

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

<i>(in thousands, except share and per share amounts)</i>	Three Months Ended March 31,	
	2022	2021
Revenue	\$ 159,516	\$ 113,938
Cost of revenue ⁽¹⁾⁽²⁾⁽³⁾	<u>33,332</u>	<u>20,359</u>
Gross profit	126,184	93,579
Operating expenses:		
Sales and marketing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	93,915	53,965
Research and development ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	60,254	34,545
General and administrative ⁽¹⁾⁽³⁾⁽⁴⁾	<u>43,152</u>	<u>17,927</u>
Total operating expenses	197,321	106,437
Loss from operations	(71,137)	(12,858)
Interest expense, net	(491)	(562)
Other income (expense), net	543	(183)
Loss before provision for income taxes	(71,085)	(13,603)
Provision for income taxes	<u>334</u>	<u>129</u>
Net loss	\$ (71,419)	\$ (13,732)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.53)	\$ (0.44)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	<u>134,530,010</u>	<u>31,357,060</u>

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

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Cost of revenue	\$ 1,458	\$ 1,161
Sales and marketing	10,296	3,252
Research and development	13,008	3,246
General and administrative	12,447	2,644
Total stock-based compensation expense	<u>\$ 37,209</u>	<u>\$ 10,303</u>

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

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Cost of revenue	\$ 5,654	\$ 1,086
Sales and marketing	3,106	479
Research and development	902	183
Total amortization of acquired intangible assets	<u>\$ 9,662</u>	<u>\$ 1,748</u>

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

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Cost of revenue	\$ 81	\$ 4
Sales and marketing	608	142
Research and development	1,027	74
General and administrative	545	80
Total employer payroll tax on employee stock transactions	<u>\$ 2,261</u>	<u>\$ 300</u>

(4) Includes acquisition-related expenses as follows:

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Sales and marketing	\$ 207	\$ -
Research and development	1,101	-
General and administrative	1,038	-
Total acquisition-related expenses	<u>\$ 2,346</u>	<u>\$ -</u>

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

<i>(in thousands)</i>	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 586,914	\$ 586,108
Accounts receivable, net	79,777	113,977
Contract cost asset, current	18,358	17,030
Prepaid expenses and other current assets	40,730	35,173
Total current assets	<u>725,779</u>	<u>752,288</u>
Capitalized software development costs, net	34,898	27,062
Property and equipment, net	40,047	36,837
Right of use assets - finance leases	38,948	39,623
Right of use assets - operating leases	47,245	44,052
Contract cost asset, non-current	28,735	25,889
Intangible assets, net	192,501	201,977
Goodwill	540,024	540,922
Other assets	24,087	22,007
Total assets	<u>\$ 1,672,264</u>	<u>\$ 1,690,657</u>
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 14,408	\$ 15,490
Accrued expenses	58,892	65,907
Deferred revenue, current	310,000	301,557
Other current liabilities	25,316	20,750
Total current liabilities	<u>408,616</u>	<u>403,704</u>
Deferred revenue, non-current	4,166	4,024
Finance lease liabilities, non-current	46,952	47,344
Operating lease liabilities, non-current	43,820	41,573
Other liabilities, non-current	4,325	4,723
Total liabilities	<u>507,879</u>	<u>501,368</u>
Stockholders' equity		
Common stock	13	13
Additional paid-in capital	1,898,241	1,852,071
Accumulated other comprehensive loss	(238)	(583)
Accumulated deficit	(733,631)	(662,212)
Total stockholders' equity	<u>1,164,385</u>	<u>1,189,289</u>
Total liabilities, redeemable convertible preferred stock and stockholders' equity	<u>\$ 1,672,264</u>	<u>\$ 1,690,657</u>

Remaining performance obligation:

