



PROS Global Headquarters, Houston, Texas

PROS Holdings, Inc.

Q3 2024 Investor Presentation

Updated October 29, 2024

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Disclaimer / Forward-Looking Statements



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about our financial outlook; expectations; ability to achieve future growth and profitability goals; ability to achieve "Rule of 40;" management's confidence and optimism; positioning; customer successes; demand for our software solutions; pipeline; business expansion; revenue; subscription revenue; subscription ARR; non-GAAP earnings (loss) per share; adjusted EBITDA; free cash flow; shares outstanding and effective tax rate. The forward-looking statements contained in this presentation are based upon our historical performance and our current plans, estimates and expectations and are not a representation that such plans, estimates or expectations will be achieved. Factors that could cause actual results to differ materially from those described herein include, among others, risks related to: (a) cyberattacks, data breaches and breaches of security measures within our products, systems and infrastructure or products, systems and infrastructure of third parties upon whom we rely, (b) the macroeconomic environment and geopolitical uncertainty and events, (c) increasing business from customers, maintaining subscription renewal rates and capturing customer IT spend, (d) managing our growth and profit objectives effectively, (e) disruptions from our third party data center, software, data, and other unrelated service providers, (f) implementing our solutions, (g) cloud operations, (h) intellectual property and third-party software, (i) acquiring and integrating businesses and/or technologies, (j) catastrophic events, (k) operating globally, including economic and commercial disruptions, (l) potential downturns in sales and lengthy sales cycles, (m) software innovation, (n) competition, (o) market acceptance of our software innovations, (p) maintaining our corporate culture, (q) personnel risks including loss of any key employees and competition for talent, (r) expanding and training our direct and indirect sales force, (s) evolving data privacy, cyber security and data localization laws, (t) our debt repayment obligations, (u) the timing of revenue recognition and cash flow from operations, and (v) returning to profitability. Additional information relating to the risks and uncertainties affecting our business is contained in our filings with the SEC. These forward-looking statements represent our expectations as of the date hereof. Subsequent events may cause these expectations to change, and PROS disclaims any obligations to update or alter these forward-looking statements in the future, whether as a result of new information, future events or otherwise.

This presentation includes certain supplemental non-GAAP financial measures, that we believe are useful to investors as tools for assessing the comparability between periods as well as company by company. Our computation of these measures may not be comparable to other similarly titled measures computed by other companies. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, our financial information and results prepared in accordance with U.S. GAAP included in our periodic filings made with the SEC.

Investors are encouraged to review the reconciliation of our historical non-GAAP financial measures to the comparable GAAP results, which can be found, along with other financial information, on the investor relations' page of our website at PROS.com. We are unable to reconcile forward-looking non-GAAP financial measures to their directly comparable GAAP financial measures because the information needed to complete a reconciliation is unavailable at this time without unreasonable effort.

PROS at a Glance



\$322mm⁺

Total Revenue
Q3 '24 TTM



28%

Subscription Revenue CAGR
Since Cloud Transition
(FY 2015 – FY 2024E¹)



85%

Recurring Revenue as a %
of Q3 '24 Total Revenue



\$16mm⁺

Free Cash Flow² Q3 '24 TTM
Near 15x Improvement YoY



\$38B⁺

Underpenetrated,
Addressable Market



93%⁺

Customer Gross Revenue
Retention Rate Q3 '24 TTM



75⁺

Countries with Customers



4.3T

Transactions Processed
Q3 '24 TTM

1. See slide 19.
2. For definitions of non-GAAP measures or reconciliation of non-GAAP to GAAP measures, please refer to the appendix of this presentation.

Business Overview

to optimize *every* shopping
and selling experience.

Businesses Face Many Challenges Today



Business uncertainty is here to stay.

Everything is in a **constant state of rapid change** – costs, currencies, supply chains, prices, demand patterns – and in response, businesses must constantly change what they sell, how they sell, and how they price.

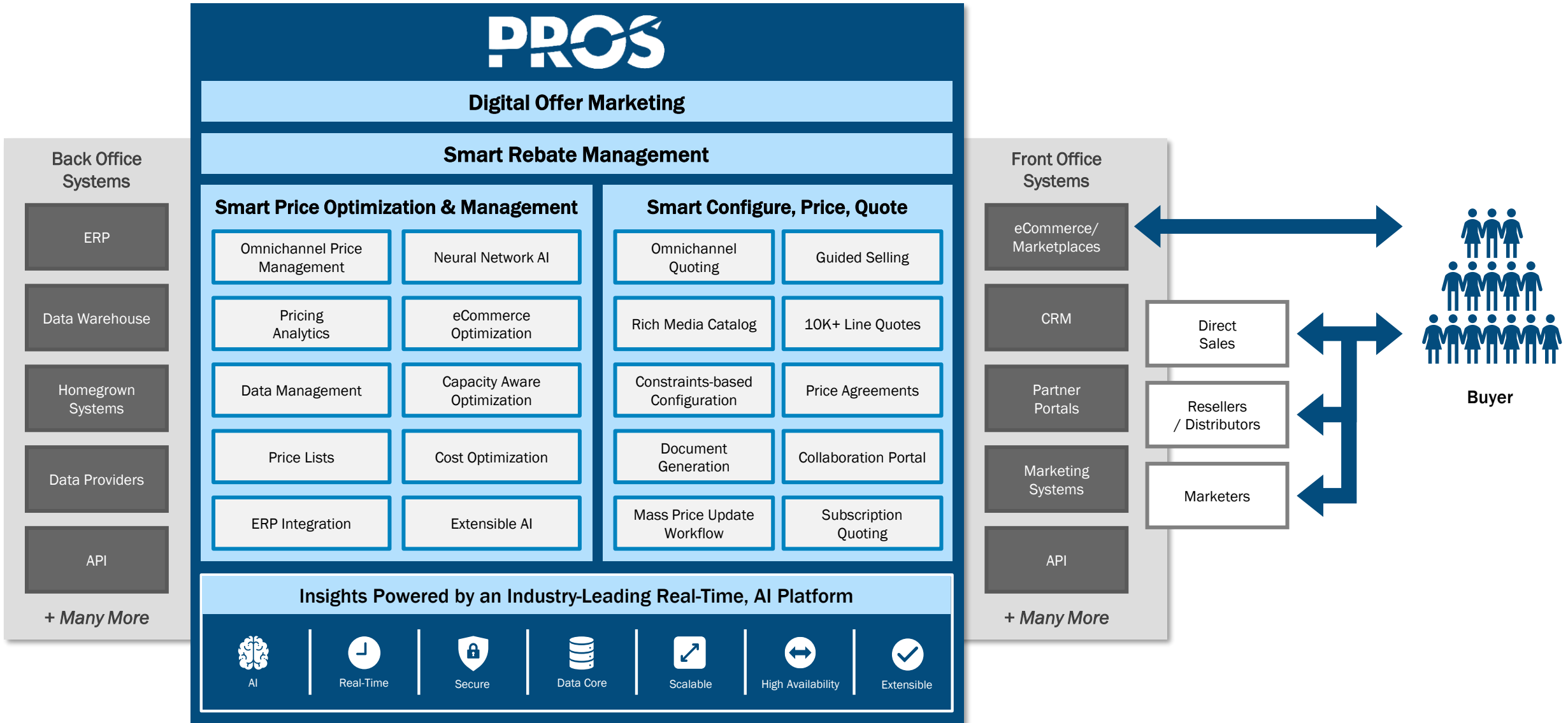
Customers have increasingly higher expectations.

Buyers expect every buying experience to be as magical as the best one they have ever had (“the Amazon effect”). Self-serve, personalization, transparency, and accuracy driven by **convenience, value, and confidence** across all touchpoints.

