Procore Technologies, Inc. Condensed Consolidated Statements of Operations

(unaudited)

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: 88,627 54,751 123,870 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	(in thousands, except share and per share amounts)	Three Months Ended June 30,					Six Months Ended June 30,					
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 Ne			2020		2021		2020		2021			
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 per share attributable to common stockholders, (13,749) (149,719) (32,783) (163,451) <	Revenue	\$	96,553	\$	122,790	\$	188,890	\$	236,728			
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 per share attributable to common stockholders, \$ (13,749) \$ (149,719) \$ (32,783) \$ (163,451)	Cost of revenue (1)(2)(3)		17,069		25,493		34,526		45,852			
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 per share attributable to common stockholders, \$ (13,749) \$ (149,719) \$ (32,783) \$ (163,451)	Gross profit		79,484		97,297		154,364		190,876			
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)	Operating expenses:											
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)	Sales and marketing (1)(2)(3)		42,638		99,905		90,700		153,870			
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,	Research and development (1)(2)(3)		26,518		88,627		54,751		123,172			
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,	General and administrative (1)(3)		13,467		57,827		29,450		75,754			
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,	Total operating expenses	· · ·	82,623		246,359		174,901		352,796			
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,	Loss from operations		(3,139)		(149,062)		(20,537)		(161,920)			
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,	Interest expense, net		(538)		(576)		(920)		(1,138)			
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,	Change in fair value of Series I redeemable convertible											
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,	preferred stock warrant liability		(10,605)		_		(10,605)					
Provision for income taxes $\frac{208}{\$ (13,749)} \frac{37}{\$ (149,719)} \frac{244}{\$ (32,783)} \frac{166}{\$ (163,451)}$ Net loss per share attributable to common stockholders,	Other income (expense), net		741		(44)		(477)		(227)			
Net loss $\frac{\$ (13,749)}{\text{Net loss per share attributable to common stockholders,}} \frac{\$ (13,749)}{\$ (149,719)} \frac{\$ (32,783)}{\$ (163,451)}$	Loss before provision for income taxes		(13,541)		(149,682)		(32,539)		(163,285)			
Net loss per share attributable to common stockholders,	Provision for income taxes		208		37		244		166			
·	Net loss	\$	(13,749)	\$	(149,719)	\$	(32,783)	\$	(163,451)			
basic and diluted \$ (0.50) \$ (2.04) \$ (1.22) \$ (3.11)	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 <u>27,346,530</u> <u>73,539,568</u> <u>26,893,572</u> <u>52,564,840</u>	diluted	27	7,346,530	_ 7	3,539,568	2	6,893,572	5	2,564,840			

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

	Three Months Ended June 30,				ided			
	2020		2021			2020		2021
				(in thou	usand	s)		
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
			<u></u>	(in thou	ısand	s)		
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:

	Three Months Ended June 30,					Six Months Ended June 30,					
	2020		2021		2020			2021			
				(in thou	ısands)					
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)

(in thousands)	De	cember 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)

