

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

Revenue	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4'20	Q1 '21
Subscription	\$ 35,108	\$ 38,592	\$ 40,706	\$ 43,170	\$ 42,377	\$ 42,029	\$ 42,897	\$ 42,648
Maintenance and Support	15,040	14,405	13,412	12,523	11,741	10,765	9,663	9,674
<b>Recurring Revenue</b>	<b>\$ 50,148</b>	<b>\$ 52,997</b>	<b>\$ 54,118</b>	<b>\$ 55,693</b>	<b>\$ 54,118</b>	<b>\$ 52,794</b>	<b>\$ 52,560</b>	<b>\$ 52,322</b>
Services	13,730	11,153	12,057	10,618	9,629	8,714	8,298	9,056
<b>Total Revenue</b>	<b>\$ 63,878</b>	<b>\$ 64,150</b>	<b>\$ 66,175</b>	<b>\$ 66,311</b>	<b>\$ 63,747</b>	<b>\$ 61,508</b>	<b>\$ 60,858</b>	<b>\$ 61,378</b>
Recurring Revenue %	79%	83%	82%	84%	85%	86%	86%	85%

Revenue by Geography	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4'20	Q1 '21
United States	\$ 20,862	\$ 21,631	\$ 23,690	\$ 21,800	\$ 20,715	\$ 19,960	\$ 19,824	\$ 24,068
Europe	18,720	19,279	18,628	19,930	17,682	18,827	18,497	18,692
Rest of World	24,296	23,240	23,857	24,581	25,350	22,721	22,537	18,618

Financial and Operating Metrics	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4'20	Q1 '21
Non-GAAP Gross Margin	66%	61%	60%	59%	62%	62%	61%	59%
Non-GAAP Recurring Revenue Gross Margin	77%	76%	75%	74%	74%	74%	72%	71%
Adjusted EBITDA	\$ (1,788)	\$ (2,219)	\$ (4,625)	\$ (11,442)	\$ (5,714)	\$ (6,223)	\$ (4,175)	\$ (9,352)

Cash and Cash Equivalents	\$ 329,562	\$ 319,162	\$ 306,077	\$ 251,782	\$ 220,157	\$ 322,352	\$ 329,134	\$ 323,929
Recurring Deferred Revenue	\$ 109,818	\$ 110,921	\$ 125,143	\$ 124,969	\$ 104,512	\$ 105,298	\$ 95,551	\$ 109,504
Total Deferred Revenue	\$ 128,603	\$ 127,932	\$ 142,260	\$ 140,240	\$ 118,396	\$ 118,040	\$ 110,528	\$ 122,006

Remaining Performance Obligations*	\$ 378,000	\$ 365,200	\$ 403,700	\$ 391,000	\$ 374,500	\$ 366,800	\$ 389,700	\$ 401,300
Remaining Performance Obligations - Current	\$ 182,700	\$ 176,600	\$ 188,300	\$ 191,600	\$ 180,800	\$ 175,400	\$ 178,900	\$ 191,000

Free Cash Flow	\$ (5,207)	\$ 3,008	\$ 10,956	\$ (25,542)	\$ (23,482)	\$ (15,729)	\$ 11,430	\$ (4,632)
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Total Headcount (including contractors)	1,253	1,355	1,413	1,454	1,428	1,424	1,403	1,397
Quota-carrying Personnel - New Business	62	67	69	64	68	65	51	54

\*Remaining performance obligation represents contracted revenue that has not yet been recognized, which includes deferred revenue and unbilled amounts that will be recognized as revenue in future periods.

**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 gross profit, non-GAAP gross margin, non-GAAP recurring revenue gross margin, 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 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 in these tables and in the earnings press release. PROS' use of non-GAAP financial measures may not be consistent with the presentations by similar companies in PROS' industry.

**Non-GAAP gross profit:** Non-GAAP gross profit is defined as GAAP gross profit less the portion of new headquarters noncash rent expense, amortization of acquisition-related intangibles and share-based compensation costs allocated to cost of subscription, maintenance, license and services. Non-GAAP gross margin is calculated as the percentage of non-GAAP gross profit divided by total revenue. Non-GAAP recurring revenue gross margin is similarly calculated to compare the non-GAAP gross profit of recurring revenue (subscription, maintenance and support revenue) to total recurring revenue. In calculating the non-GAAP gross profit of recurring revenue, the total costs of subscription, maintenance and support are adjusted to reduce such costs by the portion of new headquarters noncash rent expense, amortization of acquisition-related intangibles and share-based compensation costs allocated to cost of subscription and cost of maintenance.