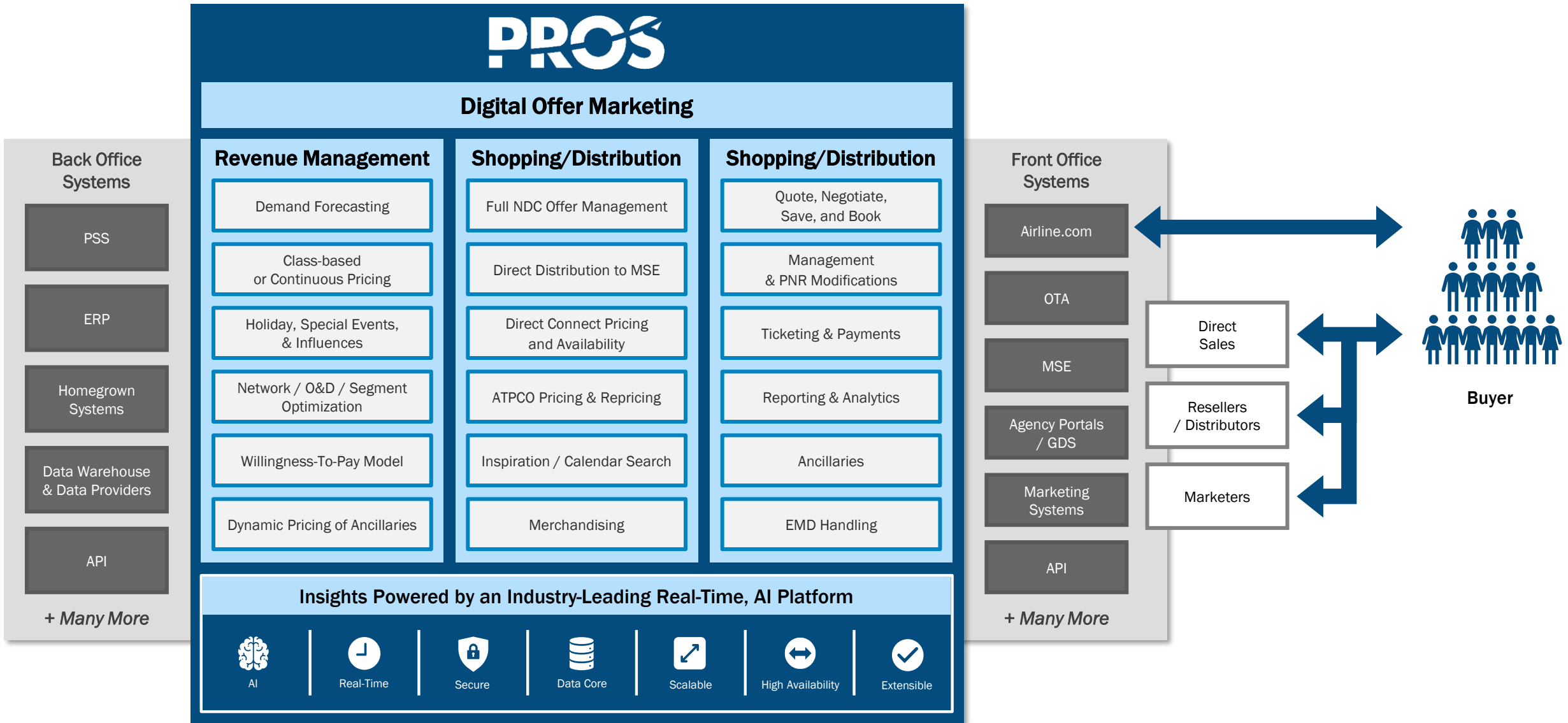
The way we work is evolving.

Manual business processes and disconnected digital tools cause more time to be spent on process than on driving business forward. **Digitization, automation, and AI** are critical for keeping up and driving a better employee experience.

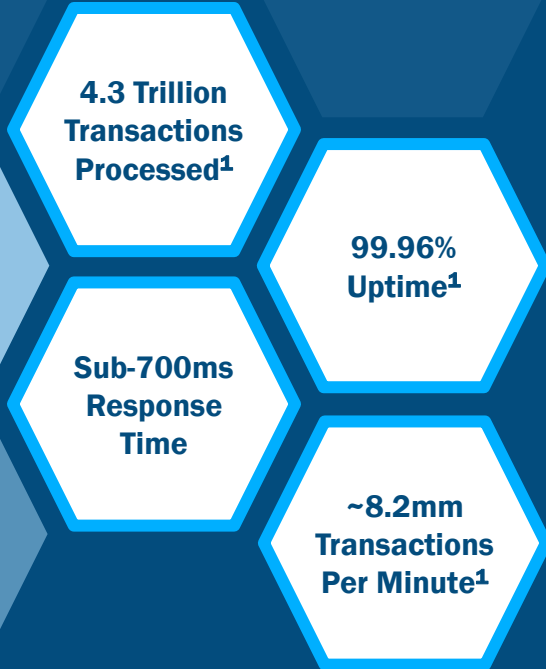
PROS Real-Time AI Platform Maximizes Value for B2B Commerce



PROS Real-Time AI Platform Maximizes Value for Travel Commerce

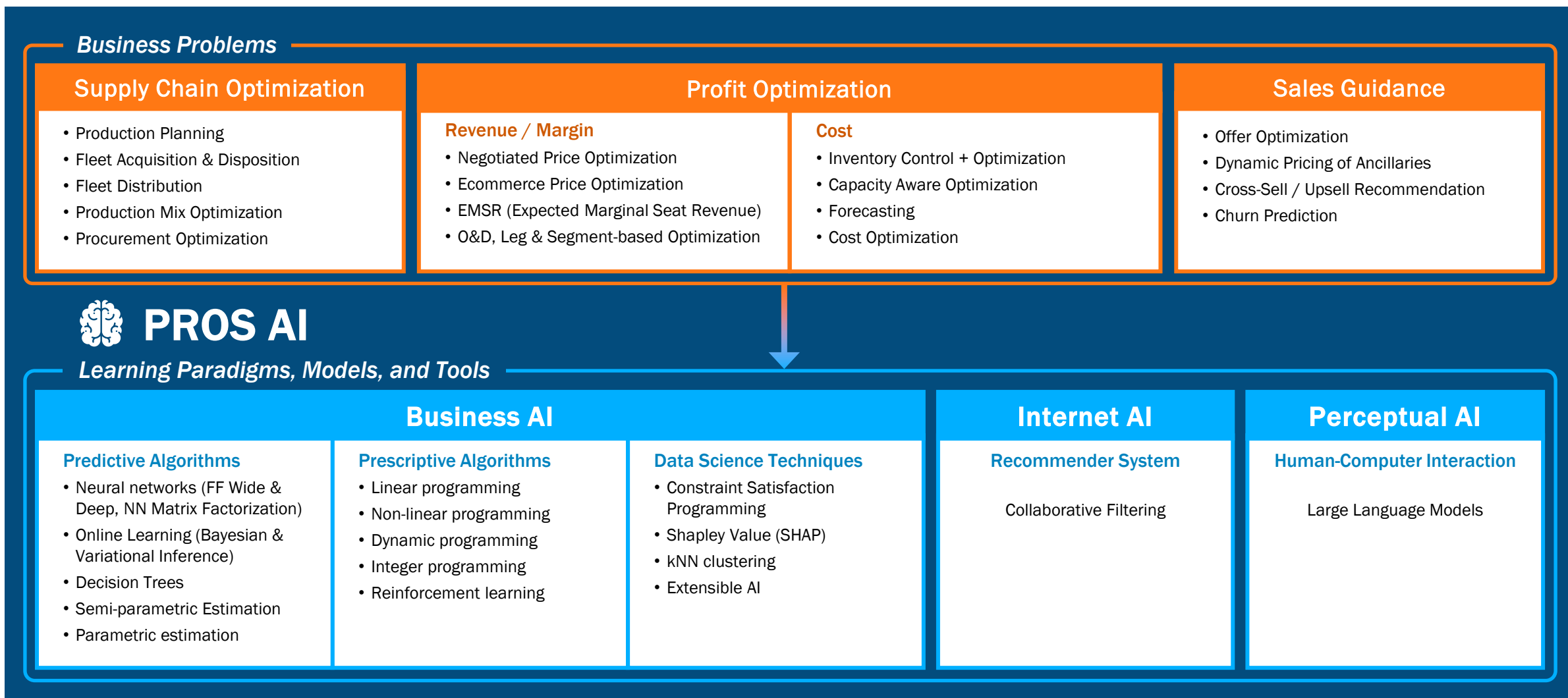


Real-Time AI is at the Core of the PROS Platform



1. Trailing twelve-month measurement as of 9/30/2024. Transactions per minute is an average over the period.

PROS Library of AI Models & Techniques Ensemble to Solve High-Value Business Problems



Trusted by the World's Leading Enterprises



Automotive
& Industrial



Chemicals
& Energy



Food
& Consumables



Healthcare



Services



Technology



Travel



PROS Drives Significant, Measurable Business Outcomes



Our customers have said...

+8%

Revenue Uplift

+200 bps

Margin Improvement

+67%

Efficiency Gain

Source: PROS study of 131 customers' self-reported results, 2022

Industry experts have said...

