

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

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands, except share and per share amounts)</b>	
Revenue	\$ 269,428	\$ 213,526
Cost of revenue <sup>(1)(2)(3)</sup>	45,723	40,202
Gross profit	223,705	173,324
Operating expenses		
Sales and marketing <sup>(1)(2)(3)(4)</sup>	120,994	117,363
Research and development <sup>(1)(2)(3)(4)</sup>	70,599	80,036
General and administrative <sup>(1)(3)</sup>	51,018	45,188
Total operating expenses	242,611	242,587
Loss from operations	(18,906)	(69,263)
Interest income	5,938	4,948
Interest expense	(479)	(496)
Accretion income, net	3,088	1,632
Other expense, net	(344)	(210)
Loss before provision for income taxes	(10,703)	(63,389)
Provision for income taxes	263	58
Net loss	\$ (10,966)	\$ (63,447)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.08)	\$ (0.45)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	145,476,006	139,646,465

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

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Cost of revenue	\$ 3,185	\$ 2,496
Sales and marketing	13,020	13,104
Research and development	13,735	19,781
General and administrative	11,729	10,475
<b>Total stock-based compensation expense*</b>	<b>\$ 41,669</b>	<b>\$ 45,856</b>

*\*Includes amortization of capitalized stock-based compensation of \$1.5 million and \$0.9 million, respectively, for the three months ended March 31, 2024 and 2023 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,	
	2024	2023
	(in thousands)	
Cost of revenue	\$ 5,885	\$ 5,493
Sales and marketing	3,106	3,107
Research and development	675	734
<b>Total amortization of acquired intangible assets</b>	<b>\$ 9,666</b>	<b>\$ 9,334</b>

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

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Cost of revenue	\$ 212	\$ 167
Sales and marketing	1,264	999
Research and development	1,668	1,356
General and administrative	1,045	632
<b>Total employer payroll tax on employee stock transactions</b>	<b>\$ 4,189</b>	<b>\$ 3,154</b>

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

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Sales and marketing	\$ 448	\$ 906
Research and development	—	5,984
<b>Total acquisition-related expenses</b>	<b>\$ 448</b>	<b>\$ 6,890</b>

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>(in thousands)</b>		
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 427,656	\$ 357,790
Marketable securities	316,963	320,161
Accounts receivable, net	138,996	206,644
Contract cost asset, current	29,618	28,718
Prepaid expenses and other current assets	41,707	42,421
Total current assets	954,940	955,734
Capitalized software development costs, net	88,409	83,045
Property and equipment, net	35,417	36,258
Right of use assets - finance leases	33,712	34,375
Right of use assets - operating leases	36,727	44,141
Contract cost asset, non-current	43,757	44,564
Intangible assets, net	127,747	137,546
Goodwill	539,131	539,354
Other assets	18,870	18,551
Total assets	\$ 1,878,710	\$ 1,893,568
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 16,446	\$ 13,177
Accrued expenses	67,008	100,075
Deferred revenue, current	487,944	501,903
Other current liabilities	23,585	27,275
Total current liabilities	594,983	642,430
Deferred revenue, non-current	7,403	7,692
Finance lease liabilities, non-current	43,076	43,581
Operating lease liabilities, non-current	33,691	37,923
Other liabilities, non-current	5,876	6,332
Total liabilities	685,029	737,958
Stockholders' equity		
Common stock	15	15
Additional paid-in capital	2,345,537	2,295,807
Accumulated other comprehensive loss	(2,068)	(1,375)
Accumulated deficit	(1,149,803)	(1,138,837)
Total stockholders' equity	1,193,681	1,155,610
Total liabilities and stockholders' equity	\$ 1,878,710	\$ 1,893,568

**Remaining performance obligation:**

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

	<b>March 31,</b>		<b>Change</b>	
	<b>2024</b>	<b>2023</b>	<b>Dollar</b>	<b>Percent</b>
	(dollars in thousands)			
<b>Remaining performance obligations</b>				
Current	\$ 704,656	\$ 586,158	\$ 118,498	20%
Non-current	302,159	219,316	82,843	38%
Total remaining performance obligations	\$ 1,006,815	\$ 805,474	\$ 201,341	25%

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

**Three Months Ended March 31,**

**2024**

**2023**

(in thousands)

