>	<b>\$ (9,745)</b>	<b>\$ (6,928)</b>	<b>\$ (8,605)</b>	<b>\$ (10,045)</b>	<b>\$ (9,542)</b>	<b>\$ (9,212)</b>	<b>\$ (4,893)</b>

<b>Free Cash Flow</b>	<b>Q1 '16</b>	<b>Q2 '16</b>	<b>Q3 '16</b>	<b>Q4 '16</b>	<b>Q1 '17</b>	<b>Q2 '17</b>	<b>Q3 '17</b>	<b>Q4 '17</b>
<b>Cash Flow From Operations</b>	<b>\$ (2,764)</b>	<b>\$ (6,608)</b>	<b>\$ 2,213</b>	<b>\$ (7,186)</b>	<b>\$ (12,193)</b>	<b>\$ (9,116)</b>	<b>\$ (8,539)</b>	<b>\$ 4,535</b>
Purchase of property and equipment	(3,522)	(1,817)	(1,185)	(717)	(484)	(211)	(540)	(51)
Purchase of intangible asset	-	-	-	(1,625)	-	-	(75)	(50)
Capitalized internal-use software development costs	-	(72)	(497)	(479)	(572)	(736)	(688)	(801)
<b>Free Cash Flow</b>	<b>\$ (6,286)</b>	<b>\$ (8,497)</b>	<b>\$ 531</b>	<b>\$ (10,007)</b>	<b>\$ (13,249)</b>	<b>\$ (10,063)</b>	<b>\$ (9,842)</b>	<b>\$ 3,633</b>