

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-40396

Procore Technologies, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
6309 Carpinteria Avenue
Carpinteria, CA
(Address of principal executive offices)

73-1636261
(I.R.S. Employer
Identification No.)
93013
(Zip Code)

Registrant's telephone number, including area code: (866) 477-6267

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value	PCOR	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 24, 2026, the registrant had 151,955,338 shares of common stock, \$0.0001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q are forward-looking statements regarding our future operating results and financial position, our business strategy and plans, market growth and trends, and our objectives for future operations. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would,” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our financial performance, including revenues, expenses, and margins, and our ability to achieve or maintain future profitability;
- our ability to effectively manage our growth and investments, including through our go-to-market (“GTM”) operating model;
- anticipated performance, trends, growth rates, and challenges in our business and in the markets in which we currently or may in the future operate;
- economic and industry trends, in particular the rate of adoption of construction management software and digitization of the construction industry, inflation, and challenging macroeconomic and geopolitical conditions;
- our ability to attract new customers and retain and increase sales to existing customers;
- our ability to expand internationally;
- the effects of increased competition in our markets and our ability to compete effectively;
- our ability to develop new products, platform capabilities, services, and features, including bundled packages, and whether our customers and prospective customers will adopt these new products, platform capabilities, services, and features;
- our ability to successfully incorporate artificial intelligence (“AI”) into our products, services, and platform, and deploy AI in our business operations;
- our ability to maintain, protect, and enhance our brand;
- the sufficiency of our cash to meet our cash needs for at least the next 12 months;
- future acquisitions, joint-ventures, or investments, including our strategic investments and investments in marketable securities;
- our expectations regarding our ability to successfully integrate DroneDeploy, Inc., a Delaware corporation (“DroneDeploy”), into our business and receive the anticipated benefits from such transaction;
- our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the United States (“U.S.”) and internationally;
- our reliance on key personnel and our ability to attract, maintain, and retain management and skilled personnel;
- our expectations regarding the impact of litigation and other disputes on our business;
- the timing, price, and quantity of repurchases of shares of our common stock under our stock repurchase program, and our ability to fund any such repurchases;
- the future trading price of our common stock; and
- our ability to identify, assess, and manage cybersecurity threats and risks.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe," and similar statements, reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not rely on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to the "Company," "Procore," "we," "us," and "our" refer to Procore Technologies, Inc. and its consolidated subsidiaries.

Part I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

<i>(in thousands, except number of shares and par value)</i>	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 494,392	\$ 480,684
Marketable securities, current (amortized cost of \$161,652 and \$287,337 at June 30, 2026 and December 31, 2025, respectively)	161,522	287,802
Accounts receivable, net of allowance for credit losses of \$4,550 and \$4,654 at June 30, 2026 and December 31, 2025, respectively	241,441	287,805
Contract cost asset, current	61,758	55,384
Prepaid expenses and other current assets	83,475	55,157
Total current assets	1,042,588	1,166,832
Marketable securities, non-current (amortized cost of \$0 and \$42,529 at June 30, 2026 and December 31, 2025, respectively)	—	42,529
Capitalized software development costs, net	152,740	142,228
Property and equipment, net	50,538	48,624
Right of use assets - finance leases	28	19,619
Right of use assets - operating leases	47,603	36,024
Contract cost asset, non-current	88,233	79,004
Intangible assets, net	140,934	105,364
Goodwill	688,407	574,083
Other assets	32,667	24,758
Total assets	\$ 2,243,738	\$ 2,239,065
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 33,094	\$ 25,168
Accrued expenses	113,829	130,280
Deferred revenue, current	673,491	687,062
Other current liabilities	70,748	42,047
Total current liabilities	891,162	884,557
Deferred revenue, non-current	5,180	6,041
Finance lease liabilities, non-current	2	26,557
Operating lease liabilities, non-current	58,813	45,855
Other liabilities, non-current	10,131	13,793
Total liabilities	965,288	976,803
Commitments and contingencies (Note 9)		
Stockholders' equity		
Preferred stock, \$0.0001 par value, 100,000,000 shares authorized at June 30, 2026 and December 31, 2025; 0 shares issued and outstanding at June 30, 2026 and December 31, 2025.	—	—
Common stock, \$0.0001 par value, 1,000,000,000 shares authorized at June 30, 2026 and December 31, 2025; 151,885,923 and 151,708,564 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively.	15	15
Additional paid-in capital	2,618,652	2,609,093
Accumulated other comprehensive loss	(2,467)	(1,270)
Accumulated deficit	(1,337,750)	(1,345,576)
Total stockholders' equity	1,278,450	1,262,262
Total liabilities and stockholders' equity	\$ 2,243,738	\$ 2,239,065

The accompanying notes are an integral part of these condensed consolidated financial statements.

