

Procore Technologies, Inc.
Condensed Consolidated Statements of Operations *(unaudited)*

	Three Months Ended March 31,	
	2025	2024
	(in thousands, except share and per share amounts)	
Revenue	\$ 310,632	\$ 269,428
Cost of revenue ⁽¹⁾⁽²⁾⁽³⁾	64,926	45,723
Gross profit	245,706	223,705
Operating expenses		
Sales and marketing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	138,684	120,994
Research and development ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	87,609	70,599
General and administrative ⁽¹⁾⁽³⁾⁽⁴⁾	55,658	51,018
Total operating expenses	281,951	242,611
Loss from operations	(36,245)	(18,906)
Interest income	5,997	5,938
Interest expense	(285)	(479)
Accretion income, net	2,447	3,088
Other income (expense), net	391	(344)
Loss before provision for income taxes	(27,695)	(10,703)
Provision for income taxes	5,294	263
Net loss	\$ (32,989)	\$ (10,966)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.22)	\$ (0.08)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	149,997,899	145,476,006

- (1) Includes stock-based compensation expense and amortization of capitalized stock-based compensation as follows:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Cost of revenue	\$ 5,268	\$ 3,185
Sales and marketing	14,950	13,020
Research and development	18,424	13,735
General and administrative	12,382	11,729
Total stock-based compensation expense*	<u>\$ 51,024</u>	<u>\$ 41,669</u>

*Includes amortization of capitalized stock-based compensation of \$2.7 million and \$1.5 million, respectively, for the three months ended March 31, 2025 and 2024 which was initially capitalized as capitalized software and cloud-computing arrangement implementation costs.

- (2) Includes amortization of acquired intangible assets as follows:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Cost of revenue	\$ 7,602	\$ 5,885
Sales and marketing	3,305	3,106
Research and development	632	675
Total amortization of acquired intangible assets	<u>\$ 11,539</u>	<u>\$ 9,666</u>

- (3) Includes employer payroll tax on employee stock transactions as follows:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Cost of revenue	\$ 261	\$ 212
Sales and marketing	1,131	1,264
Research and development	1,726	1,668
General and administrative	883	1,045
Total employer payroll tax on employee stock transactions	<u>\$ 4,001</u>	<u>\$ 4,189</u>

- (4) Includes acquisition-related expenses as follows:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Sales and marketing	\$ 656	\$ 448
Research and development	1,049	—
General and administrative	375	—
Total acquisition-related expenses	<u>\$ 2,080</u>	<u>\$ 448</u>

Procore Technologies, Inc.
Condensed Consolidated Balance Sheets *(unaudited)*

	March 31, 2025	December 31, 2024
	(in thousands)	
Assets		
Current assets		
Cash and cash equivalents	\$ 313,734	\$ 437,722
Marketable securities, current	252,956	337,673
Accounts receivable, net	161,578	246,472
Contract cost asset, current	36,924	33,922
Prepaid expenses and other current assets	51,295	44,090
Total current assets	816,487	1,099,879
Marketable securities, non-current	132,127	46,042
Capitalized software development costs, net	119,882	112,321
Property and equipment, net	43,715	43,592
Right of use assets - finance leases	20,972	31,727
Right of use assets - operating leases	31,758	28,790
Contract cost asset, non-current	51,223	47,505
Intangible assets, net	137,865	120,946
Goodwill	573,383	549,651
Other assets	21,302	20,918
Total assets	\$ 1,948,714	\$ 2,101,371
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 22,235	\$ 33,146
Accrued expenses	76,744	88,740
Deferred revenue, current	560,140	584,719
Other current liabilities	26,481	21,427
Total current liabilities	685,600	728,032
Deferred revenue, non-current	5,309	5,815
Finance lease liabilities, non-current	27,903	41,352
Operating lease liabilities, non-current	36,599	32,697
Other liabilities, non-current	11,656	5,122
Total liabilities	767,067	813,018
Stockholders' equity		
Common stock	15	15
Additional paid-in capital	2,461,905	2,535,868
Accumulated other comprehensive loss	(2,491)	(2,737)
Accumulated deficit	(1,277,782)	(1,244,793)
Total stockholders' equity	1,181,647	1,288,353
Total liabilities and stockholders' equity	\$ 1,948,714	\$ 2,101,371