Payback

in **9 months**

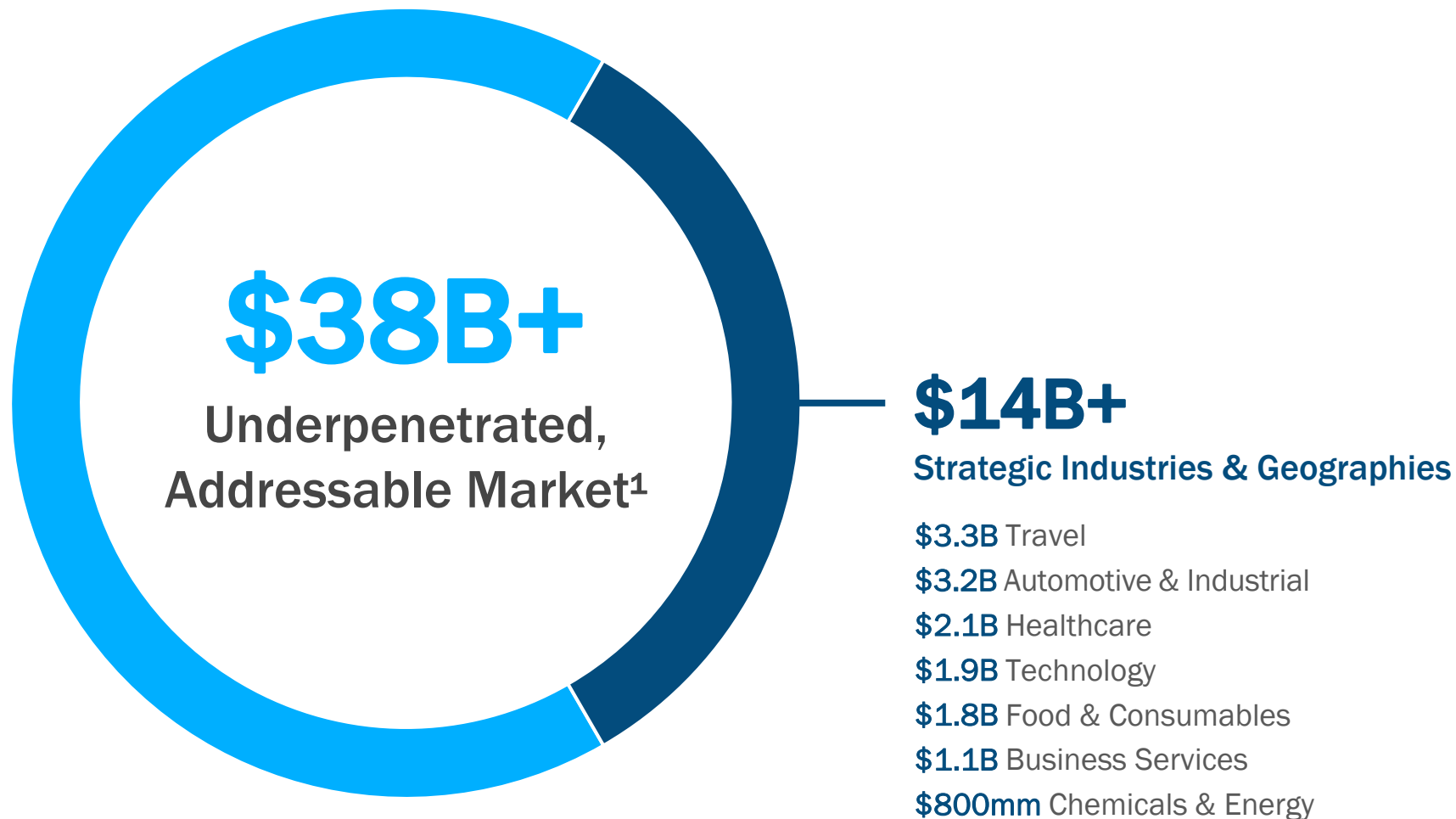
&

400% ROI

in 3 years

Source: Forrester Total Economic Impact Report, 2023

PROS TAM is Massive, Global, and Growing



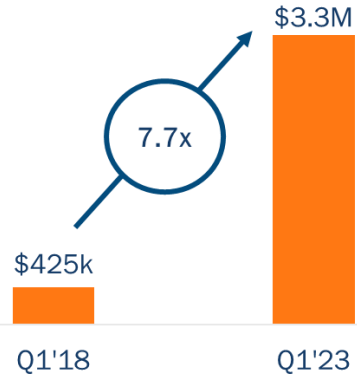
1.TAM represents our estimated global total revenue and market opportunity but does not represent the actual market opportunity that we may target or ultimately service or otherwise derive revenue from. Our estimate of TAM may be revised in the future depending on a variety of factors, including competitive dynamics, our sales efforts, customer needs, industry shifts and other economic factors.

