

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

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(in thousands, except share and per share amounts)</b>			
Revenue	\$ 295,885	\$ 247,907	\$ 849,660	\$ 689,969
Cost of revenue <sup>(1)(2)(3)</sup>	54,954	44,125	148,778	126,631
Gross profit	240,931	203,782	700,882	563,338
Operating expenses				
Sales and marketing <sup>(1)(2)(3)(4)</sup>	141,370	129,672	390,286	372,397
Research and development <sup>(1)(2)(3)(4)</sup>	80,791	72,708	223,698	225,960
General and administrative <sup>(1)(3)(4)</sup>	55,267	51,753	157,077	143,324
Total operating expenses	277,428	254,133	771,061	741,681
Loss from operations	(36,497)	(50,351)	(70,179)	(178,343)
Interest income	5,962	4,721	17,714	14,612
Interest expense	(488)	(490)	(1,439)	(1,477)
Accretion income, net	3,816	2,952	10,665	6,615
Other expense, net	466	(486)	(26)	(1,009)
Loss before (benefit from) provision for income taxes	(26,741)	(43,654)	(43,265)	(159,602)
(Benefit from) provision for income taxes	(353)	193	400	573
Net loss	\$ (26,388)	\$ (43,847)	\$ (43,665)	\$ (160,175)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.18)	\$ (0.31)	\$ (0.30)	\$ (1.13)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	148,134,585	142,828,406	146,854,541	141,249,446

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Cost of revenue	\$ 4,188	\$ 2,981	\$ 11,056	\$ 8,357
Sales and marketing	14,034	14,390	42,725	41,964
Research and development	18,321	16,350	49,684	52,401
General and administrative	13,912	12,253	39,602	32,637
Total stock-based compensation expense*	\$ 50,455	\$ 45,974	\$ 143,067	\$ 135,359

\*Includes amortization of capitalized stock-based compensation of \$2.3 million and \$1.2 million, respectively, for the three months ended September 30, 2024 and 2023; and \$5.5 million and \$3.1 million, respectively, for the nine months ended September 30, 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Cost of revenue	\$ 6,698	\$ 5,506	\$ 18,739	\$ 16,492
Sales and marketing	3,224	3,106	9,475	9,319
Research and development	668	678	2,008	2,087
Total amortization of acquired intangible assets	\$ 10,590	\$ 9,290	\$ 30,222	\$ 27,898

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Cost of revenue	\$ 113	\$ 133	\$ 485	\$ 439
Sales and marketing	815	766	2,867	2,383
Research and development	521	638	3,089	2,885
General and administrative	281	501	1,820	1,636
Total employer payroll tax on employee stock transactions	\$ 1,730	\$ 2,038	\$ 8,261	\$ 7,343

(4) Includes acquisition-related expenses as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Sales and marketing	\$ —	\$ 548	\$ 1,448	\$ 2,002
Research and development	—	136	—	6,324
General and administrative	51	19	614	19
Total acquisition-related expenses	\$ 51	\$ 703	\$ 2,062	\$ 8,345

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

**September 30,**  
**2024**      **December 31,**  
**2023**

(in thousands)

<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 439,298	\$ 357,790
Marketable securities, current	317,650	320,161
Accounts receivable, net	173,386	206,644
Contract cost asset, current	32,150	28,718
Prepaid expenses and other current assets	54,248	42,421
<b>Total current assets</b>	<b>1,016,732</b>	<b>955,734</b>
Marketable securities, non-current	52,283	—
Capitalized software development costs, net	102,449	83,045
Property and equipment, net	35,952	36,258
Right of use assets - finance leases	32,391	34,375
Right of use assets - operating leases	32,676	44,141
Contract cost asset, non-current	44,593	44,564
Intangible assets, net	131,754	137,546
Goodwill	550,221	539,354
Other assets	19,686	18,551
<b>Total assets</b>	<b>\$ 2,018,737</b>	<b>\$ 1,893,568</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 25,006	\$ 13,177
Accrued expenses	91,227	100,075
Deferred revenue, current	501,599	501,903
Other current liabilities	31,187	27,275
<b>Total current liabilities</b>	<b>649,019</b>	<b>642,430</b>
Deferred revenue, non-current	4,822	7,692
Finance lease liabilities, non-current	41,853	43,581
Operating lease liabilities, non-current	32,070	37,923
Other liabilities, non-current	5,324	6,332
<b>Total liabilities</b>	<b>733,088</b>	<b>737,958</b>
<b>Stockholders' equity</b>		
Common stock	15	15
Additional paid-in capital	2,468,450	2,295,807
Accumulated other comprehensive loss	(314)	(1,375)
Accumulated deficit	(1,182,502)	(1,138,837)
<b>Total stockholders' equity</b>	<b>1,285,649</b>	<b>1,155,610</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,018,737</b>	<b>\$ 1,893,568</b>