The remaining performance obligation was \$626.7 million as of March 31, 2022, approximately 71% of which is expected to be recognized as revenue within 12 months. The remaining performance obligation was \$449.9 million as of March 31, 2021, approximately 73% 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 March 31,	
	2022	2021
Operating activities		
Net loss	\$ (71,419)	\$ (13,732)
Adjustments to reconcile net loss to net cash provided by operating activities		
Stock-based compensation	37,209	10,303
Depreciation and amortization	15,147	7,301
Abandonment of long-lived assets	-	554
Noncash lease expense	2,156	1,866
Unrealized foreign currency (gain) loss, net	(477)	605
Deferred income taxes	(352)	(27)
Changes in operating assets and liabilities		
Accounts receivable	34,125	20,723
Deferred contract cost assets	(4,066)	(1,562)
Prepaid expenses and other assets	(4,925)	(4,601)
Accounts payable	339	(3,516)
Accrued expenses and other liabilities	(4,357)	5,115
Deferred revenue	8,774	6,639
Operating lease liabilities	(1,870)	(1,372)
Net cash flow provided by operating activities	<u>10,284</u>	<u>28,296</u>
Investing activities		
Purchases of property and equipment	(7,525)	(2,393)
Capitalized software development costs	(7,632)	(2,193)
Purchases of strategic investments	(2,329)	-
Settlement of post-close working capital adjustments from business combinations	1,291	-
Net cash flow used in investing activities	<u>(16,195)</u>	<u>(4,586)</u>
Financing activities		
Proceeds from stock option exercises	6,907	11,627
Payments of deferred offering costs	-	(540)
Principal payments under finance lease agreements, net of proceeds from lease incentives	(365)	(314)
Net cash flow provided by financing activities	<u>6,542</u>	<u>10,773</u>
Net increase in cash, cash equivalents and restricted cash	631	34,483
Effect of exchange rate changes on cash	175	(629)
Cash, cash equivalents and restricted cash, beginning of period	589,212	383,253
Cash, cash equivalents and restricted cash, end of period	<u>\$ 590,018</u>	<u>\$ 417,107</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,	
	2022	2021
	(dollars in thousands)	
Revenue	\$ 159,516	\$ 113,938
Gross profit	126,184	93,579
Stock-based compensation expense	1,458	1,161
Amortization of acquired technology intangible assets	5,654	1,086
Employer payroll tax on employee stock transactions	81	4
Non-GAAP gross profit	<u>\$ 133,377</u>	<u>\$ 95,830</u>
Gross margin	79%	82%
Non-GAAP gross margin	84%	84%

Reconciliation of operating expenses to non-GAAP operating expenses:

	Three Months Ended March 31,	
	2022	2021
	(dollars in thousands)	
Revenue	\$ 159,516	\$ 113,938
GAAP sales and marketing	93,915	53,965
Stock-based compensation expense	(10,296)	(3,252)
Amortization of acquired intangible assets	(3,106)	(479)
Employer payroll tax on employee stock transactions	(608)	(142)
Acquisition-related expenses	(207)	-
Non-GAAP sales and marketing	<u>\$ 79,698</u>	<u>\$ 50,092</u>
GAAP sales and marketing as a percentage of revenue	59%	47%
Non-GAAP sales and marketing as a percentage of revenue	50%	44%
GAAP research and development	\$ 60,254	\$ 34,545
Stock-based compensation expense	(13,008)	(3,246)
Amortization of acquired intangible assets	(902)	(183)
Employer payroll tax on employee stock transactions	(1,027)	(74)
Acquisition-related expenses	(1,101)	-
Non-GAAP research and development	<u>\$ 44,216</u>	<u>\$ 31,042</u>
GAAP research and development as a percentage of revenue	38%	30%
Non-GAAP research and development as a percentage of revenue	28%	27%
GAAP general and administrative	\$ 43,152	\$ 17,927
Stock-based compensation expense	(12,447)	(2,644)
Employer payroll tax on employee stock transactions	(545)	(80)
Acquisition-related expenses	(1,038)	-
Non-GAAP general and administrative	<u>\$ 29,122</u>	<u>\$ 15,203</u>
GAAP general and administrative as a percentage of revenue	27%	16%
Non-GAAP general and administrative as a percentage of revenue	18%	13%

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

	Three Months Ended March 31,	
	2022	2021
	(dollars in thousands)	
Revenue	\$ 159,516	\$ 113,938
Loss from operations	(71,137)	(12,858)
Stock-based compensation expense	37,209	10,303
Amortization of acquired intangible assets	9,662	1,748
Employer payroll tax on employee stock transactions	2,261	300
Acquisition-related expenses	2,346	-
Non-GAAP loss from operations	\$ (19,659)	\$ (507)
Operating margin	(45%)	(11%)
Non-GAAP operating margin	(12%)	(0%)

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

	Three Months Ended March 31,	
	2022	2021
	(dollars in thousands)	
Revenue	\$ 159,516	\$ 113,938
Net loss	(71,419)	(13,732)
Stock-based compensation expense	37,209	10,303
Amortization of acquired intangible assets	9,662	1,748
Employer payroll tax on employee stock transactions	2,261	300
Acquisition-related expenses	2,346	-
Non-GAAP net loss	\$ (19,941)	\$ (1,381)

Numerator:

Non-GAAP net loss	\$ (19,941)	\$ (1,381)
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Denominator:

Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	134,530,010	31,357,060
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GAAP net loss per share, basic and diluted	\$ (0.53)	\$ (0.44)
Non-GAAP net loss per share, basic and diluted	\$ (0.15)	\$ (0.04)

Computation of free cash flow:

	Three Months Ended March 31,	
	2022	2021
	(dollars in thousands)	
Net cash provided by operating activities	\$ 10,284	\$ 28,296
Purchases of property and equipment	(7,525)	(2,393)
Capitalized software development costs	(7,632)	(2,193)
Non-GAAP free cash flow	\$ (4,873)	\$ 23,710