

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

<i>(in thousands, except share and per share amounts)</i>	<b>Three Months Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue	\$ 146,103	\$ 109,510	\$ 514,821	\$ 400,291
Cost of revenue <sup>(1)(2)(3)(4)(5)</sup>	<u>29,767</u>	<u>19,074</u>	<u>98,312</u>	<u>71,663</u>
Gross profit	116,336	90,436	416,509	328,628
Operating expenses:				
Sales and marketing <sup>(1)(2)(3)(4)(5)</sup>	84,285	50,922	308,511	189,032
Research and development <sup>(1)(2)(3)(4)(5)</sup>	60,671	35,406	237,290	124,661
General and administrative <sup>(1)(3)(4)(5)</sup>	<u>45,830</u>	<u>25,695</u>	<u>156,635</u>	<u>73,465</u>
Total operating expenses	190,786	112,023	702,436	387,158
Loss from operations	(74,450)	(21,587)	(285,927)	(58,530)
Interest expense, net	(494)	(567)	(2,153)	(2,060)
Change in fair value of Series I redeemable convertible convertible preferred stock warrant liability	-	(27,387)	-	(36,990)
Other income (expense), net	37	649	(843)	420
Loss before benefit from income taxes	(74,907)	(48,892)	(288,923)	(97,160)
Benefit from income taxes	<u>(23,935)</u>	<u>(1,461)</u>	<u>(23,758)</u>	<u>(993)</u>
Net loss	\$ (50,972)	\$ (47,431)	\$ (265,165)	\$ (96,167)
Less: Recognition of beneficial conversion feature on preferred stock as a deemed dividend	-	(2,477)	-	(3,024)
Net loss attributable to common stockholders	\$ (50,972)	\$ (49,908)	\$ (265,165)	\$ (99,191)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.38)	\$ (1.72)	\$ (2.86)	\$ (3.56)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	<u>132,892,072</u>	<u>29,074,828</u>	<u>92,673,453</u>	<u>27,895,546</u>

(1) Includes stock-based compensation expense as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(in thousands)			
Cost of revenue	\$ 1,336	\$ 554	\$ 8,094	\$ 1,722
Sales and marketing	11,470	4,741	68,755	13,385
Research and development	15,413	6,183	85,040	12,930
General and administrative	13,013	10,141	65,272	15,923
Total stock-based compensation expense	\$ 41,232	\$ 21,619	\$ 227,161	\$ 43,960

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

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(in thousands)			
Cost of revenue	\$ 4,264	\$ 1,032	\$ 7,522	\$ 3,315
Sales and marketing	2,251	516	3,600	1,728
Research and development	904	233	2,674	721
Total amortization of acquired intangible assets	\$ 7,419	\$ 1,781	\$ 13,796	\$ 5,764

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

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(in thousands)			
Cost of revenue	\$ 57	\$ 7	\$ 457	\$ 7
Sales and marketing	495	93	2,325	205
Research and development	398	45	2,606	88
General and administrative	242	187	1,127	272
Total employer payroll tax on employee stock transactions	\$ 1,192	\$ 332	\$ 6,515	\$ 572

(4) Includes acquisition-related expenses as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(in thousands)			
Cost of revenue	\$ 2	\$ -	\$ 2	\$ -
Sales and marketing	378	-	488	-
Research and development	906	-	1,348	-
General and administrative	4,528	133	7,442	792
Total acquisition-related expenses	\$ 5,814	\$ 133	\$ 9,280	\$ 792

(5) Includes restructuring-related charges as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(in thousands)			
Cost of revenue	\$ -	\$ -	\$ -	\$ 127
Sales and marketing	-	61	-	1,824
Research and development	-	-	-	1,681
General and administrative	-	-	-	801
Total restructuring-related charges	\$ -	\$ 61	\$ -	\$ 4,433

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

<i>(in thousands)</i>	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 586,108	\$ 379,907
Accounts receivable, net	113,977	77,692
Contract cost asset, current	17,030	13,598
Prepaid expenses and other current assets	35,173	16,772
Total current assets	752,288	487,969
Capitalized software development costs, net	27,062	18,538
Property and equipment, net	36,837	30,252
Right of use assets - finance leases	39,623	42,108
Right of use assets - operating leases	44,052	49,756
Contract cost asset, non-current	25,889	19,454
Intangible assets, net	201,977	33,241
Goodwill	540,922	125,966
Restricted cash, non-current	3,104	3,104
Other assets	18,903	10,379
Total assets	\$ 1,690,657	\$ 820,767
<b>Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)</b>		
Current liabilities		
Accounts payable	\$ 15,490	\$ 9,012
Accrued expenses	65,907	28,492
Deferred revenue, current	301,557	213,438
Other current liabilities	20,750	10,768
Total current liabilities	403,704	261,710
Deferred revenue, non-current	4,024	6,373
Finance lease liabilities, non-current	47,344	48,835
Operating lease liabilities, non-current	41,573	46,558
Other liabilities, non-current	4,723	1,919
Total liabilities	501,368	365,395
Redeemable convertible preferred stock	-	727,474
Stockholders' equity (deficit)		
Common stock	13	3
Additional paid-in capital	1,852,071	124,755
Accumulated other comprehensive (loss) income	(583)	187
Accumulated deficit	(662,212)	(397,047)
Total stockholders' equity (deficit)	1,189,289	(272,102)
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	\$ 1,690,657	\$ 820,767