Proven Land & Expand Motion in Our Business

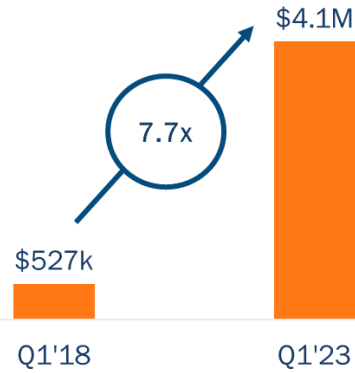


B2B

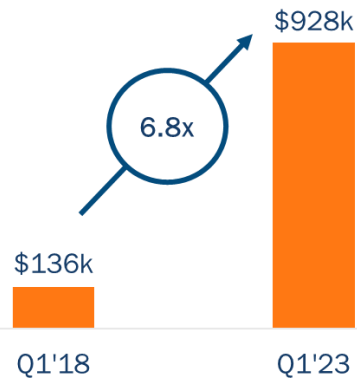
Multinational Oil & Gas Company



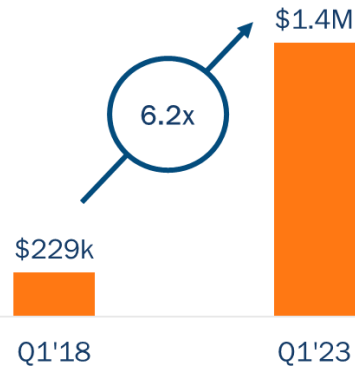
Industrial Manufacturing Conglomerate



Industrial Equipment Distributor

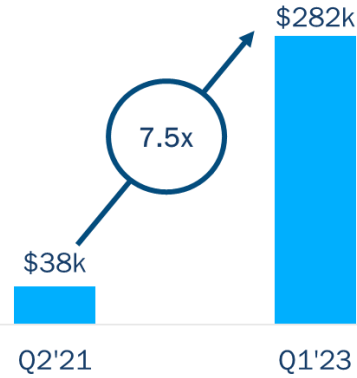


Leading B2B Distributor

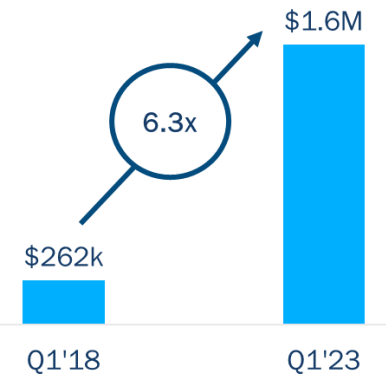


Travel

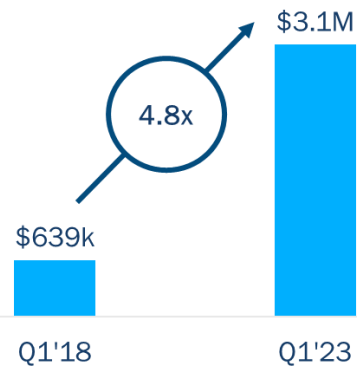
Passenger Airline 1



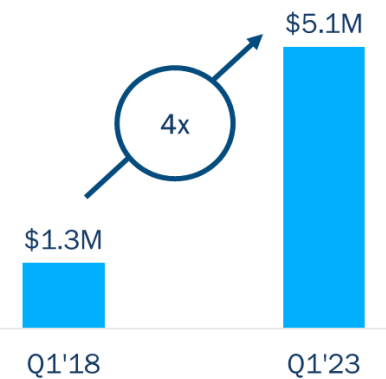
Passenger Airline 2



Passenger Airline 3



Passenger Airline 4



An Ecosystem of Partners Help Position Us to Win



Systems Integrators

2e Systems accenture ANI·XE ArticulateIT Ben Consulting Services

BGSF Capgemini CGI Deloitte. EY

HORVÁTH ISB Software & Lösungen LTIMindtree NewBound.M MagellanPartners

OpenJaw PEARSON HAM GROUP THE PRICING SPECIALISTS SIMPHONIS SolutionSpace WALPOLE PARTNERSHIP

GTM Partners

Adobe

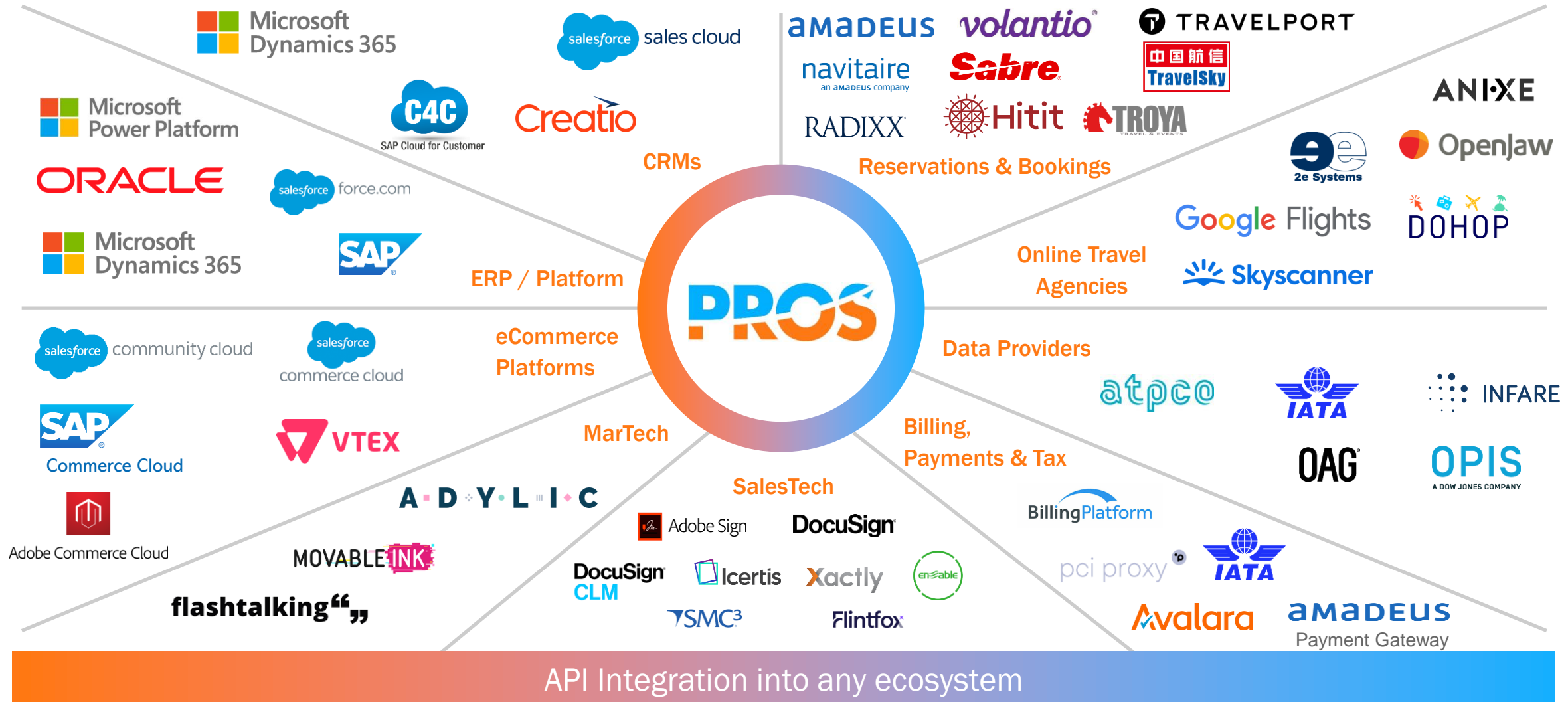
Hitit

Kiu
Airline Solutions Suite

Microsoft

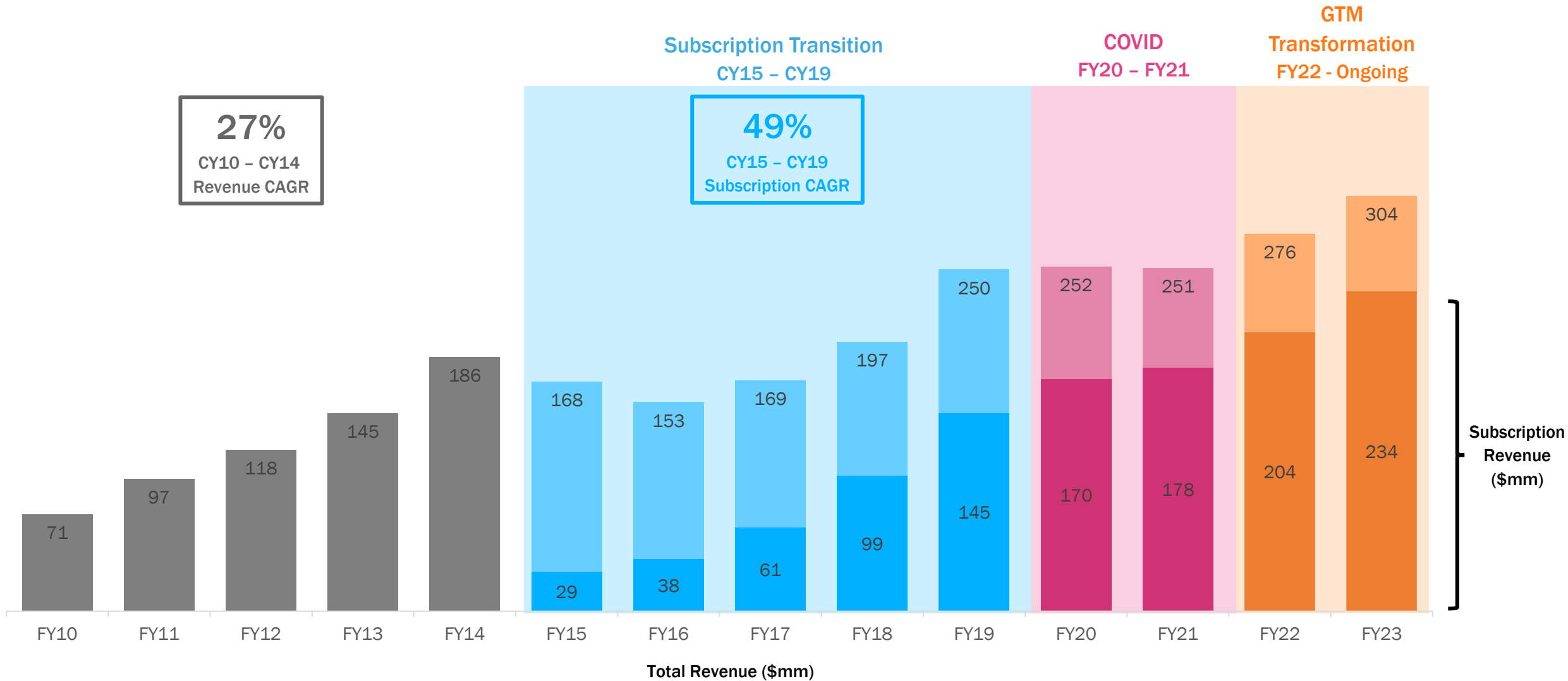
tti
Travel Technology Interactive