Procore Technologies, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (unaudited)

(in thousands, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 375,207	\$ 323,919	\$ 734,490	\$ 634,551
Cost of revenue	75,411	67,732	146,904	132,658
Gross profit	299,796	256,187	587,586	501,893
Operating expenses				
Sales and marketing	145,785	141,897	294,966	280,581
Research and development	93,349	88,902	178,914	176,511
General and administrative	56,335	55,655	125,050	111,313
Total operating expenses	295,469	286,454	598,930	568,405
Income (loss) from operations	4,327	(30,267)	(11,344)	(66,512)
Interest income	4,422	5,015	8,944	11,012
Interest expense	(179)	(298)	(447)	(583)
Accretion income, net	714	2,027	1,711	4,474
Other income, net	5,879	2,023	5,323	2,414
Income (loss) before (benefit from) provision for income taxes	15,163	(21,500)	4,187	(49,195)
(Benefit from) provision for income taxes	(1,759)	(411)	(3,639)	4,883
Net income (loss)	\$ 16,922	\$ (21,089)	\$ 7,826	\$ (54,078)
Net income (loss) per share attributable to common stockholders, basic	\$ 0.11	\$ (0.14)	\$ 0.05	\$ (0.36)
Net income (loss) per share attributable to common stockholders, diluted	\$ 0.11	\$ (0.14)	\$ 0.05	\$ (0.36)
Weighted-average shares used in computing net income (loss) per share attributable to common stockholders, basic	151,355,834	149,663,744	151,154,487	149,829,900
Weighted-average shares used in computing net income (loss) per share attributable to common stockholders, diluted	152,793,490	149,663,744	153,028,597	149,829,900
Other comprehensive (loss) income				
Foreign currency translation adjustment, net of tax	\$ (353)	\$ 1,263	\$ (602)	\$ 1,430
Unrealized loss on available-for-sale debt and marketable securities, net of tax	(121)	(197)	(595)	(118)
Total other comprehensive (loss) income	(474)	1,066	(1,197)	1,312
Comprehensive income (loss)	\$ 16,448	\$ (20,023)	\$ 6,629	\$ (52,766)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Procore Technologies, Inc.
Condensed Consolidated Statements of Stockholders' Equity *(unaudited)*

<i>(in thousands, except share amounts)</i>	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2024	149,853,135	\$ 15	\$ 2,535,868	\$ (2,737)	\$ (1,244,793)	\$ 1,288,353
Exercise of stock options	149,650	—	2,352	—	—	2,352
Stock-based compensation	—	—	52,402	—	—	52,402
Issuance of common stock upon settlement of restricted stock units	882,979	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(331,056)	—	(28,277)	—	—	(28,277)
Repurchase and retirement of common stock, including transaction costs and excise tax	(1,450,591)	—	(100,440)	—	—	(100,440)
Other comprehensive income	—	—	—	246	—	246
Net loss	—	—	—	—	(32,989)	(32,989)
Balance as of March 31, 2025	149,104,117	\$ 15	\$ 2,461,905	\$ (2,491)	\$ (1,277,782)	\$ 1,181,647
Exercise of stock options	335,896	—	5,218	—	—	5,218
Stock-based compensation	—	—	60,651	—	—	60,651
Issuance of common stock upon settlement of restricted stock units	865,285	—	—	—	—	—
Issuance of common stock for employee stock purchase plan	245,276	—	14,404	—	—	14,404
Shares withheld related to net share settlement of equity awards	(313,050)	—	(21,577)	—	—	(21,577)
Repurchase and retirement of common stock, including transaction costs and excise tax	(48,503)	—	(2,721)	—	—	(2,721)
Other comprehensive income	—	—	—	1,066	—	1,066
Net loss	—	—	—	—	(21,089)	(21,089)
Balance as of June 30, 2025	150,189,021	\$ 15	\$ 2,517,880	\$ (1,425)	\$ (1,298,871)	\$ 1,217,599

The accompanying notes are an integral part of these condensed consolidated financial statements.

Procore Technologies, Inc.
Condensed Consolidated Statements of Stockholders' Equity *(unaudited)*

