

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

(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
Revenue	\$ 96,553	\$ 122,790	\$ 188,890	\$ 236,728
Cost of revenue ⁽¹⁾⁽²⁾⁽³⁾	17,069	25,493	34,526	45,852
Gross profit	79,484	97,297	154,364	190,876
Operating expenses:				
Sales and marketing ⁽¹⁾⁽²⁾⁽³⁾	42,638	99,905	90,700	153,870
Research and development ⁽¹⁾⁽²⁾⁽³⁾	26,518	88,627	54,751	123,172
General and administrative ⁽¹⁾⁽³⁾	13,467	57,827	29,450	75,754
Total operating expenses	82,623	246,359	174,901	352,796
Loss from operations	(3,139)	(149,062)	(20,537)	(161,920)
Interest expense, net	(538)	(576)	(920)	(1,138)
Change in fair value of Series I redeemable convertible preferred stock warrant liability	(10,605)	—	(10,605)	—
Other income (expense), net	741	(44)	(477)	(227)
Loss before provision for income taxes	(13,541)	(149,682)	(32,539)	(163,285)
Provision for income taxes	208	37	244	166
Net loss	\$ (13,749)	\$ (149,719)	\$ (32,783)	\$ (163,451)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.50)	\$ (2.04)	\$ (1.22)	\$ (3.11)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	27,346,530	73,539,568	26,893,572	52,564,840

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
	<i>(in thousands)</i>			
Cost of revenue	\$ 268	\$ 4,918	\$ 535	\$ 6,079
Sales and marketing	3,115	42,855	5,234	46,107
Research and development	1,912	51,317	3,849	54,563
General and administrative	1,331	38,353	2,708	40,997
Total stock-based compensation expense	\$ 6,626	\$ 137,443	\$ 12,326	\$ 147,746

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
	<i>(in thousands)</i>			
Cost of revenue	\$ 761	\$ 1,086	\$ 1,522	\$ 2,172
Sales and marketing	404	466	808	945
Research and development	183	680	305	863
Total amortization of acquired intangible assets	\$ 1,348	\$ 2,232	\$ 2,635	\$ 3,980

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
	(in thousands)			
Cost of revenue	\$ —	\$ 330	\$ —	\$ 334
Sales and marketing	7	1,215	76	1,357
Research and development	20	1,748	35	1,822
General and administrative	25	635	27	715
Total employer payroll tax on employee stock transactions	\$ 52	\$ 3,928	\$ 138	\$ 4,228

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

<i>(in thousands)</i>	December 31, 2020	June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 379,907	\$ 1,060,512
Accounts receivable, net	77,692	66,782
Contract cost asset, current	13,598	15,324
Prepaid expenses and other current assets	16,772	23,243
Total current assets	487,969	1,165,861
Capitalized software development costs, net	18,538	18,946
Property and equipment, net	30,252	31,470
Right of use assets - finance leases	42,108	40,770
Right of use assets - operating leases	49,756	46,094
Contract cost asset, non-current	19,454	22,749
Intangibles, net	33,241	43,935
Goodwill	125,966	137,335
Restricted cash, non-current	3,104	3,104
Other assets	10,379	7,883
Total assets	\$ 820,767	\$ 1,518,147
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' (Deficit) Equity		
Current liabilities		
Accounts payable	\$ 9,012	\$ 6,513
Accrued expenses	28,492	42,964
Deferred revenue, current	213,438	226,151
Other current liabilities	10,768	11,953
Total current liabilities	261,710	287,581
Deferred revenue, non-current	6,373	4,612
Finance lease liabilities, non-current	48,835	48,003
Operating lease liabilities, non-current	46,558	43,601
Other liabilities, non-current	1,919	7,688
Total liabilities	365,395	391,485
Redeemable convertible preferred stock	727,474	—
Stockholders' (deficit) equity		
Common stock	3	13
Additional paid-in capital	124,755	1,687,184
Accumulated other comprehensive income (loss)	187	(37)
Accumulated deficit	(397,047)	(560,498)
Total stockholders' (deficit) equity	(272,102)	1,126,662
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity	\$ 820,767	\$ 1,518,147

Remaining performance obligation:

The remaining performance obligation was \$478.4 million as of June 30, 2021, approximately 72% of which is expected to be recognized as revenue within 12 months. The remaining performance obligation was \$379.3 million as of June 30, 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 June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
Operating activities				
Net loss	\$ (13,749)	\$ (149,719)	\$ (32,783)	\$ (163,451)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities				
Stock-based compensation	6,626	137,443	12,326	147,746
Depreciation and amortization	6,405	7,819	12,397	15,120
Change in fair value of Series I redeemable convertible preferred stock warrant liability	10,605	—	10,605	—
Abandonment of long-lived assets	658	—	966	554
Noncash lease expense	1,601	1,869	3,150	3,735
Unrealized foreign currency (gain) loss, net	(1,392)	86	(370)	691
Deferred income taxes	—	(72)	—	(99)
Changes in operating assets and liabilities, net of effect of business combinations				
Accounts receivable	(10,138)	(9,610)	6,484	11,113
Deferred contract cost assets	634	(3,500)	796	(5,062)
Prepaid expenses and other assets	1,449	(1,122)	(123)	(5,723)
Accounts payable	(1,850)	608	(88)	(2,908)
Accrued expenses and other liabilities	730	9,420	(11,498)	14,535
Deferred revenue	(5,664)	4,206	(776)	10,845
Operating lease liabilities	(1,513)	(557)	(2,046)	(1,929)
Net cash flow (used in) provided by operating activities	(5,598)	(3,129)	(960)	25,167
Investing activities				
Purchases of property and equipment	(2,051)	(1,801)	(5,311)	(4,194)
Capitalized software development costs	(2,961)	(3,523)	(6,930)	(5,716)
Strategic investments	—	(3,450)	—	(3,450)
Acquisition of businesses, net of cash acquired	—	(19,982)	(3,325)	(19,982)
Net cash flow used in investing activities	(5,012)	(28,756)	(15,566)	(33,342)
Financing activities				
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	4,942	—	157,942	—
Proceeds from issuance of Series I redeemable convertible preferred stock warrant	—	—	11,923	—
Proceeds from initial public offering, net of underwriting commissions and discounts	—	665,129	—	665,129
Proceeds from stock option exercises	4,332	17,499	10,059	29,126
Payment of debt issuance costs	(61)	—	(80)	—
Payments of deferred offering costs	(640)	(2,987)	(2,216)	(3,527)
Payment of deferred business acquisition consideration	—	(475)	—	(475)
Principal payments under finance lease agreements, net of proceeds from lease incentives	(387)	(428)	(658)	(742)
Net cash flow provided by financing activities	8,186	678,738	176,970	689,511
Net (decrease) increase in cash, cash equivalents and restricted cash	(2,424)	646,853	160,444	681,336
Effect of exchange rate changes on cash	1,404	(102)	336	(731)
Cash, cash equivalents and restricted cash, beginning of period	283,628	417,107	121,828	383,253
Cash, cash equivalents and restricted cash, end of period	\$ 282,608	\$ 1,063,858	\$ 282,608	\$ 1,063,858

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 June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
	(dollars in thousands)			
Revenue	\$ 96,553	\$ 122,790	\$ 188,890	\$ 236,728
Gross profit	79,484	97,297	154,364	190,876
Stock-based compensation expense	268	4,918	535	6,079
Amortization of acquired technology intangible assets	761	1,086	1,522	2,172
Employer payroll tax on employee stock transactions	—	330	—	334
Non-GAAP gross profit	\$ 80,513	\$ 103,631	\$ 156,421	\$ 199,461
Gross margin	82%	79%	82%	81%
Non-GAAP gross margin	83%	84%	83%	84%

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2021	2020	2021
	(dollars in thousands)			
Revenue	\$ 96,553	\$ 122,790	\$ 188,890	\$ 236,728
Loss from operations	(3,139)	(149,062)	(20,537)	(161,920)
Stock-based compensation expense	6,626	137,443	12,326	147,746
Amortization of acquired intangible assets	1,348	2,232	2,635	3,980
Employer payroll tax on employee stock transactions	52	3,928	138	4,228
Non-GAAP income (loss) from operations	\$ 4,887	\$ (5,459)	\$ (5,438)	\$ (5,966)
Operating margin	(3%)	(121%)	(11%)	(68%)
Non-GAAP operating margin	5%	(4%)	(3%)	(3%)