Remaining performance obligation:

The following table presents our current and non-current RPO at the end of each period:

	March 31,		Change	
	2025	2024	Dollar	Percent
(dollars in thousands)				
Remaining performance obligations				
Current	\$ 842,558	\$ 704,656	\$ 137,902	20%
Non-current	447,707	302,159	145,548	48%
Total remaining performance obligations	<u>\$ 1,290,265</u>	<u>\$ 1,006,815</u>	<u>\$ 283,450</u>	<u>28%</u>

Procore Technologies, Inc.
Condensed Consolidated Statements of Cash Flows *(unaudited)*

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Operating activities		
Net loss	\$ (32,989)	\$ (10,966)
Adjustments to reconcile net loss to net cash provided by operating activities		
Stock-based compensation	48,279	40,132
Depreciation and amortization	26,855	20,051
Accretion of discounts on marketable debt securities, net	(2,425)	(3,088)
Abandonment of long-lived assets	354	268
Noncash operating lease expense	1,555	2,734
Unrealized foreign currency (gain) loss, net	(1,136)	1,079
Deferred income taxes	2,215	1
(Benefit from) provision for credit losses	(909)	189
Decrease (increase) in fair value of strategic investments	224	(759)
Changes in operating assets and liabilities, net of effect of asset acquisition		
Accounts receivable	86,327	68,013
Deferred contract cost assets	(6,569)	(427)
Prepaid expenses and other assets	(7,454)	(684)
Accounts payable	(11,070)	3,155
Accrued expenses and other liabilities	(9,880)	(34,154)
Deferred revenue	(26,568)	(14,108)
Operating lease liabilities	(781)	(2,291)
Net cash provided by operating activities	<u>66,028</u>	<u>69,145</u>
Investing activities		
Purchases of property and equipment	(4,033)	(2,089)
Capitalized software development costs	(15,331)	(9,514)
Purchases of strategic investments	(550)	(210)
Purchases of marketable securities	(134,598)	(101,434)
Maturities of marketable securities	135,787	107,301
Customer repayments of materials financing	—	1,281
Business combinations, net of cash acquired	(41,253)	—
Asset acquisition, net of cash acquired	(3,533)	(5)
Net cash used in investing activities	<u>(63,511)</u>	<u>(4,670)</u>
Financing activities		
Proceeds from stock option exercises	2,314	7,125
Repurchases of common stock	(100,029)	—
Payment of tax withholding for net share settlement	(28,277)	—
Principal payments under finance lease agreements, net of proceeds from lease incentives	(388)	(449)
Net cash (used in) provided by financing activities	<u>(126,380)</u>	<u>6,676</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(123,863)	71,151
Effect of exchange rate changes on cash	(125)	(1,285)
Cash, cash equivalents, and restricted cash, beginning of period	437,722	357,790
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 313,734</u>	<u>\$ 427,656</u>

Procore Technologies, Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures *(unaudited)*

Reconciliation of gross profit and gross margin to non-GAAP gross profit and non-GAAP gross margin:

	Three Months Ended March 31,	
	2025	2024
	(dollars in thousands)	
Revenue	\$ 310,632	\$ 269,428
Gross profit	245,706	223,705
Stock-based compensation expense	5,268	3,185
Amortization of acquired technology intangible assets	7,602	5,885
Employer payroll tax on employee stock transactions	261	212
Non-GAAP gross profit	\$ 258,837	\$ 232,987
Gross margin	79%	83%
Non-GAAP gross margin	83%	86%