<i>(in thousands, except share amounts)</i>	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2025	151,708,564	\$ 15	\$ 2,609,093	\$ (1,270)	\$ (1,345,576)	\$ 1,262,262
Exercise of stock options	277,900	—	2,503	—	—	2,503
Stock-based compensation	—	—	61,337	—	—	61,337
Issuance of common stock upon settlement of restricted stock units	821,336	—	—	—	—	—
Shares withheld related to net share settlement of equity awards	(294,608)	—	(15,291)	—	—	(15,291)
Repurchase and retirement of common stock, including transaction costs and excise tax	(1,765,560)	—	(100,615)	—	—	(100,615)
Other comprehensive loss	—	—	—	(723)	—	(723)
Net loss	—	—	—	—	(9,096)	(9,096)
Balance as of March 31, 2026	150,747,632	\$ 15	\$ 2,557,027	\$ (1,993)	\$ (1,354,672)	\$ 1,200,377
Exercise of stock options	254,031	—	1,913	—	—	1,913
Stock-based compensation	—	—	61,554	—	—	61,554
Issuance of common stock upon settlement of restricted stock units	871,731	—	—	—	—	—
Issuance of common stock for employee stock purchase plan	330,571	—	13,007	—	—	13,007
Shares withheld related to net share settlement of equity awards	(318,042)	—	(15,222)	—	—	(15,222)
Repurchase and retirement of common stock, including transaction costs and excise tax	—	—	373	—	—	373
Other comprehensive loss	—	—	—	(474)	—	(474)
Net income	—	—	—	—	16,922	16,922
Balance as of June 30, 2026	151,885,923	\$ 15	\$ 2,618,652	\$ (2,467)	\$ (1,337,750)	\$ 1,278,450

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

(in thousands)	Six Months Ended June 30,	
	2026	2025
Operating activities		
Net income (loss)	\$ 7,826	\$ (54,078)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Stock-based compensation	113,756	103,870
Depreciation and amortization	59,972	54,092
Accretion of discounts on marketable debt securities, net	(1,712)	(4,295)
Abandonment of long-lived assets	1,884	2,455
Gain on lease modifications	(5,775)	—
Noncash operating lease expense	3,475	2,929
Unrealized foreign currency loss (gain), net	3,136	(2,150)
Deferred income taxes	(4,192)	1,568
Benefit from credit losses	(94)	(966)
(Increase) decrease in fair value of strategic investments	(6,590)	183
Changes in operating assets and liabilities, net of effect of asset acquisitions and business combinations		
Accounts receivable	46,805	54,618
Deferred contract cost assets	(15,699)	(20,175)
Prepaid expenses and other assets	(6,573)	(9,236)
Accounts payable	8,188	(12,973)
Accrued expenses and other liabilities	(21,780)	11,632
Deferred revenue	(15,739)	(28,309)
Operating lease liabilities	(2,259)	(2,309)
Net cash provided by operating activities	164,629	96,856
Investing activities		
Purchases of property and equipment	(9,943)	(7,008)
Capitalized software development costs	(34,117)	(32,557)
Purchases of strategic investments	(366)	(902)
Sales of strategic investments	372	—
Purchases of marketable securities	—	(218,606)
Maturities of marketable securities	63,111	223,659
Sales of marketable securities	106,731	—
Business combinations, net of cash acquired	(158,896)	(41,515)
Asset acquisitions, net of cash acquired	—	(3,533)
Net cash used in investing activities	(33,108)	(80,462)
Financing activities		
Proceeds from stock option exercises	4,416	7,607
Proceeds from employee stock purchase plan	13,007	14,404
Repurchases of common stock	(100,035)	(103,160)
Payment of tax withholding for net share settlement	(30,513)	(49,855)
Payment of deferred asset acquisition consideration	(300)	—
Principal payments under finance lease agreements, net of proceeds from lease incentives	(728)	(800)
Net increase in funds held for customers	22,139	—
Net cash used in financing activities	(92,014)	(131,804)
Net increase (decrease) in cash and cash equivalents	39,507	(115,410)
Effect of exchange rate changes on cash	(3,681)	1,950
Cash, cash equivalents, and restricted cash, beginning of period	490,246	437,722
Cash, cash equivalents, and restricted cash, end of period	\$ 526,072	\$ 324,262

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

<i>(in thousands)</i>	Six Months Ended June 30,	
	2026	2025
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
Cash and cash equivalents at end of period	\$ 494,392	\$ 324,262
Restricted cash included in prepaid expenses and other current assets at end of period	590	—
Restricted cash for funds held for customers included in prepaid expenses and other current assets at end of period	31,090	—
Total cash, cash equivalents, and restricted cash at end of period shown in the condensed consolidated statements of cash flows	\$ 526,072	\$ 324,262
Supplemental disclosure of cash flow information		
Cash paid for income taxes, net of refunds received	3,246	2,908
Stock-based compensation capitalized for cloud-computing arrangement costs	228	94
Cash received for lease incentives	1,685	324
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	445	564
Operating cash flows from operating leases	7,801	3,255
Financing cash flows from finance leases	728	800
Noncash investing and financing activities:		
Purchases of property and equipment included in accounts payable and accrued expenses at period end	3,454	1,579
Capitalized software development costs included in accounts payable and accrued expenses at period end	5,627	3,179
Stock-based compensation capitalized for software development	8,907	9,089
Deferred asset acquisition payment included in other current liabilities and accrued expenses at period end	300	635
Excise taxes related to repurchases of common stock included in other current liabilities at period end	208	—
Strategic investments included in accounts payable and accrued expenses at period end	455	—
Right of use assets obtained or modified in exchange for operating lease liabilities	14,998	7,140
Financing lease right of use asset modified to operating lease	(18,835)	(10,305)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Procore Technologies, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Description of business

Procore Technologies, Inc. (together with its subsidiaries, “Procore” or the “Company”) provides a cloud-based construction management platform and related products and services that allow the construction industry’s key stakeholders, such as owners, general contractors, and specialty contractors, to collaborate on construction projects.