**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, new headquarters noncash rent expense, debt extinguishment fees 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 capital expenditures (excluding expenditures for PROS new headquarters), 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>Q2 '19</b>	<b>Q3 '19</b>	<b>Q4 '19</b>	<b>Q1 '20</b>	<b>Q2 '20</b>	<b>Q3 '20</b>	<b>Q4'20</b>	<b>Q1 '21</b>
<b>GAAP Gross Profit</b>	\$ 40,295	\$ 37,767	\$ 37,814	\$ 37,584	\$ 37,797	\$ 36,871	\$ 35,539	\$ 34,886
New headquarters noncash rent expense	160	166	167	162	156	99	-	-
Amortization of acquisition-related intangibles	993	961	907	842	948	910	886	421
Share-based compensation	494	503	490	524	502	519	587	826
<b>Non-GAAP Gross Profit</b>	<b>\$ 41,942</b>	<b>\$ 39,397</b>	<b>\$ 39,378</b>	<b>\$ 39,112</b>	<b>\$ 39,403</b>	<b>\$ 38,399</b>	<b>\$ 37,012</b>	<b>\$ 36,133</b>
<b>Non-GAAP Gross Margin</b>	<b>66%</b>	<b>61%</b>	<b>60%</b>	<b>59%</b>	<b>62%</b>	<b>62%</b>	<b>61%</b>	<b>59%</b>

<b>Adjusted EBITDA</b>	<b>Q2 '19</b>	<b>Q3 '19</b>	<b>Q4 '19</b>	<b>Q1 '20</b>	<b>Q2 '20</b>	<b>Q3 '20</b>	<b>Q4'20</b>	<b>Q1 '21</b>
<b>GAAP Loss From Operations</b>	<b>\$ (12,145)</b>	<b>\$ (12,512)</b>	<b>\$ (15,071)</b>	<b>\$ (21,352)</b>	<b>\$ (15,139)</b>	<b>\$ (16,163)</b>	<b>\$ (13,426)</b>	<b>\$ (20,590)</b>
Acquisition-related expenses	-	248	254	-	-	-	-	-
Amortization of acquisition-related intangibles	1,425	1,425	1,398	1,383	1,375	1,386	1,363	867
New headquarters noncash rent expense	555	554	555	555	554	370	-	-
Debt extinguishment fees	319	-	-	-	-	-	-	-
Share-based compensation	5,979	6,209	6,446	6,347	5,752	6,378	5,922	8,170
Depreciation and other amortization	2,079	2,010	2,208	2,037	2,138	2,265	2,387	2,201
Capitalized internal-use software development costs	-	(153)	(415)	(412)	(394)	(459)	(421)	-
<b>Adjusted EBITDA</b>	<b>\$ (1,788)</b>	<b>\$ (2,219)</b>	<b>\$ (4,625)</b>	<b>\$ (11,442)</b>	<b>\$ (5,714)</b>	<b>\$ (6,223)</b>	<b>\$ (4,175)</b>	<b>\$ (9,352)</b>

<b>Free Cash Flow</b>	<b>Q2 '19</b>	<b>Q3 '19</b>	<b>Q4 '19</b>	<b>Q1 '20</b>	<b>Q2 '20</b>	<b>Q3 '20</b>	<b>Q4'20</b>	<b>Q1 '21</b>
<b>Cash Flow From Operations</b>	<b>\$ (3,549)</b>	<b>\$ 4,037</b>	<b>\$ 12,852</b>	<b>\$ (24,173)</b>	<b>\$ (22,782)</b>	<b>\$ (14,886)</b>	<b>\$ 12,452</b>	<b>\$ (4,429)</b>
Purchase of property and equipment (excluding new headquarters)	(1,658)	(876)	(1,481)	(957)	(306)	(384)	(601)	(203)
Capitalized internal-use software development costs	-	(153)	(415)	(412)	(394)	(459)	(421)	-
<b>Free Cash Flow</b>	<b>\$ (5,207)</b>	<b>\$ 3,008</b>	<b>\$ 10,956</b>	<b>\$ (25,542)</b>	<b>\$ (23,482)</b>	<b>\$ (15,729)</b>	<b>\$ 11,430</b>	<b>\$ (4,632)</b>