**Remaining performance obligation:**

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

	<b>September 30,</b>		<b>Change</b>	
	<b>2024</b>	<b>2023</b>	<b>Dollar</b>	<b>Percent</b>
	<b>(dollars in thousands)</b>			
<b>Remaining performance obligations</b>				
Current	\$ 738,856	\$ 635,000	\$ 103,856	16%
Non-current	334,560	255,381	79,179	31%
Total remaining performance obligations	\$ 1,073,416	\$ 890,381	\$ 183,035	21%

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023

(in thousands)

<b>Operating activities</b>								
Net loss	\$	(26,388)	\$	(43,847)	\$	(43,665)	\$	(160,175)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities								
Stock-based compensation		48,175		44,809		137,532		132,234
Depreciation and amortization		24,233		17,733		65,127		51,943
Accretion of discounts on marketable debt securities, net		(3,382)		(2,953)		(10,131)		(6,615)
Abandonment of long-lived assets		238		277		818		812
Noncash operating lease expense		2,913		2,700		7,906		7,932
Unrealized foreign currency loss, net		(419)		182		295		739
Deferred income taxes		2		2		4		7
Provision for credit losses		243		3,152		648		6,882
Decrease (increase) in fair value of strategic investments		184		149		(457)		155
Changes in operating assets and liabilities, net of effect of asset acquisitions and business combinations								
Accounts receivable		(14,698)		(20,433)		34,296		3,144
Deferred contract cost assets		(1,128)		(1,469)		(3,217)		(5,099)
Prepaid expenses and other assets		(11,931)		(3,579)		(12,121)		(1,878)
Accounts payable		(2,250)		1,109		11,029		2,258
Accrued expenses and other liabilities		21,972		29,135		(8,475)		(1,975)
Deferred revenue		4,609		9,498		(6,268)		29,080
Operating lease liabilities		(3,097)		(2,791)		(6,205)		(8,172)
Net cash provided by (used in) operating activities		39,276		33,674		167,116		51,272
<b>Investing activities</b>								
Purchases of property and equipment		(3,547)		(3,379)		(7,510)		(8,073)
Capitalized software development costs		(12,721)		(7,836)		(32,453)		(25,187)
Purchases of strategic investments		(845)		(84)		(1,917)		(526)
Purchases of marketable securities		(86,245)		(80,000)		(410,619)		(309,282)
Maturities of marketable securities		145,619		64,894		371,718		287,620
Sales of marketable securities		—		—		—		5,452
Originations of materials financing		—		(6,578)		—		(23,585)
Customer repayments of materials financing		88		8,057		1,571		21,053
Acquisition of a business, net of cash acquired		—		—		(25,945)		—
Asset acquisitions, net of cash acquired		—		(6,011)		(3,792)		(6,011)
Net cash used in investing activities		42,349		(30,937)		(108,947)		(58,539)
<b>Financing activities</b>								
Proceeds from stock option exercises		2,456		4,155		12,371		15,094
Proceeds from employee stock purchase plan		—		—		13,187		13,006
Payment of deferred business combination consideration		(1,470)		—		(1,470)		—
Payment of deferred asset acquisition consideration		(81)		—		(81)		—
Principal payments under finance lease agreements, net of proceeds from lease incentives		(900)		(520)		(1,569)		(1,450)
Net cash provided by financing activities		5		3,635		22,438		26,650
Net increase in cash and cash equivalents		81,630		6,372		80,607		19,383

Effect of exchange rate changes on cash	1,429	(572)	901	(881)
Cash and cash equivalents, beginning of period	<u>356,239</u>	<u>312,518</u>	<u>357,790</u>	<u>299,816</u>
Cash and cash equivalents, end of period	<u>\$ 439,298</u>	<u>\$ 318,318</u>	<u>\$ 439,298</u>	<u>\$ 318,318</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:**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(dollars in thousands)</b>			
Revenue	\$ 295,885	\$ 247,907	\$ 849,660	\$ 689,969
Gross profit	240,931	203,782	700,882	563,338
Stock-based compensation expense	4,188	2,981	11,056	8,357
Amortization of acquired technology intangible assets	6,698	5,506	18,739	16,492
Employer payroll tax on employee stock transactions	113	133	485	439
Non-GAAP gross profit	\$ 251,930	\$ 212,402	\$ 731,162	\$ 588,626
Gross margin	81%	82%	82%	82%
Non-GAAP gross margin	85%	86%	86%	85%