The Company was incorporated in California in 2002 and re-incorporated in Delaware in 2014. The Company is headquartered in Carpinteria, California, and has operations globally.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying condensed consolidated financial statements include the interim financial statements of Procore. The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP” or “U.S. GAAP”) and are unaudited. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2025. The condensed consolidated balance sheet information as of December 31, 2025 has been derived from the Company’s audited consolidated financial statements. The condensed consolidated financial statements have been prepared on a basis consistent with that used to prepare the audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting of normal recurring items, necessary for the fair statement of the condensed consolidated financial statements. All intercompany balances and transactions have been eliminated in consolidation.

Use of estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Management periodically evaluates its estimates and assumptions for continued reasonableness, primarily with respect to revenue recognition, the period of benefit of contract cost assets, the fair value of assets acquired and liabilities assumed in a business combination or asset acquisition, stock-based compensation expense, the recoverability of goodwill and long-lived assets, useful lives of long-lived assets, capitalization of software development costs, income taxes, including related reserves and allowances, provision for credit losses, incremental borrowing rates and estimation of lease terms applied in lease accounting, and self-insurance reserve estimates. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. Management bases its estimates on historical experience and on various other assumptions that management believes to be reasonable. Actual results could differ from the Company’s estimates.

Segments

The Company operates as a single operating segment. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker (“CODM”), in deciding how to allocate resources and assess performance. The Company’s CODM is its Chief Executive Officer.

In recent years, the Company has completed a number of acquisitions which have allowed it to expand its platform capabilities and related products and services. The Company generates substantially all of its revenue from subscriptions to access its software products and related support. While the Company provides different products and services, including as a result of its acquisitions, its business operates as one operating segment because its CODM evaluates the Company’s revenue, expenses, and assets as reported on the condensed

Procore Technologies, Inc.
Notes to Condensed Consolidated Financial Statements *(unaudited)*

consolidated income statement and balance sheet for purposes of assessing financial performance and allocating resources on a consolidated basis. The CODM uses consolidated revenue, expenses, and assets in deciding whether to invest into various parts of the Company, such as managing budgets and acquisitions. The measure of segment profit is income from operations. The CODM uses income from operations to assess financial performance and allocate resources.

Business combinations

The Company assesses whether an acquisition is a business combination or an asset acquisition. If substantially all of the gross assets acquired are concentrated in a single asset or group of similar assets, then the acquisition is accounted for as an asset acquisition where the purchase consideration is allocated on a relative fair value basis to the assets acquired. Goodwill is not recorded in an asset acquisition. If the gross assets are not concentrated in a single asset or group of similar assets, then the Company determines if the set of assets acquired represents a business. A business is an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return. Depending on the nature of the acquisition, judgment may be required to determine if the set of assets acquired is a business combination or not.

The Company applies the acquisition method of accounting for a business combination. Under this method of accounting, assets acquired and liabilities assumed are recorded at their respective fair values at the date of the acquisition. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill. During the measurement period, which may be up to one year from the acquisition date, the Company adjusts the provisional amounts of assets acquired and liabilities assumed with the corresponding offset to goodwill to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded within the Company's condensed consolidated statements of operations and comprehensive income (loss).

Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to estimated level of effort and related costs of reproducing or replacing the assets acquired, future cash inflows and outflows, and discount rates, among other items. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market participants are assumed to be buyers and sellers in the principal (most advantageous) market for the asset or liability. Additionally, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, the Company may be required to value the acquired assets at fair value measures that do not reflect its intended use of those assets. Use of different estimates and judgments could yield different results.

Although the Company believes the assumptions and estimates it has made are reasonable and appropriate, they are based in part on historical experience and information that may be obtained from management of the acquired company and are inherently uncertain.

Marketable securities

Investments with stated maturities of greater than three months are classified as marketable securities, which consist of United States ("U.S.") treasury securities, commercial paper, corporate notes and obligations, and time deposits. All marketable securities held as of June 30, 2026 and December 31, 2025 are classified as available-for-sale debt securities, which are recorded at fair value. The Company's marketable securities are classified as either short-term or long-term in the accompanying condensed consolidated balance sheets based on the security's contractual maturity at the balance sheet date. The Company re-evaluates such classifications at each balance sheet date.