Reconciliation of operating expenses to non-GAAP operating expenses:

	Three Months Ended March 31,	
	2025	2024
	(dollars in thousands)	
Revenue	\$ 310,632	\$ 269,428
GAAP sales and marketing	138,684	120,994
Stock-based compensation expense	(14,950)	(13,020)
Amortization of acquired intangible assets	(3,305)	(3,106)
Employer payroll tax on employee stock transactions	(1,131)	(1,264)
Acquisition-related expenses	(656)	(448)
Non-GAAP sales and marketing	\$ 118,642	\$ 103,156
GAAP sales and marketing as a percentage of revenue	45%	45%
Non-GAAP sales and marketing as a percentage of revenue	38%	38%
GAAP research and development	\$ 87,609	\$ 70,599
Stock-based compensation expense	(18,424)	(13,735)
Amortization of acquired intangible assets	(632)	(675)
Employer payroll tax on employee stock transactions	(1,726)	(1,668)
Acquisition-related expenses	(1,049)	—
Non-GAAP research and development	\$ 65,778	\$ 54,521
GAAP research and development as a percentage of revenue	28%	26%
Non-GAAP research and development as a percentage of revenue	21%	20%
GAAP general and administrative	\$ 55,658	\$ 51,018
Stock-based compensation expense	(12,382)	(11,729)
Employer payroll tax on employee stock transactions	(883)	(1,045)
Acquisition-related expenses	(375)	—
Non-GAAP general and administrative	\$ 42,018	\$ 38,244
GAAP general and administrative as a percentage of revenue	18%	19%
Non-GAAP general and administrative as a percentage of revenue	14%	14%

Reconciliation of loss from operations and operating margin to non-GAAP income (loss) from operations and non-GAAP operating margin:

	Three Months Ended March 31,	
	2025	2024
	(dollars in thousands)	
Revenue	\$ 310,632	\$ 269,428
Loss from operations	(36,245)	(18,906)
Stock-based compensation expense	51,024	41,669
Amortization of acquired intangible assets	11,539	9,666
Employer payroll tax on employee stock transactions	4,001	4,189
Acquisition-related expenses	2,080	448
Non-GAAP income from operations	\$ 32,399	\$ 37,066
Operating margin	(12%)	(7%)
Non-GAAP operating margin	10%	14%

Reconciliation of net loss and net loss per share to non-GAAP net income and non-GAAP net income per share:

	Three Months Ended March 31,	
	2025	2024
	(in thousands, except share and per share amounts)	
Revenue	\$ 310,632	\$ 269,428
Net loss	(32,989)	(10,966)
Stock-based compensation expense	51,024	41,669
Amortization of acquired intangible assets	11,539	9,666
Employer payroll tax on employee stock transactions	4,001	4,189
Acquisition-related expenses	2,080	448
Non-GAAP net income	\$ 35,655	\$ 45,006

Numerator:

Non-GAAP net income	\$ 35,655	\$ 45,006
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Denominator:

Weighted-average shares used in computing net loss per share attributable to common stockholders, basic	149,997,899	145,476,006
Effect of dilutive securities: Employee stock awards	4,222,118	5,708,299
Weighted-average shares used in computing net income per share attributable to common stockholders, diluted	154,220,017	151,184,305

GAAP net loss per share, basic	\$ (0.22)	\$ (0.08)
GAAP net loss per share, diluted	\$ (0.22)	\$ (0.08)
Non-GAAP net income per share, basic	\$ 0.24	\$ 0.31
Non-GAAP net income per share, diluted	\$ 0.23	\$ 0.30

Computation of free cash flow:

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	\$ 66,028	\$ 69,145
Purchases of property, plant, and equipment	(4,033)	(2,089)
Capitalized software development costs	(15,331)	(9,514)
Non-GAAP free cash flow	<u>\$ 46,664</u>	<u>\$ 57,542</u>