Extensive Integrations & Technology Partners

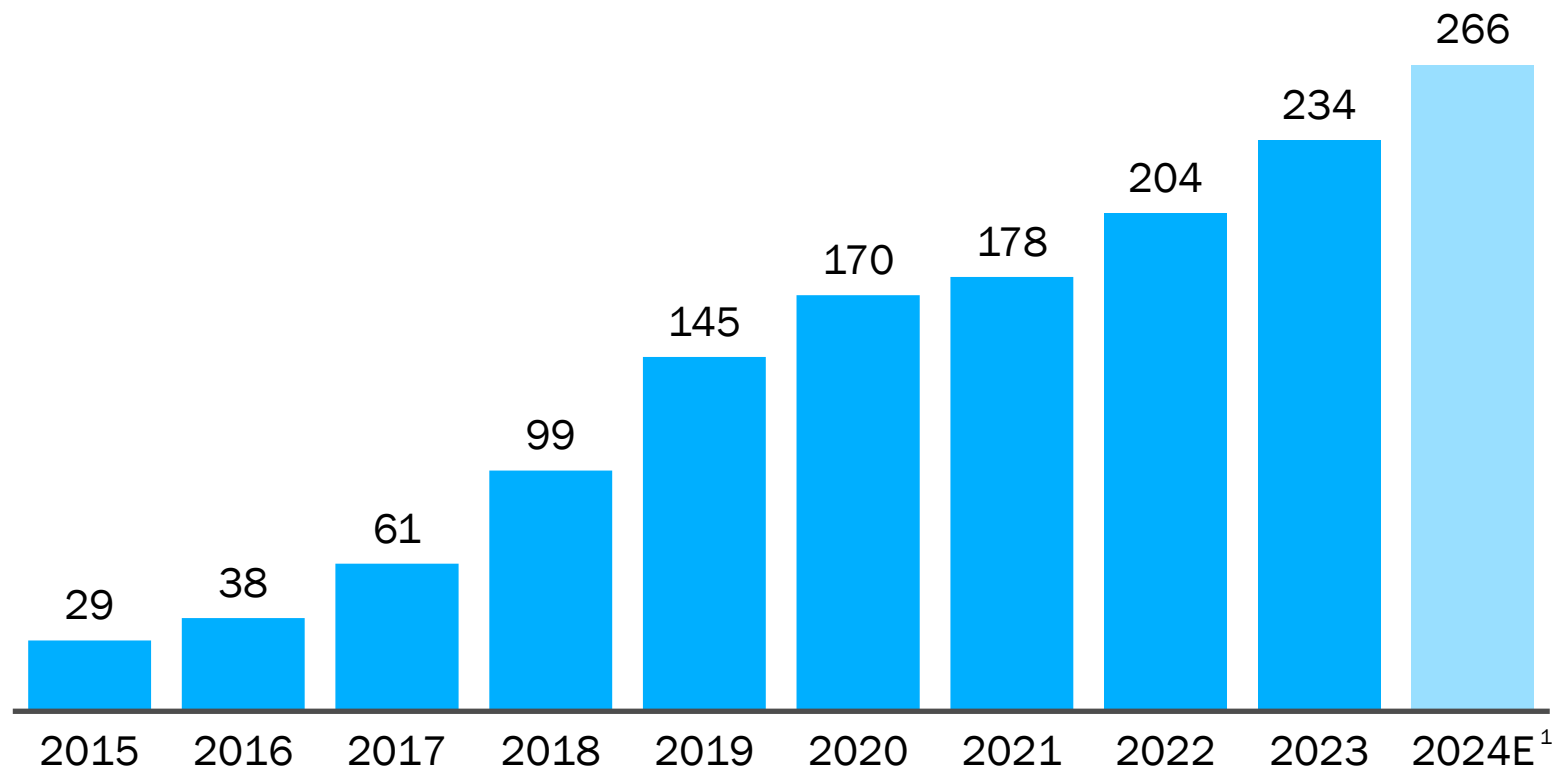


Financial Overview

PROS Has Delivered Long-Term Sustainable Growth



Subscription Revenue Growth Trajectory (\$mm)



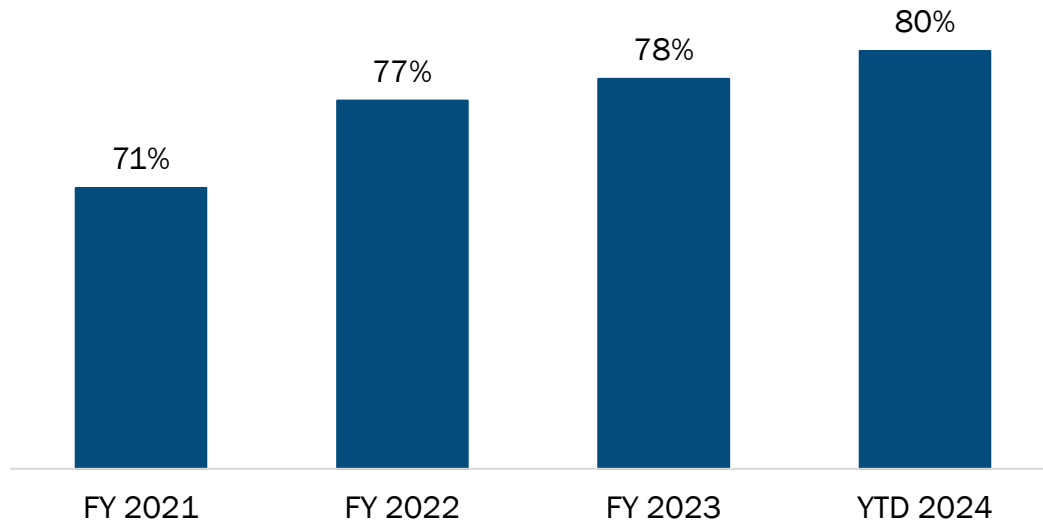
28%
 FY15 - FY24E
 Subscription
 Revenue CAGR

1. The 2024 dollar value is based on the \$265.8mm mid-point of the Subscription Revenue 2024 Guidance. 2024 expectations are forward-looking statements. Given the risks, uncertainties and assumptions related to PROS business and operations, PROS actual future results may differ materially from these expectations. Investors should review the Company's cautionary statements and risk factors referred to in this presentation.

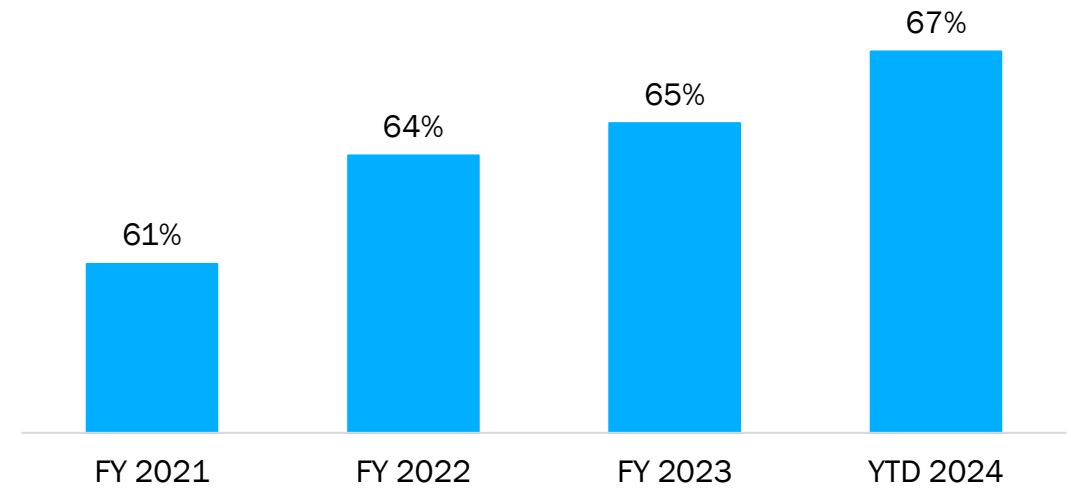
Driving Consistent Margin Expansion



Non-GAAP Subscription Gross Margin



Non-GAAP Total Gross Margin

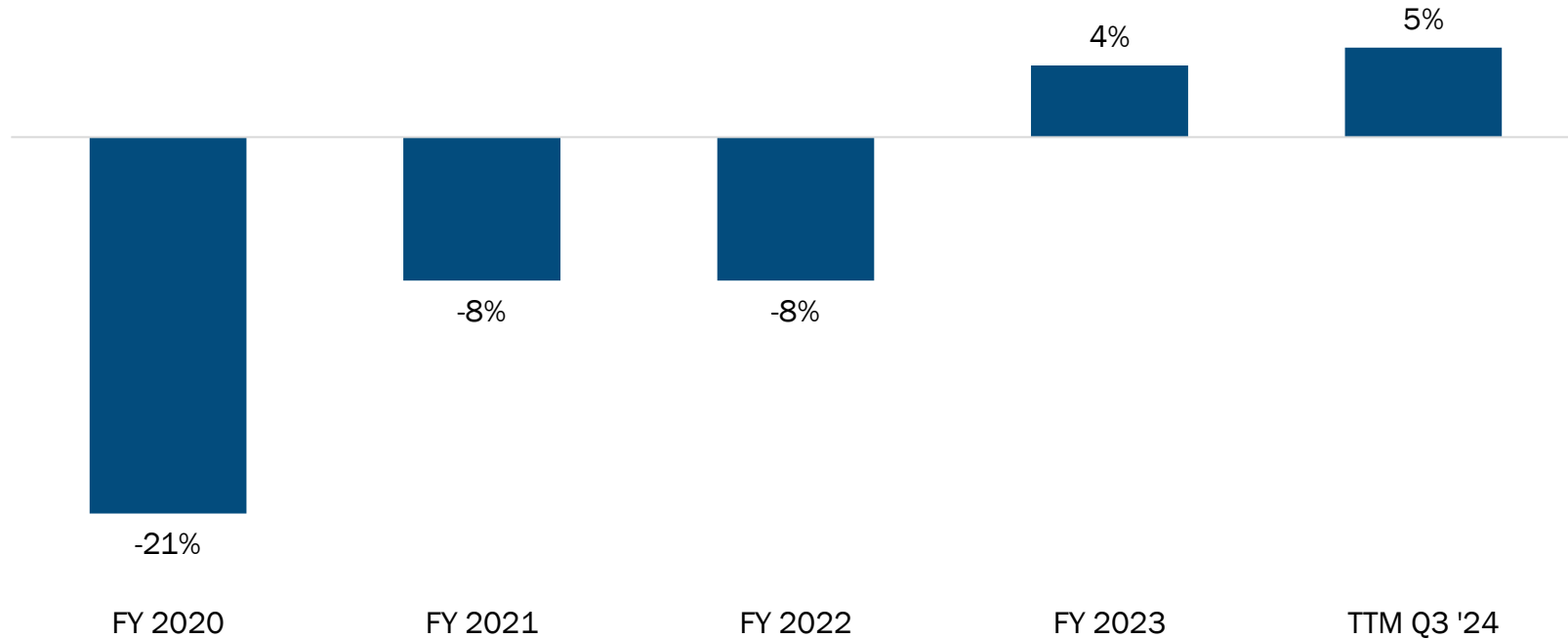


YTD 2024 is for year-to-date results as of September 30, 2024.
For definitions of non-GAAP measures or reconciliation of non-GAAP to GAAP measures, please refer to the appendix of this presentation.