The Company periodically assesses its portfolio of marketable securities for impairment. The Company evaluates each investment in an unrealized loss position to determine if any portion of the unrealized loss is related to credit losses. In determining whether a credit loss may exist, the Company considers the extent of the

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unrealized loss position, any adverse conditions specifically related to the security or the issuer's operating environment, the pay structure of the security, the issuer's payment history, and any changes in the issuer's credit rating. Unrealized losses on marketable securities due to expected credit losses are recognized in other expense, net in the accompanying condensed consolidated statements of operations and comprehensive income (loss), and any excess unrealized gains and losses, net of tax, that are not due to expected credit losses are included in accumulated other comprehensive loss, a component of stockholders' equity. During the six months ended June 30, 2026 and 2025, there were no credit losses recorded on marketable securities. Interest recorded on marketable securities is recorded in interest income, with accretion of discounts, net of amortization of premiums, recorded in accretion income, net, on the accompanying condensed consolidated statements of operations and comprehensive income (loss).

Self-insurance reserves

The Company has elected to partially self-fund its health insurance plan. To reduce its risk related to high-dollar claims, the Company maintains individual stop-loss insurance. The Company estimates its exposure for claims incurred at the end of each reporting period, including claims not yet reported, with the assistance of an independent third-party actuary. As of June 30, 2026 and December 31, 2025, the Company's self-insurance accrual was \$3.2 million and \$3.2 million, respectively, included within other current liabilities on the accompanying condensed consolidated balance sheets.

Strategic investments

Investments in equity securities

The Company holds investments in equity securities of certain privately held companies, which do not have readily determinable fair values. The Company does not have a controlling interest or significant influence in these companies. The Company has elected to apply the measurement alternative to measure the non-marketable equity securities at cost, with remeasurements to fair value only upon the occurrence of observable price changes in orderly transactions for the identical or similar securities of the same issuer, or in the event of any impairment. This election is reassessed each reporting period to determine whether a non-marketable equity security has a readily determinable fair value, in which case the security would no longer be eligible for this election. All gains and losses on such equity securities, realized and unrealized, are recorded in other expense, net on the accompanying condensed consolidated statements of operations and comprehensive income (loss). The Company evaluates its non-marketable equity securities for impairment at each reporting period based on a qualitative assessment that considers various potential impairment indicators. If an impairment exists, a loss is recognized in the accompanying condensed consolidated statements of operations and comprehensive income (loss) for the amount by which the carrying value exceeds the fair value of the investment.

Investments in limited partnership funds

The Company also holds investments in certain limited partnership funds. The Company does not hold a controlling interest or significant influence in these limited partnerships. The fair value of such investments is valued using the Net Asset Value ("NAV") provided by the fund administrator as a practical expedient.

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Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value measurements are based on a fair value hierarchy using three levels of inputs, of which the first two are considered observable and the last is considered unobservable, as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Quoted prices for identical or similar assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical or similar assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of June 30, 2026 and December 31, 2025, the carrying value of the Company's financial instruments included in current assets and current liabilities (including accounts receivable, accounts payable, and accrued expenses) approximate fair value due to the short-term nature of such items. The Company measures its cash held in money market funds, marketable securities, and investments in available-for-sale debt securities at fair value each reporting period. The estimation of fair value for available-for-sale debt securities in private companies requires the use of significant unobservable inputs, and as a result, the Company classifies these assets as Level 3 within the fair value hierarchy.

The Company's investments in equity securities of privately held companies are recorded at fair value on a non-recurring basis. For investments without a readily determinable fair value, the Company looks to observable transactions, such as the issuance of new equity by an investee, as indicators of investee enterprise value and uses them to estimate the fair value of the investments. The Company's investments in limited partnerships are valued using NAV as a practical expedient and therefore excluded from the fair value hierarchy.

Funds held for customers

Funds held for customers consist of customer cash deposits held by Procore Payment Services, Inc. ("Procore Payment Services"), a subsidiary of the Company, in connection with its money transmission activities. Procore Payment Services provides money transmission services between general contractors and subcontractors by collecting funds from the general contractors for payments to be remitted to their subcontractors via the Company's Procore Pay payment solution. These funds are deposited into the Company's bank accounts, where the Company acts as the custodian of the funds while processing payments to subcontractors. Such funds are restricted for the purpose of satisfying general contractors' fund obligations and are not available for general business use by the Company.

As of June 30, 2026 and December 31, 2025, the Company held \$31.1 million and \$9.0 million in customer funds, respectively, which are reported in prepaid expenses and other current assets, with a corresponding liability recorded in other current liabilities on the condensed consolidated balance sheets.

Cash, cash equivalents, and restricted cash

The Company classifies all investments that are readily convertible to known amounts of cash and have maturities of three months or less from the date of purchase as cash equivalents, which are carried at fair value. Cash includes cash held in checking and savings accounts. As of June 30, 2026 and December 31, 2025, cash equivalents were comprised of money market funds and highly liquid marketable securities with original maturities of three months or less that were recorded at fair value, which approximates amortized cost.