**Remaining performance obligation:**

The remaining performance obligation was \$602.6 million as of December 31, 2021, approximately 70% of which is expected to be recognized as revenue within 12 months. The remaining performance obligation was \$435.5 million as of December 31, 2020, approximately 71% of which was expected to be recognized as revenue within 12 months.

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

<i>(in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
<b>Operating activities</b>				
Net loss	\$ (50,972)	\$ (47,431)	\$ (265,165)	\$ (96,167)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities				
Stock-based compensation	41,232	21,619	227,161	43,960
Depreciation and amortization	13,107	7,096	36,376	25,994
Change in fair value of Series I redeemable convertible preferred stock warrant liability	-	27,387	-	36,990
Abandonment of long-lived assets	-	654	554	3,505
Noncash operating lease expense	1,969	1,771	7,569	6,578
Unrealized foreign currency (gain) loss, net	(190)	(494)	685	(832)
Deferred income taxes	(24,586)	(1,283)	(24,493)	(1,311)
Changes in operating assets and liabilities, net of effect of business combinations				
Accounts receivable	(37,540)	(22,933)	(34,157)	(19,570)
Deferred contract cost assets	(3,084)	(2,615)	(10,157)	(2,023)
Prepaid expenses and other assets	(8,986)	(4,630)	(16,741)	(6,183)
Accounts payable	4,082	3,175	3,954	724
Accrued expenses and other liabilities	9,492	(6,534)	38,176	(5,433)
Deferred revenue	53,950	38,473	78,671	41,810
Operating lease liabilities	(2,049)	(2,474)	(5,703)	(6,189)
Net cash flow (used in) provided by operating activities	(3,575)	11,781	36,730	21,853
<b>Investing activities</b>				
Purchases of property and equipment	(3,978)	(484)	(12,383)	(7,202)
Capitalized software development costs	(5,073)	(2,361)	(15,248)	(11,764)
Strategic investments	(850)	-	(4,300)	-
Acquisition of businesses, net of cash acquired	(489,847)	(11,220)	(509,837)	(14,545)
Net cash flow used in investing activities	(499,748)	(14,065)	(541,768)	(33,511)
<b>Financing activities</b>				
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	-	9,985	-	177,916
Proceeds from issuance of Series I redeemable convertible preferred stock warrant	-	-	-	11,923
Proceeds from initial public offering	-	-	665,129	-
Proceeds from stock option exercises	7,773	15,516	43,086	31,176
Proceeds from exercise of Series I redeemable convertible preferred stock warrant	-	55,000	-	55,000
Payment of debt issuance costs	-	-	-	(93)
Proceeds from employee stock purchase plan	9,475	-	9,475	-
Payments of deferred offering costs	(34)	(20)	(3,880)	(2,300)
Payment of deferred business acquisition consideration	-	(165)	(475)	(165)
Principal payments under finance lease agreements, net of proceeds from lease incentives	(334)	(290)	(1,509)	(1,340)
Net cash flows provided by financing activities	16,880	80,026	711,826	272,117
Net (decrease) increase in cash, cash equivalents and restricted cash	(486,443)	77,742	206,788	260,459
Effect of exchange rate changes on cash	211	579	(829)	966
Cash, cash equivalents and restricted cash, beginning of period	1,075,444	304,932	383,253	121,828
Cash, cash equivalents and restricted cash, end of period	\$ 589,212	\$ 383,253	\$ 589,212	\$ 383,253

**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:**

	<b>Three Months Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>(dollars in thousands)</b>			
Revenue	\$ 146,103	\$ 109,510	\$ 514,821	\$ 400,291
Gross profit	116,336	90,436	416,509	328,628
Stock-based compensation expense	1,336	554	8,094	1,722
Amortization of acquired intangible assets	4,264	1,032	7,522	3,315
Employer payroll tax on employee stock transactions	57	7	457	7
Acquisition-related expenses	2	-	2	-
Restructuring-related charges	-	-	-	127
Non-GAAP gross profit	<u>\$ 121,995</u>	<u>\$ 92,029</u>	<u>\$ 432,584</u>	<u>\$ 333,799</u>
Gross margin	80%	83%	81%	82%
Non-GAAP gross margin	83%	84%	84%	83%