Improving Free Cash Flow Generation



Free Cash Flow Margin



For definitions of non-GAAP measures or reconciliation of non-GAAP to GAAP measures, please refer to the appendix of this presentation.

Third Quarter 2024 Earnings Recap



\$mm (Except Per Share)	Q3 2024	Q3 2023	Delta	TTM 09/30/2024	TTM 09/30/2023	Delta
Total Revenue	\$82.7	\$77.3	7%	\$322.9	\$297.2	9%
Subscription Revenue	\$67.1	\$60.0	12%	\$257.8	\$226.4	14%
Adjusted EBITDA ¹	\$9.3	\$5.6	\$3.6	\$21.6	\$5.9	\$15.7
Free Cash Flow ¹	\$1.4	\$8.5	(\$7.1)	\$16.3	(\$1.2)	\$17.5
Non-GAAP Earnings Per Share ²	\$0.14	\$0.09	\$0.05	\$0.27	\$0.04	\$0.23

1. For definitions of non-GAAP measures or reconciliation of non-GAAP to GAAP measures, please refer to the appendix of this presentation.

2. For definition of non-GAAP EPS or reconciliation of non-GAAP EPS to GAAP EPS, please refer to PROS [earnings press release](#).

Guidance Summary



\$mm (Except Per Share)	Q4 2024 Guidance	v. Q4 2023 at Mid-Point	Full Year 2024 Guidance	v. Prior Year at Mid-Point
Total Revenue	\$84.1 to \$85.1	9%	\$329.5 to \$330.5	9%
Subscription Revenue	\$68.5 to \$69.0	13%	\$265.5 to \$266.0	14%
Subscription ARR	n/a	n/a	\$280.0 to \$284.0	9%
Non-GAAP Earnings Per Share	\$0.12 to \$0.14	\$0.11	n/a	n/a
Adjusted EBITDA	\$8.4 to \$9.4	\$6.4	\$27.5 to \$28.5	\$22.0
Free Cash Flow	n/a	n/a	\$21.0 to \$24.0	\$11.1

The 2024 Guidance shown here are forward-looking statements. Given the risks, uncertainties and assumptions related to PROS business and operations, PROS actual future results may differ materially from these expectations. Investors should review the Company's cautionary statements and risk factors referred to in this presentation. Based on an estimated 47.5 million diluted weighted average shares outstanding for the fourth quarter of 2024 and a 22% non-GAAP estimated tax rate for the fourth quarter and full year 2024. Please see appendix for a reconciliation of non-GAAP metrics to GAAP metrics.

Long-Term Goal To Be A “Rule of 40” Company¹



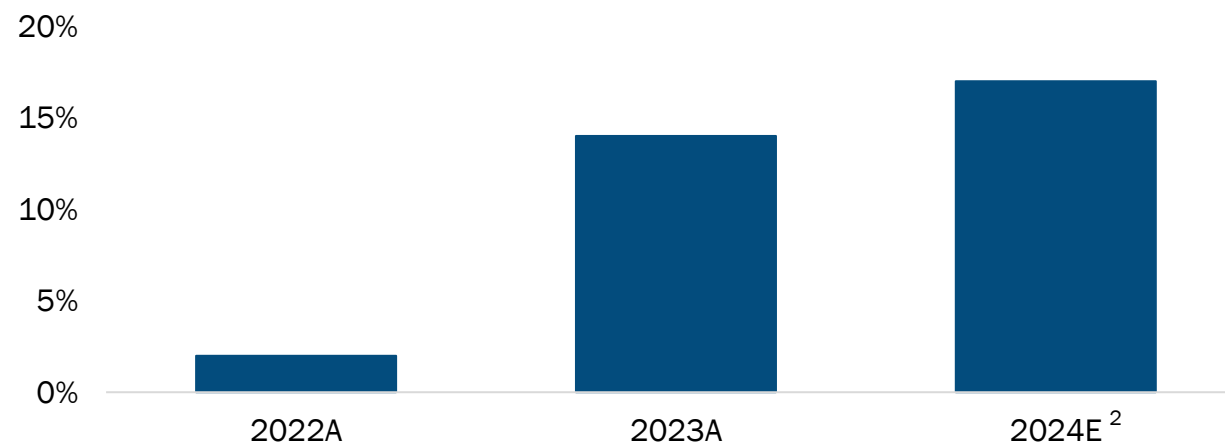
16-21%

Total Revenue Growth

19-24%

Free Cash Flow Margin

Progress towards "Rule of 40"

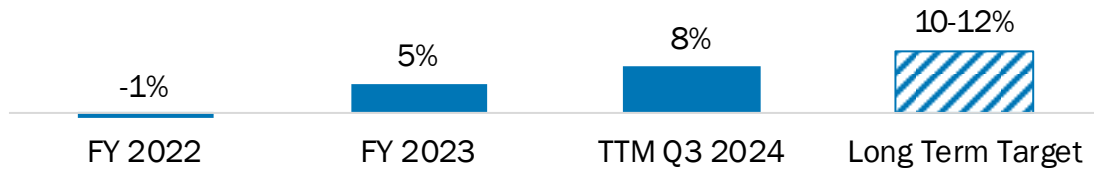


1. These revenue growth and free cash flow margin targets are forward-looking statements. Given the risks, uncertainties and assumptions related to PROS business and operations, PROS actual future results may differ materially from these targets. Investors should review the Company's cautionary statements and risk factors referred to in this presentation and contained in the Company's SEC filings.
2. The estimated 2024 total revenue growth rate and free cash flow margin are based on the mid-point of the respective 2024 Guidance ranges for these metrics. 2024 expectations are forward-looking statements. Given the risks, uncertainties and assumptions related to PROS business and operations, PROS actual future results may differ materially from these expectations. Investors should review the Company's cautionary statements and risk factors referred to in this presentation and contained in the Company's SEC filings.

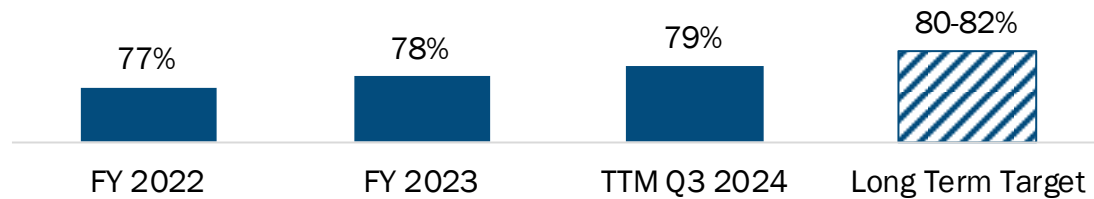
Keys to Achieve “Rule of 40” and Progress to Date