Restricted cash consists of (i) funds held for customers relating to Procore Payment Services and (ii) cash collateral required by a bank for the Company's corporate credit card program. As of June 30, 2026, \$31.1 million in restricted cash consisted of funds held for customers, and \$0.6 million in restricted cash relating to

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corporate credit cards. As of December 31, 2025, \$9.0 million in restricted cash consisted of funds held for customers, and \$0.6 million in restricted cash relating to corporate credit cards. The Company records restricted cash in prepaid expenses and other current assets in the condensed consolidated balance sheets, depending on the term of restriction set in the underlying agreement.

Deferred revenue

Contract liabilities consist of revenue that is deferred when the Company has the contractual right to invoice in advance of transferring services to its customers. The Company recognized revenue of \$315.5 million and \$256.6 million during the three months ended June 30, 2026 and 2025, respectively, that was included in deferred revenue balances at the beginning of the respective periods. The Company recognized revenue of \$501.8 million and \$424.7 million during the six months ended June 30, 2026 and 2025, respectively, that was included in deferred revenue balances at the beginning of the respective periods.

Remaining performance obligations

The transaction price allocated to remaining performance obligations ("RPO") represents the contracted transaction price that has not yet been recognized as revenue, which includes deferred revenue and amounts under non-cancelable contracts that will be invoiced and recognized as revenue in future periods. The Company's current RPO represents future revenue under existing contracts that is expected to be recognized as revenue in the next 12 months. As of June 30, 2026, the aggregate amount of the transaction price allocated to RPO was \$1.7 billion, of which the Company expects to recognize \$1.1 billion, or approximately 64%, as revenue in the next 12 months, and substantially all of the remaining \$597.4 million between 12 and 36 months thereafter.

Recently issued accounting pronouncements - not yet adopted

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40) – Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The new amendment expands financial reporting by requiring that public entities disclose additional information about certain expense categories in tabular form in the notes to financial statements at interim and annual reporting periods. ASU 2024-03 is effective for public business entities for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Upon adoption, public entities should apply the amendment either (1) prospectively to financial statements issued for reporting periods after the effective date or (2) retrospectively to all periods presented in the financial statements. The Company is evaluating the impact of the adoption of ASU 2024-03 on its condensed consolidated financial statements and disclosures.

Improvements to Accounting for Internal-Use Software

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software* ("ASU 2025-06"). The new amendment modernizes the accounting for software costs by changing the timing of when an entity is required to start capitalizing software projects and requiring entities to evaluate the uncertainties associated with software development activities. ASU 2025-06 is effective for public business entities for fiscal years beginning after December 15, 2027, and interim periods within those annual reporting periods, with early adoption permitted as of the beginning of an annual reporting period. The Company is evaluating the impact the adoption of ASU 2025-06 will have on its condensed consolidated financial statements and disclosures.

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3. INVESTMENTS

Marketable securities

Marketable securities consisted of the following as of June 30, 2026 (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	\$ 76,814	\$ 13	\$ (109)	\$ 76,718
Corporate notes and obligations	84,838	5	(39)	84,804
Total marketable securities	<u>\$ 161,652</u>	<u>\$ 18</u>	<u>\$ (148)</u>	<u>\$ 161,522</u>

Marketable securities consisted of the following as of December 31, 2025 (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	\$ 131,832	\$ 205	\$ (1)	\$ 132,036
Commercial paper	14,308	2	—	14,310
Corporate notes and obligations	183,726	265	(6)	183,985
Total marketable securities	<u>\$ 329,866</u>	<u>\$ 472</u>	<u>\$ (7)</u>	<u>\$ 330,331</u>

The following table summarizes the estimated fair value of investments classified as marketable securities by contractual maturity date (in thousands):

	June 30, 2026	December 31, 2025
Due within 1 year	\$ 161,522	\$ 287,802
Due in 1 to 2 years	—	42,529
Total marketable securities	<u>\$ 161,522</u>	<u>\$ 330,331</u>

During the six months ended June 30, 2026 and 2025, there were maturities of marketable securities of \$63.1 million and \$223.7 million, respectively. There were \$106.8 million of sales of marketable securities during the six months ended June 30, 2026. There were no sales of marketable securities during the six months ended June 30, 2025. Realized gains and losses on sales of marketable securities are recorded in other income (expense), net on the condensed consolidated statements of operations and comprehensive income (loss). There were no impairments of marketable securities during the six months ended June 30, 2026 or 2025.

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Strategic investments

Strategic investment activity during the six months ended June 30, 2026 is summarized as follows (in thousands):

	Equity Securities	Limited Partnerships	Total
Balance as of December 31, 2025	\$ 8,216	\$ 8,413	\$ 16,629
Purchases of strategic investments, net ⁽¹⁾	—	821	821
Sales of strategic investments ⁽²⁾	(372)	—	(372)
Unrealized gain on strategic investments	6,088	47	6,135
Balance as of June 30, 2026	\$ 13,932	\$ 9,281	\$ 23,213

(1) Includes net contributions and distributions from limited partnership securities.