**Reconciliation of operating expenses to non-GAAP operating expenses:**

	<b>Three Months Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>(dollars in thousands)</b>			
Revenue	\$ 146,103	\$ 109,510	\$ 514,821	\$ 400,291
GAAP sales and marketing	84,285	50,922	308,511	189,032
Stock-based compensation expense	(11,470)	(4,741)	(68,755)	(13,385)
Amortization of acquired intangible assets	(2,251)	(516)	(3,600)	(1,728)
Employer payroll tax on employee stock transactions	(495)	(93)	(2,325)	(205)
Acquisition-related expenses	(378)	-	(488)	-
Restructuring-related charges	-	(61)	-	(1,824)
Non-GAAP sales and marketing	<u>\$ 69,691</u>	<u>\$ 45,511</u>	<u>\$ 233,343</u>	<u>\$ 171,890</u>
GAAP sales and marketing as a percentage of revenue	58%	46%	60%	47%
Non-GAAP sales and marketing as a percentage of revenue	48%	42%	45%	43%
GAAP research and development	60,671	35,406	237,290	124,661
Stock-based compensation expense	(15,413)	(6,183)	(85,040)	(12,930)
Amortization of acquired intangible assets	(904)	(233)	(2,674)	(721)
Employer payroll tax on employee stock transactions	(398)	(45)	(2,606)	(88)
Acquisition-related expenses	(906)	-	(1,348)	-
Restructuring-related charges	-	-	-	(1,681)
Non-GAAP research and development	<u>\$ 43,050</u>	<u>\$ 28,945</u>	<u>\$ 145,622</u>	<u>\$ 109,241</u>
GAAP research and development as a percentage of revenue	42%	32%	46%	31%
Non-GAAP research and development as a percentage of revenue	29%	26%	28%	27%

GAAP general and administrative	45,830	25,695	156,635	73,465
Stock-based compensation expense	(13,013)	(10,141)	(65,272)	(15,923)
Employer payroll tax on employee stock transactions	(242)	(187)	(1,127)	(272)
Acquisition-related expenses	(4,528)	(133)	(7,442)	(792)
Restructuring-related charges	-	-	-	(801)
Non-GAAP general and administrative	\$ 28,047	\$ 15,234	\$ 82,794	\$ 55,677
GAAP general and administrative as a percentage of revenue	31%	23%	30%	18%
Non-GAAP general and administrative as a percentage of revenue	19%	14%	16%	14%

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

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(dollars in thousands)			
Revenue	\$ 146,103	\$ 109,510	\$ 514,821	\$ 400,291
Loss from operations	(74,450)	(21,587)	(285,927)	(58,530)
Stock-based compensation expense	41,232	21,619	227,161	43,960
Amortization of acquired intangible assets	7,419	1,781	13,796	5,764
Employer payroll tax on employee stock transactions	1,192	332	6,515	572
Acquisition-related expenses	5,814	133	9,280	792
Restructuring-related charges	-	61	-	4,433
Non-GAAP (loss) profit from operations	\$ (18,793)	\$ 2,339	\$ (29,175)	\$ (3,009)
Operating margin	(51%)	(20%)	(56%)	(15%)
Non-GAAP operating margin	(13%)	2%	(6%)	(1%)

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

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(dollars in thousands)			
Revenue	\$ 146,103	\$ 109,510	\$ 514,821	\$ 400,291
Net loss	(50,972)	(47,431)	(265,165)	(96,167)
Stock-based compensation expense	41,232	21,619	227,161	43,960
Amortization of acquired intangible assets	7,419	1,781	13,796	5,764
Employer payroll tax on employee stock transactions	1,192	332	6,515	572
Acquisition-related expenses	5,814	133	9,280	792
Restructuring-related charges	-	61	-	4,433
Income tax effect of non-GAAP items	(24,151)	(1,376)	(24,151)	(1,376)
Non-GAAP net loss	\$ (19,466)	\$ (24,881)	\$ (32,564)	\$ (42,022)

**Numerator:**

Non-GAAP net loss	\$ (19,466)	\$ (24,881)	\$ (32,564)	\$ (42,022)
Less: Recognition of beneficial conversion feature on preferred stock as a deemed dividend	-	(2,477)	-	(3,024)
Non-GAAP net loss attributable to common stockholders	\$ (19,466)	\$ (27,358)	\$ (32,564)	\$ (45,046)

**Denominator:**

Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	132,892,072	29,074,828	92,673,453	27,895,546
GAAP net loss per share, basic and diluted	\$ (0.38)	\$ (1.72)	\$ (2.86)	\$ (3.56)
Non-GAAP net loss per share, basic and diluted	\$ (0.15)	\$ (0.94)	\$ (0.35)	\$ (1.61)

**Computation of free cash flow:**

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(dollars in thousands)			
Net cash (used in) provided by operating activities	\$ (3,575)	\$ 11,781	\$ 36,730	\$ 21,853
Purchases of property and equipment	(3,978)	(484)	(12,383)	(7,202)
Capitalized software development costs	(5,073)	(2,361)	(15,248)	(11,764)
Non-GAAP free cash flow	\$ (12,626)	\$ 8,936	\$ 9,099	\$ 2,887