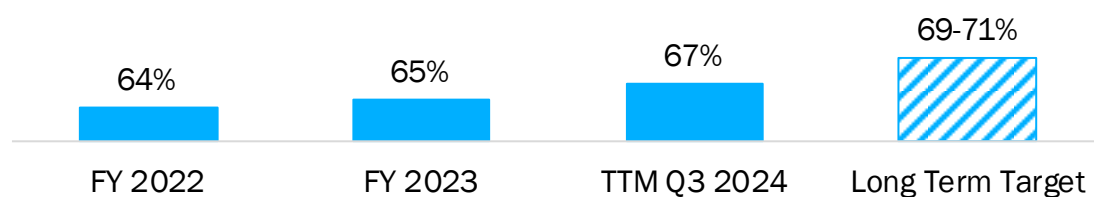
Non-GAAP Services Gross Margin



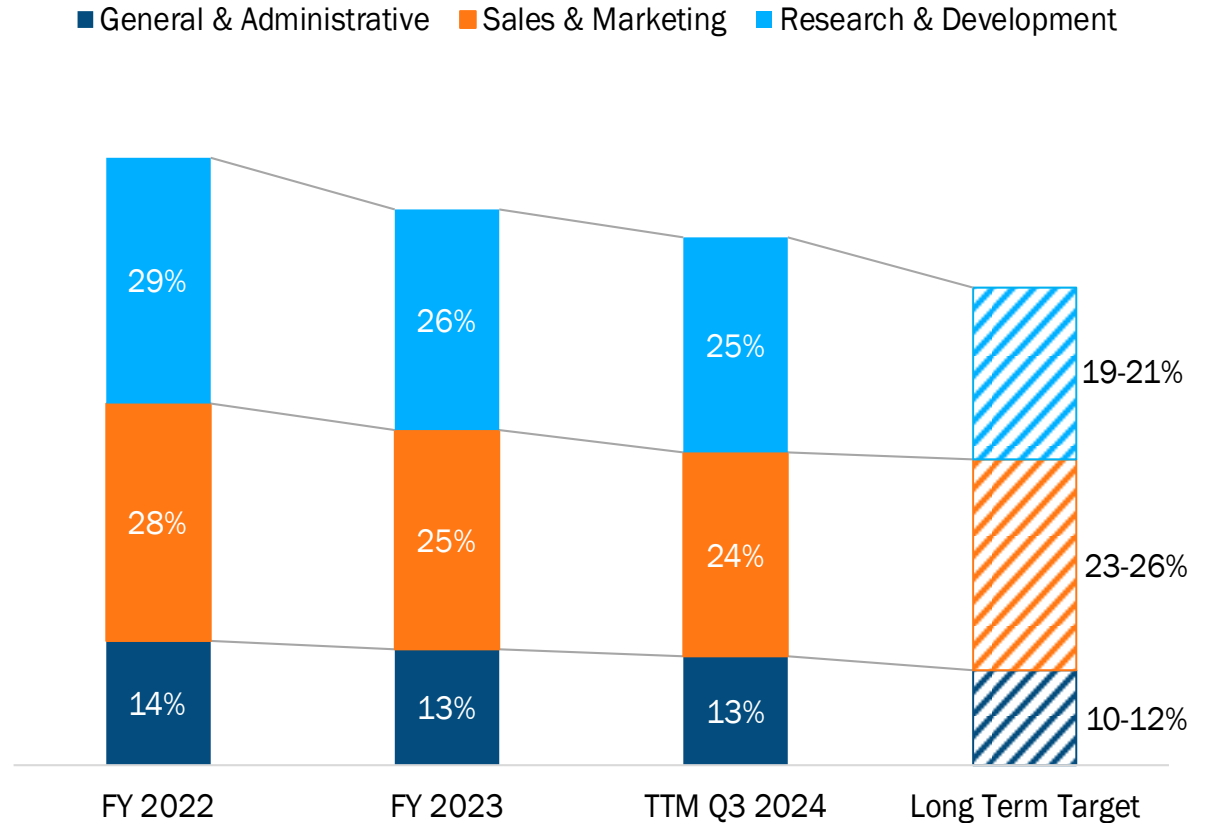
Non-GAAP Subscription Gross Margin



Non-GAAP Total Gross Margin



Expense to Revenue Ratios



For definitions of non-GAAP measures or reconciliation of non-GAAP to GAAP measures, please refer to the appendix of this presentation.

For purposes of the E/R ratios presented, historical non-GAAP expense was utilized. For reconciliations of GAAP operating expenses to non-GAAP, refer to the supplemental tables in PROS [earnings press releases](#).

Supplemental Business Metrics



\$ in 000s

Revenue	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Subscription	\$ 53,127	\$ 55,969	\$ 57,304	\$ 59,987	\$ 60,764	\$ 64,349	\$ 65,600	\$ 67,068
Maintenance and Support	\$ 6,417	\$ 5,712	\$ 5,093	\$ 4,693	\$ 4,460	\$ 3,595	\$ 3,385	\$ 3,361
Recurring Revenue	\$ 59,544	\$ 61,681	\$ 62,397	\$ 64,680	\$ 65,224	\$ 67,944	\$ 68,985	\$ 70,429
Services	\$ 11,391	\$ 11,501	\$ 13,395	\$ 12,570	\$ 12,260	\$ 12,744	\$ 13,028	\$ 12,273
Total Revenue	\$ 70,935	\$ 73,182	\$ 75,792	\$ 77,250	\$ 77,484	\$ 80,688	\$ 82,013	\$ 82,702
Recurring Revenue %	84%	84%	82%	84%	84%	84%	84%	85%

Revenue by Geography	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
United States	\$ 26,307	\$ 26,232	\$ 27,224	\$ 26,925	\$ 26,623	\$ 26,933	\$ 27,990	\$ 29,251
Europe	\$ 20,981	\$ 22,949	\$ 24,748	\$ 25,691	\$ 26,082	\$ 25,671	\$ 25,835	\$ 25,391
Rest of World	\$ 23,647	\$ 24,001	\$ 23,820	\$ 24,634	\$ 24,779	\$ 28,084	\$ 28,188	\$ 28,060

Supplemental Business Metrics



\$ in 000s

Financial & Operating Metrics	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Non-GAAP Gross Margin ¹	65%	64%	65%	66%	66%	67%	67%	68%
Non-GAAP Subscription Gross Margin ¹	77%	78%	78%	78%	78%	79%	80%	80%
Non-GAAP Recurring Revenue Gross Margin ¹	77%	77%	77%	77%	77%	78%	78%	79%
Adjusted EBITDA ¹	\$ 2,382	\$ (2,305)	\$ 148	\$ 5,640	\$ 2,517	\$ 4,585	\$ 5,214	\$ 9,278
Total Cash and Cash Equivalents	\$ 203,627	\$ 192,376	\$ 184,567	\$ 169,080*	\$ 178,747*	\$ 166,423*	\$ 149,086*	\$ 150,564*
Recurring Deferred Revenue	\$ 105,468	\$ 117,837	\$ 111,688	\$ 107,667	\$ 114,987	\$ 123,590	\$ 116,644	\$ 108,670
Total Deferred Revenue	\$ 116,957	\$ 128,353	\$ 121,583	\$ 116,522	\$ 124,624	\$ 132,648	\$ 124,930	\$ 117,213
TTM Recurring Calculated Billings ¹	\$ 241,968	\$ 238,584	\$ 250,634	\$ 250,319	\$ 263,501	\$ 265,998	\$ 271,789	\$ 273,585
Remaining Performance Obligations ²	\$ 441,500	\$ 430,600	\$ 407,600	\$ 403,900	\$ 469,600	\$ 447,600	\$ 450,300	\$ 429,300
Remaining Performance Obligations - Current	\$ 206,300	\$ 210,000	\$ 204,200	\$ 199,000	\$ 227,500	\$ 227,400	\$ 232,700	\$ 231,000
Free Cash Flow ¹	\$ 1,072	\$ (4,519)	\$ (6,240)	\$ 8,494	\$ 13,632	\$ (4,884)	\$ 6,164	\$ 1,363
Total Headcount (including contractors)	1,528	1,436	1,471	1,486	1,486	1,499	1,502	1,494

1. For definitions of non-GAAP measures or reconciliation of non-GAAP to GAAP measures, please refer to the appendix of this presentation.

2. Remaining performance obligations represent contractually committed revenue that has not yet been recognized, which includes deferred revenue and unbilled amounts that will be recognized as revenue in future periods.

*Total Cash and Cash Equivalents in these quarters includes \$10 million of restricted cash.

Our Values

Our Mission: To Help People and Companies Outperform



We are OWNERS

Looking for every opportunity to create a better PROS and a better experience for our customers, and we hold ourselves accountable.

We are INNOVATORS

Thinking creatively to find new paths to success for our people, our customers, and our business.

We CARE

Putting people first - our customers, employees, partners, and community - it's how our company was started, and how we'll always run it.



Governance, Security, & Environmental Sustainability



Governance

PROS Board of Directors and Executive team are committed to adhering to the highest ethical values and promoting transparency. For more detail and a complete list of governance documents and charters, [visit the governance page of our website](#).

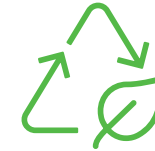


Security

At PROS, security is the responsibility of everyone. We take data security and privacy seriously.

- ✓ ISO 27001 Certified
- ✓ ISO 27018 Certified
- ✓ SOC1 Type 2 Certified
- ✓ SOC2 Type 2 Certified
- ✓ Cloud Security Alliance Compliant
- ✓ GDPR Compliant

For more detail on security and compliance, including detail on all certifications we hold, [visit the trust and security page of our website](#).



Environmental Sustainability

- LEED Silver certified global HQ
- Sustainable data centers worldwide through our partnership with Microsoft
- Recycling program in all offices



For further disclosures, [read our ESG report](#).