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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Revenue	\$ 295,885	\$ 247,907	\$ 849,660	\$ 689,969
GAAP sales and marketing	141,370	129,672	390,286	372,397
Stock-based compensation expense	(14,034)	(14,390)	(42,725)	(41,964)
Amortization of acquired intangible assets	(3,224)	(3,106)	(9,475)	(9,319)
Employer payroll tax on employee stock transactions	(815)	(766)	(2,867)	(2,383)
Acquisition-related expenses	—	(548)	(1,448)	(2,002)
Non-GAAP sales and marketing	\$ 123,297	\$ 110,862	\$ 333,771	\$ 316,729
GAAP sales and marketing as a percentage of revenue	48%	52%	46%	54%
Non-GAAP sales and marketing as a percentage of revenue	42%	45%	39%	46%
GAAP research and development	\$ 80,791	\$ 72,708	\$ 223,698	\$ 225,960
Stock-based compensation expense	(18,321)	(16,350)	(49,684)	(52,401)
Amortization of acquired intangible assets	(668)	(678)	(2,008)	(2,087)
Employer payroll tax on employee stock transactions	(521)	(638)	(3,089)	(2,885)
Acquisition-related expenses	—	(136)	—	(6,324)
Non-GAAP research and development	\$ 61,281	\$ 54,906	\$ 168,917	\$ 162,263
GAAP research and development as a percentage of revenue	27%	29%	26%	33%
Non-GAAP research and development as a percentage of revenue	21%	22%	20%	24%
GAAP general and administrative	\$ 55,267	\$ 51,753	\$ 157,077	\$ 143,324
Stock-based compensation expense	(13,912)	(12,253)	(39,602)	(32,637)
Employer payroll tax on employee stock transactions	(281)	(501)	(1,820)	(1,636)
Acquisition-related expenses	(51)	(19)	(614)	(19)
Non-GAAP general and administrative	\$ 41,023	\$ 38,980	\$ 115,041	\$ 109,032
GAAP general and administrative as a percentage of revenue	19%	21%	18%	21%
Non-GAAP general and administrative as a percentage of revenue	14%	16%	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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Revenue	\$ 295,885	\$ 247,907	\$ 849,660	\$ 689,969
Loss from operations	(36,497)	(50,351)	(70,179)	(178,343)
Stock-based compensation expense	50,455	45,974	143,067	135,359
Amortization of acquired intangible assets	10,590	9,290	30,222	27,898
Employer payroll tax on employee stock transactions	1,730	2,038	8,261	7,343
Acquisition-related expenses	51	703	2,062	8,345
Non-GAAP income from operations	\$ 26,329	\$ 7,654	\$ 113,433	\$ 602
Operating margin	(12%)	(20%)	(8%)	(26%)
Non-GAAP operating margin	9%	3%	13%	0%

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands, except share and per share amounts)			
Revenue	\$ 295,885	\$ 247,907	\$ 849,660	\$ 689,969
Net loss	(26,388)	(43,847)	(43,665)	(160,175)
Stock-based compensation expense	50,455	45,974	143,067	135,359
Amortization of acquired intangible assets	10,590	9,290	30,222	27,898
Employer payroll tax on employee stock transactions	1,730	2,038	8,261	7,343
Acquisition-related expenses	51	703	2,062	8,345
Non-GAAP net income	\$ 36,438	\$ 14,158	\$ 139,947	\$ 18,770

**Numerator:**

Non-GAAP net income	\$ 36,438	\$ 14,158	\$ 139,947	\$ 18,770
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**Denominator:**

Weighted-average shares used in computing net loss per share attributable to common stockholders, basic	148,134,585	142,828,406	146,854,541	141,249,446
Effect of dilutive securities: Employee stock awards	3,693,792	6,285,767	5,029,245	6,672,063
Weighted-average shares used in computing net income per share attributable to common stockholders, diluted	151,828,377	149,114,173	151,883,786	147,921,509
GAAP net loss per share, basic	\$ (0.18)	\$ (0.31)	\$ (0.30)	\$ (1.13)
GAAP net loss per share, diluted	\$ (0.18)	\$ (0.31)	\$ (0.30)	\$ (1.13)
Non-GAAP net income per share, basic	\$ 0.25	\$ 0.10	\$ 0.95	\$ 0.13
Non-GAAP net income per share, diluted	\$ 0.24	\$ 0.09	\$ 0.92	\$ 0.13

**Computation of free cash flow:**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>			
Net cash provided by operating activities	\$ 39,276	\$ 33,674	\$ 167,116	\$ 51,272
Purchases of property, plant, and equipment	(3,547)	(3,379)	(7,510)	(8,073)
Capitalized software development costs	(12,721)	(7,836)	(32,453)	(25,187)
Non-GAAP free cash flow	\$ 23,008	\$ 22,459	\$ 127,153	\$ 18,012