(2) Sale excludes a realized gain of \$0.6 million, which was recorded in other income, net on the condensed consolidated statements of operations and comprehensive income (loss).

During the three and six months ended June 30, 2026, the Company identified an observable price change for one of its strategic investments, and as a result, recorded an unrealized gain of \$6.1 million which is recorded in other income, net on the condensed consolidated statements of operations and comprehensive income (loss).

Strategic investment activity during the six months ended June 30, 2025 is summarized as follows (in thousands):

	Equity Securities	Limited Partnerships	Total
Balance as of December 31, 2024	\$ 8,685	\$ 5,669	\$ 14,354
Purchases of strategic investments, net ⁽¹⁾	—	902	902
Unrealized gain on strategic investments	—	194	194
Impairment of strategic investments	(377)	—	(377)
Balance as of June 30, 2025	\$ 8,308	\$ 6,765	\$ 15,073

Strategic investments are recorded in other assets on the accompanying condensed consolidated balance sheets.

As of June 30, 2026, in connection with the Company's investments in limited partnerships, it has a contractual obligation to provide additional investment funding of up to \$5.1 million at the option of the investees.

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4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets measured at fair value on a recurring basis within the fair value hierarchy are summarized as follows (in thousands):

	June 30, 2026		
	Level 1	Level 2	Total
Cash equivalents:			
Money market funds	\$ 407,589	\$ —	\$ 407,589
Marketable securities:			
U.S. treasury securities	76,718	—	76,718
Corporate notes and obligations	—	84,804	84,804
Total	<u>\$ 484,307</u>	<u>\$ 84,804</u>	<u>\$ 569,111</u>

	December 31, 2025		
	Level 1	Level 2	Total
Cash equivalents:			
Money market funds	\$ 403,979	\$ —	\$ 403,979
Marketable securities:			
U.S. treasury securities	132,036	—	132,036
Commercial paper	—	14,310	14,310
Corporate notes and obligations	—	183,985	183,985
Total	<u>\$ 536,015</u>	<u>\$ 198,295</u>	<u>\$ 734,310</u>

5. LEASES

The Company has primarily entered into lease arrangements for office space, in addition to other miscellaneous equipment. The Company's leases have initial non-cancelable lease terms ranging from one to 14 years. Some of the Company's leases include an option for it to extend the term of the lease for up to 5 years.

During the six months ended June 30, 2026, the Company executed a strategic plan for its office leases in Carpinteria, California, altering its long-term renewal expectations. While the Company previously assumed it was reasonably certain to exercise two 5-year renewal options across all suites, management elected to exercise only one 5-year renewal for its primary core lease space and decline future renewal extensions for the remaining office suites. These actions shortened the remaining lease terms and triggered a reclassification of the arrangements from finance leases to operating leases. Consequently, future contractual rent commitments decreased by a net of \$29.7 million. Total finance lease modifications during the period resulted in net decreases to right of use assets—finance leases and corresponding finance lease liabilities of \$18.8 million and \$27.6 million, respectively, which primarily related to the modified leases in Carpinteria. Total operating lease modifications related to Carpinteria during the period resulted in net increases to right of use assets—operating leases and corresponding operating lease liabilities of \$0.9 million and \$3.9 million, respectively.

As a result of the Carpinteria lease modifications, the Company recognized a one-time non-cash gain of \$5.8 million as an offset to rent expense during the six months ended June 30, 2026. The non-cash gain will be partially offset by accelerated leasehold improvement amortization of \$5.1 million through the end of the new lease term, of which \$4.1 million and \$1.0 million will be recognized in fiscal years 2026 and 2027, respectively. The non-cash gain and the accelerated leasehold improvement amortization are both recorded in general and administrative expenses in the condensed consolidated statements of operations and comprehensive income (loss).

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Supplemental information related to leases is as follows (in thousands):

	June 30, 2026	December 31, 2025
Operating Leases		
Operating right of use assets	\$ 47,603	\$ 36,024
Amount included within other current liabilities	8,683	5,019
Operating lease liabilities, non-current	58,813	45,855
Total operating lease liabilities	\$ 67,496	\$ 50,874
Finance Leases		
Finance right of use assets	\$ 28	\$ 19,619
Amount included within other current liabilities	28	1,771
Finance lease liabilities, non-current	2	26,557
Total finance lease liabilities	\$ 30	\$ 28,328

	June 30, 2026	December 31, 2025
Weighted-average remaining lease term (in years)		
Finance leases	0.6	11.2
Operating leases	9.8	10.2
Weighted-average discount rate		
Finance leases	5.50 %	3.80 %
Operating leases	6.00 %	6.04 %