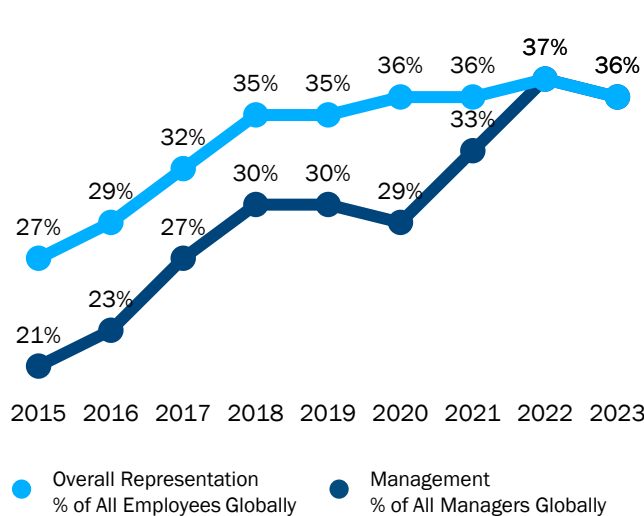
Diversity & Inclusion



Committed to a Diverse & Inclusive Environment

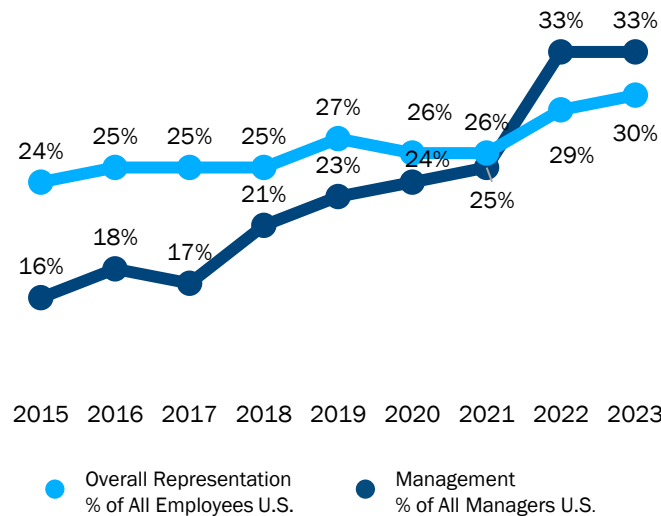
We welcome and celebrate diverse perspectives, cultures and experiences. We are truly a ‘people first’ culture where every person is encouraged to bring their authentic selves to work and feel they belong and are valued. Our diversity in thought and action is what makes PROS a special place. [Learn more](#)

Women at PROS



Note: 2023 figures based on 1,335 global employees as of 12/31/23.

Underrepresented Minorities in the U.S.



Note: 2023 figures based on 774 employees in the U.S. as of 12/31/23. Underrepresented Minorities include AA, Hispanic and Multicultural and excludes Asian.

PROS Employee Resource Groups (ERGs)

Our ERGs are formed and led by employees, with company support, and any interested employee may join any group. Organized around common life experiences and backgrounds, they serve to champion our diversity initiatives and facilitate a workplace culture of equity and inclusion.



For further disclosures on D&I at PROS, [read our ESG report.](#)

Thank you

PROS



Appendix

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 subscription 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.

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 amortization of acquisition-related intangibles, severance and share-based compensation costs allocated to cost of subscription, maintenance and support, and services. Non-GAAP gross margin is calculated as the percentage of non-GAAP gross profit divided by total revenue. Non-GAAP subscription gross margin and recurring revenue gross margin are similarly calculated to compare the non-GAAP gross profit of subscription revenue and recurring revenue (subscription, maintenance and support revenue), respectively, to total subscription and recurring revenue, respectively. In calculating the non-GAAP gross profit of subscription revenue, the total costs of subscription are adjusted to reduce such costs by the portion of amortization of acquisition-related intangibles, severance and share-based compensation costs allocated to cost of subscription. 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 amortization of acquisition-related intangibles, severance and share-based compensation costs allocated to cost of subscription and cost of maintenance and support.

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, severance, 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 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, excluding severance payments, less capital expenditures and capitalized internal-use software development costs.

Calculated Billings: Calculated billings is defined as total subscription, maintenance and support revenue plus the change in recurring deferred revenue in a given period.

Supplemental Reconciliation of GAAP to Non-GAAP Financial Measures – Guidance (In thousands, Unaudited)



Q4 2024 Guidance

	Low	High
Adjusted EBITDA		
GAAP Loss from Operations	\$ (3,600)	\$ (2,600)
Amortization of acquisition-related intangibles	800	800
Share-based compensation	10,300	10,300
Depreciation and other amortization	900	900
Adjusted EBITDA	\$ 8,400	\$ 9,400

Full Year 2024 Guidance

	Low	High
Adjusted EBITDA		
GAAP Loss from Operations	\$ (21,000)	\$ (20,000)
Amortization of acquisition-related intangibles	4,400	4,400
Share-based compensation	40,500	40,500
Depreciation and other amortization	3,600	3,600
Adjusted EBITDA	\$ 27,500	\$ 28,500

Supplemental Information - GAAP to Non-GAAP Reconciliations (In thousands, Unaudited)



Gross Profit	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Gross Profit	\$ 43,467	\$ 43,640	\$ 47,221	\$ 48,786	\$ 48,748	\$ 51,855	\$ 53,194	\$ 54,404
Amortization of acquisition-related intangibles	1,441	1,337	1,243	1,099	953	953	953	738
Severance	245	749	-	-	-	-	-	-
Share-based compensation	1,017	832	985	1,033	1,073	1,068	1,151	1,177
Non-GAAP Gross Profit	\$ 46,170	\$ 46,558	\$ 49,449	\$ 50,918	\$ 50,774	\$ 53,876	\$ 55,298	\$ 56,319
Non-GAAP Gross Margin	65%	64%	65%	66%	66%	67%	67%	68%

Subscription Gross Profit	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Subscription Gross Profit	\$ 39,442	\$ 41,876	\$ 43,245	\$ 45,477	\$ 46,214	\$ 49,736	\$ 51,030	\$ 52,598
Amortization of acquisition-related intangibles	1,441	1,337	1,243	1,099	953	953	953	738
Severance	8	125	-	-	-	-	-	-
Share-based compensation	148	125	169	201	208	202	235	244
Non-GAAP Subscription Gross Profit	\$ 41,039	\$ 43,463	\$ 44,657	\$ 46,777	\$ 47,375	\$ 50,891	\$ 52,218	\$ 53,580
Non-GAAP Subscription Gross Margin	77%	78%	78%	78%	78%	79%	80%	80%

Recurring Revenue Gross Profit	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Recurring Revenue Gross Profit	\$ 43,962	\$ 45,306	\$ 46,462	\$ 48,401	\$ 48,898	\$ 51,469	\$ 52,664	\$ 54,261
Amortization of acquisition-related intangibles	1,441	1,337	1,243	1,099	953	953	953	738
Severance	8	432	-	-	-	-	-	-
Share-based compensation	266	205	267	294	301	339	331	342
Non-GAAP Recurring Revenue Gross Profit	\$ 45,677	\$ 47,280	\$ 47,972	\$ 49,794	\$ 50,152	\$ 52,761	\$ 53,948	\$ 55,341
Non-GAAP Recurring Revenue Gross Margin	77%	77%	77%	77%	77%	78%	78%	79%

Services Gross Profit	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Services Gross Profit	\$ (495)	\$ (1,666)	\$ 759	\$ 385	\$ (150)	\$ 386	\$ 530	\$ 143
Severance	237	317	-	-	-	-	-	-
Share-based compensation	751	627	718	739	772	729	820	835
Non-GAAP Services Gross Profit	\$ 493	\$ (722)	\$ 1,477	\$ 1,124	\$ 622	\$ 1,115	\$ 1,350	\$ 978
Non-GAAP Services Gross Margin	4%	-6%	11%	9%	5%	9%	10%	8%

Supplemental Information - GAAP to Non-GAAP Reconciliations (In thousands, Unaudited)

Adjusted EBITDA	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Income (Loss) From Operations	\$ (14,873)	\$ (18,796)	\$ (13,355)	\$ (7,842)	\$ (10,609)	\$ (10,302)	\$ (7,184)	\$ 31
Amortization of acquisition-related intangibles	1,973	1,806	1,620	1,446	1,301	1,301	1,300	1,074
Severance	4,034	3,586	-	-	-	-	-	-
Share-based compensation	10,097	9,904	10,752	10,933	10,768	12,700	10,248	7,271
Depreciation and other amortization	1,151	1,195	1,131	1,103	1,105	903	891	902
Capitalized internal-use software development costs	-	-	-	-	(48)	(17)	(41)	-
Adjusted EBITDA	\$ 2,382	\$ (2,305)	\$ 148	\$ 5,640	\$ 2,517	\$ 4,585	\$ 5,214	\$ 9,278

Free Cash Flow	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Cash Flow From Operations	\$ (1,970)	\$ (6,143)	\$ (6,542)	\$ 8,718	\$ 13,844	\$ (4,644)	\$ 6,420	\$ 1,594
Severance	3,058	3,170	579	121	211	-	-	-
Purchase of property and equipment	(16)	(1,546)	(277)	(345)	(375)	(223)	(215)	(231)
Capitalized internal-use software development costs	-	-	-	-	(48)	(17)	(41)	-
Free Cash Flow	\$ 1,072	\$ (4,519)	\$ (6,240)	\$ 8,494	\$ 13,632	\$ (4,884)	\$ 6,164	\$ 1,363

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