Properting activities 10	(unau	idited)					Circ Months Fundad				
Detail D									naea		
Net loss	(in thousands)			,				,	2021		
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 — 966 554 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) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 681 Unrealized foreign currency (gain) loss, net (1,392) 86 (370) 796 (5,662) Prepaid expenses and dibarlities, net of effect of business combinations (1,494) (1,122) (123) (5,723) Accounts payable (1,850) 608 (88) (2,908) (2,908) Deferred contract cost assets (1,499) (1,1850) 608 (88) (2,908) Deferred revenue (5,664) 4,206 (776) 10,845 (2,904) (1,189) Unrealized expenses and other liabilities (1,533) (5,564) (1,533) (5,571) (1,945) Unrealized foreign lease liabilities (1,533) (5,598) (3,129) (960) 25,167 Unreasing activities (5,598) (3,129) (960) 25,167 Unreasing activities (1,534) (1,	Operating activities	-									
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 — 966 554 556 966 554 556 658 — 966 554 556 658 — 966 554 556 658 — 966 554 556 658 — 966 554 658 554 658 — 966 554 658 658 — 966 554 658 — 966 554 658 — 966 554 658 — 966 554 658 — 966 554 658 554 658 554 658 554 658 554 658	Net loss	\$	(13,749)	\$	(149,719)	\$	(32,783)	\$	(163,451)		
Stock-based compensation	Adjustments to reconcile net loss to net cash (used in)										
Depreciation and amortization 6,405 7,819 12,397 15,120	provided by operating activities										
Change in fair value of Series I redeemable convertible preferred stock warrant liability 10,605	Stock-based compensation		6,626		137,443		12,326		147,746		
Department of long-lived assets	Depreciation and amortization		6,405		7,819		12,397		15,120		
Abandonment of long-lived assets 658	Change in fair value of Series I redeemable convertible										
Noncash lease expense	preferred stock warrant liability		10,605		_						
Deferred income taxes	-				_						
Deferred income taxes					1,869						
Changes in operating assets and liabilities, net of effect of business combinations Accounts receivable (10,138) (9,610) 6,484 11,113	Unrealized foreign currency (gain) loss, net		(1,392)		86		(370)		691		
Accounts receivable Accounts payable Accounts p	Deferred income taxes		_		(72)		_		(99)		
Deferred contract cost assets											
Prepaid expenses and other assets	Accounts receivable		(10, 138)		(9,610)		6,484		11,113		
Accounts payable	Deferred contract cost assets		634		(3,500)		796		(5,062)		
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 (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 - (19,982) (19,982) (19,982) Financing activities - (19,982) (19,982) (19,982) (19,982) Financ	Prepaid expenses and other assets		1,449		(1,122)		(123)		(5,723)		
Deferred revenue	Accounts payable		(1,850)		608		(88)		(2,908)		
Operating lease liabilities	Accrued expenses and other liabilities		730		9,420		(11,498)		14,535		
Net cash flow (used in) provided by operating activities (5,598) (3,129) (960) 25,167	Deferred revenue		(5,664)		4,206		(776)		10,845		
Investing activities (5,598) (3,129) (960) 25,167 Investing activities Furchases 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) - (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 Froceeds from issuance of redeemable convertible preferred stock, net of issuance costs 4,942 - (157,942 - (19,982)	Operating lease liabilities		(1,513)		(557)		(2,046)		(1,929)		
Purchases of property and equipment	Net cash flow (used in) provided by operating	<u> </u>							_		
Purchases of property and equipment	activities		(5,598)		(3,129)		(960)		25,167		
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 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 incent	Investing activities										
Strategic investments	Purchases of property and equipment		(2,051)		(1,801)		(5,311)		(4,194)		
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 (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	Capitalized software development costs		(2,961)		(3,523)		(6,930)		(5,716)		
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 — 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	Strategic investments		_		(3,450)		_		(3,450)		
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 Proceeds from initial public offering, net of underwriting commissions and discounts 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 Principal payments under finance lease agreements, net of proceeds from lease incentives Net cash flow provided by financing activities Net (decrease) increase in cash, cash equivalents and restricted cash Effect of exchange rate changes on cash Cash, cash equivalents and restricted cash, beginning of period 283,628 417,107 121,828 383,253	Acquisition of businesses, net of cash acquired		_		(19,982)		(3,325)		(19,982)		
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 Proceeds from initial public offering, net of underwriting commissions and discounts 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 Principal payments under finance lease agreements, net of proceeds from lease incentives Net cash flow provided by financing activities Net (decrease) increase in cash, cash equivalents and restricted cash Effect of exchange rate changes on cash Cash, cash equivalents and restricted cash, beginning of period 283,628 417,107 121,828 383,253	Net cash flow used in investing activities	Ÿ	(5,012)	Ÿ	(28,756)	-	(15,566)	·	(33,342)		
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 Proceeds from initial public offering, net of underwriting commissions and discounts 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 Principal payments under finance lease agreements, net of proceeds from lease incentives Net cash flow provided by financing activities Net (decrease) increase in cash, cash equivalents and restricted cash Effect of exchange rate changes on cash Cash, cash equivalents and restricted cash, beginning of period 283,628 417,107 121,828 383,253	Financing activities						_				
Proceeds from issuance of Series I redeemable convertible preferred stock warrant — — — — — — — — — — — — — — — — — — —											
preferred stock warrant — — — — — — — — — — — — — — — — — — —	preferred stock, net of issuance costs		4,942		_		157,942		_		
Proceeds from initial public offering, net of underwriting commissions and discounts 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 Net cash flow provided by financing activities Net (decrease) increase in cash, cash equivalents and restricted cash Effect of exchange rate changes on cash Cash, cash equivalents and restricted cash, beginning of period 283,628 417,107 121,828 383,253	Proceeds from issuance of Series I redeemable convertible										
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	preferred stock warrant		_		_		11,923				
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	Proceeds from initial public offering, net of underwriting										
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 (2,424) (102) 336 (731) Cash, cash equivalents and restricted cash, beginning of period 283,628 417,107 121,828 383,253			_		•		_				
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 (2,424) (102) 336 (731) Cash, cash equivalents and restricted cash, beginning of period 283,628 417,107 121,828 383,253			4,332		17,499				29,126		
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					_				_		
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	<u> </u>		(640)				(2,216)				
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	·		_		(475)		_		(475)		
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											
Net (decrease) increase in cash, cash equivalents and restricted cash Effect of exchange rate changes on cash Cash, cash equivalents and restricted cash, beginning of period Net (decrease) increase in cash, cash equivalents and (2,424) 646,853 160,444 681,336 (731) 1,404 (102) 336 (731) 283,628 417,107 121,828 383,253											
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			8,186		678,738		176,970		689,511		
Effect of exchange rate changes on cash Cash, cash equivalents and restricted cash, beginning of period 1,404 (102) 336 (731) 283,628 417,107 121,828 383,253											
Cash, cash equivalents and restricted cash, beginning of period 283,628 417,107 121,828 383,253											
period <u>283,628</u> <u>417,107</u> <u>121,828</u> <u>383,253</u>			1,404		(102)		336		(731)		
Cash, cash equivalents and restricted cash, end of period <u>\$ 282,608</u> <u>\$ 1,063,858</u> <u>\$ 282,608</u> <u>\$ 1,063,858</u>			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 Month June	nded	
	 2020		2021		2020		2021
			(dollars in t	hous	ands)		
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 Mont June		Ended		Six Month June		nded
	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%)