<b>Operating activities</b>		
Net loss	\$ (10,966)	\$ (63,447)
Adjustments to reconcile net loss to net cash provided by operating activities		
Stock-based compensation	40,132	44,938
Depreciation and amortization	20,051	16,874
Accretion of discounts on marketable debt securities, net	(3,088)	(1,632)
Abandonment of long-lived assets	268	441
Noncash operating lease expense	2,734	2,628
Unrealized foreign currency loss, net	1,079	408
Deferred income taxes	1	2
Provision for credit losses	189	1,726
Increase in fair value of strategic investments	(759)	(36)
Changes in operating assets and liabilities, net of effect of asset acquisition		
Accounts receivable	68,013	42,948
Deferred contract cost assets	(427)	(460)
Prepaid expenses and other assets	(684)	4,549
Accounts payable	3,155	4,648
Accrued expenses and other liabilities	(34,154)	(28,181)
Deferred revenue	(14,108)	6,489
Operating lease liabilities	(2,291)	(2,620)
Net cash provided by operating activities	<u>69,145</u>	<u>29,275</u>
<b>Investing activities</b>		
Purchases of property and equipment	(2,089)	(2,173)
Capitalized software development costs	(9,514)	(7,951)
Purchases of strategic investments	(210)	(149)
Purchases of marketable securities	(101,434)	(89,996)
Maturities of marketable securities	107,301	103,909
Originations of materials financing	—	(9,077)
Customer repayments of materials financing	1,281	5,358
Asset acquisition, net of cash acquired	(5)	—
Net cash used in investing activities	<u>(4,670)</u>	<u>(79)</u>
<b>Financing activities</b>		
Proceeds from stock option exercises	7,125	3,722
Principal payments under finance lease agreements, net of proceeds from lease incentives	(449)	(410)
Net cash provided by financing activities	<u>6,676</u>	<u>3,312</u>
Net increase in cash, cash equivalents, and restricted cash	71,151	32,508
Effect of exchange rate changes on cash	(1,285)	(256)
Cash, cash equivalents, and restricted cash, beginning of period	357,790	299,816
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 427,656</u>	<u>\$ 332,068</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,	
	2024	2023
	(dollars in thousands)	
Revenue	\$ 269,428	\$ 213,526
Gross profit	223,705	173,324
Stock-based compensation expense	3,185	2,496
Amortization of acquired technology intangible assets	5,885	5,493
Employer payroll tax on employee stock transactions	212	167
Non-GAAP gross profit	\$ 232,987	\$ 181,480
Gross margin	83%	81%
Non-GAAP gross margin	86%	85%

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

	Three Months Ended March 31,	
	2024	2023
	(dollars in thousands)	
Revenue	\$ 269,428	\$ 213,526
GAAP sales and marketing	120,994	117,363
Stock-based compensation expense	(13,020)	(13,104)
Amortization of acquired intangible assets	(3,106)	(3,107)
Employer payroll tax on employee stock transactions	(1,264)	(999)
Acquisition-related expenses	(448)	(906)
Non-GAAP sales and marketing	\$ 103,156	\$ 99,247
GAAP sales and marketing as a percentage of revenue	45%	55%
Non-GAAP sales and marketing as a percentage of revenue	38%	46%
GAAP research and development	\$ 70,599	\$ 80,036
Stock-based compensation expense	(13,735)	(19,781)
Amortization of acquired intangible assets	(675)	(734)
Employer payroll tax on employee stock transactions	(1,668)	(1,356)
Acquisition-related expenses	—	(5,984)
Non-GAAP research and development	\$ 54,521	\$ 52,181
GAAP research and development as a percentage of revenue	26%	37%
Non-GAAP research and development as a percentage of revenue	20%	24%
GAAP general and administrative	\$ 51,018	\$ 45,188
Stock-based compensation expense	(11,729)	(10,475)
Employer payroll tax on employee stock transactions	(1,045)	(632)
Non-GAAP general and administrative	\$ 38,244	\$ 34,081
GAAP general and administrative as a percentage of revenue	19%	21%
Non-GAAP general and administrative as a percentage of revenue	14%	16%

**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,	
	2024	2023
	(dollars in thousands)	
Revenue	\$ 269,428	\$ 213,526
Loss from operations	(18,906)	(69,263)
Stock-based compensation expense	41,669	45,856
Amortization of acquired intangible assets	9,666	9,334
Employer payroll tax on employee stock transactions	4,189	3,154
Acquisition-related expenses	448	6,890
Non-GAAP income (loss) from operations	\$ 37,066	\$ (4,029)
Operating margin	(7%)	(32%)
Non-GAAP operating margin	14%	(2%)

**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,	
	2024	2023
	(in thousands, except share and per share amounts)	
Revenue	\$ 269,428	\$ 213,526
Net loss	(10,966)	(63,447)
Stock-based compensation expense	41,669	45,856
Amortization of acquired intangible assets	9,666	9,334
Employer payroll tax on employee stock transactions	4,189	3,154
Acquisition-related expenses	448	6,890
Non-GAAP net income	\$ 45,006	\$ 1,787

**Numerator:**

Non-GAAP net income	\$ 45,006	\$ 1,787
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**Denominator:**

Weighted-average shares used in computing net loss per share attributable to common stockholders, basic	145,476,006	139,646,465
Effect of dilutive securities: Employee stock awards	5,708,299	6,707,822
Weighted-average shares used in computing net income per share attributable to common stockholders, diluted	151,184,305	146,354,287

GAAP net loss per share, basic	\$ (0.08)	\$ (0.45)
GAAP net loss per share, diluted	\$ (0.08)	\$ (0.45)
Non-GAAP net income per share, basic	\$ 0.31	\$ 0.01
Non-GAAP net income per share, diluted	\$ 0.30	\$ 0.01

**Computation of free cash flow:****Three Months Ended March 31,****2024****2023****(in thousands)**

Net cash provided by operating activities	\$	69,145	\$	29,275
Purchases of property, plant, and equipment		(2,089)		(2,173)
Capitalized software development costs		(9,514)		(7,951)
Non-GAAP free cash flow	\$	57,542	\$	19,151