Maturities of lease payments, net of tenant improvement reimbursement, for leases where the lease commencement date commenced on or prior to June 30, 2026 are as follows (in thousands):

Period Ended December 31,	Operating	Finance	Total
2026 ⁽¹⁾	\$ 2,466	\$ 25	\$ 2,491
2027	5,836	5	5,841
2028	10,377	—	10,377
2029	8,728	—	8,728
2030	9,497	—	9,497
2031	7,333	—	7,333
Thereafter	51,376	—	51,376
Total lease payments, net of tenant improvement reimbursement	\$ 95,613	\$ 30	\$ 95,643
Less imputed interest	(28,117)	—	(28,117)
Total	\$ 67,496	\$ 30	\$ 67,526

(1) For the six months from July 1, 2026 through December 31, 2026.

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6. BUSINESS COMBINATIONS

Datagrid

On January 16, 2026, the Company completed the acquisition of all outstanding equity of Toric Labs, Inc. (d/b/a Datagrid) ("Datagrid"), a leader in agentic artificial intelligence ("AI") solutions for the construction industry, to accelerate the Company's AI strategy and deliver advanced reasoning and data connectivity capabilities for its customers. The purchase consideration was \$168.0 million in cash.

The preliminary purchase consideration was allocated to the following assets and liabilities at the acquisition date (in thousands):

	Fair Value	Useful Life
Assets acquired		
Cash and cash equivalents	\$ 9,073	
Accounts receivable	832	
Prepaid expenses and other current assets	1,039	
Developed technology intangible asset	50,500	7 years
Customer relationships intangible asset	4,000	10 years
Goodwill	114,926	
Total assets acquired	\$ 180,370	
Liabilities assumed		
Accounts payable	\$ (343)	
Accrued expenses	(58)	
Deferred revenue, current	(2,073)	
Other current liabilities	(5,798)	
Net deferred tax liabilities	(4,128)	
Total liabilities assumed	\$ (12,400)	
Net assets acquired	\$ 167,970	

Developed technology intangible asset represents the fair value of Datagrid's technology, which was valued considering the cost to rebuild method. Key assumptions under the cost to rebuild method include the estimated level of effort and related costs of reproducing or replacing the acquired technology. Developed technology is amortized on a straight-line basis, which approximates the pattern in which the economic benefits of the technology are consumed, over its estimated useful life of seven years. The amortization expense is recorded in cost of revenue in the accompanying condensed consolidated statements of operations and comprehensive income (loss).

Customer relationships represent the fair value of the underlying relationships with Datagrid's existing customers, which were valued using the excess earnings method. Key assumptions under the excess earnings method include estimated future revenues, costs, cash flows, and a discount rate. The customer relationship intangible asset is amortized on a straight-line basis, which approximates the pattern in which the economic benefits of the customer relationships are consumed, over its estimated useful life of 10 years. The amortization expense is recorded in sales and marketing expenses in the accompanying condensed consolidated statements of operations and comprehensive income (loss).

The \$114.9 million goodwill balance is primarily attributable to synergies and expanded market opportunities that are expected to be achieved from the integration of Datagrid with the Company's offerings and assembled workforce. Goodwill is not deductible for income taxes purposes.

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The measurement period for the valuation of assets acquired and liabilities assumed ends as soon as information on the facts and circumstances that existed as of the acquisition date becomes available, but does not exceed 12 months. The purchase price allocation is subject to future adjustments, including as a result of finalizing the closing net working capital.

The Company issued 59,492 performance based restricted stock units ("PSUs") and 344,729 service-based restricted stock units ("RSUs"), at a grant date fair value of \$70.90 per share, in order to retain certain employees of Datagrid. The PSUs issued to Datagrid employees vest upon the achievement of certain milestones. The total grant date fair value of the PSUs and RSUs was excluded from purchase consideration and is recognized as post-combination expense. See Note 10 to these condensed consolidated financial statements for details on how the Company expenses stock-based compensation.

To retain certain Datagrid employees, the Company also held back \$25.7 million of the cash purchase price, which will be released in equal installments every six months after the acquisition date based on continued employment over a two- or three-year period, as applicable. The cash holdback amount is excluded from the purchase consideration and will be recorded as post-combination compensation expense over the service period on a straight-line basis.

The Company has not separately presented pro forma results reflecting the acquisition of Datagrid or revenue and operating losses of Datagrid for the period from the acquisition date through June 30, 2026, as the impacts were not material to the condensed consolidated financial statements. The acquisition-related transaction costs incurred by the Company of \$2.1 million were expensed as incurred in the condensed consolidated statements of operations and comprehensive income (loss).

Novorender

On January 28, 2025, the Company completed the acquisition of all outstanding equity of Novorender AS ("Novorender"), a Norway-based leader in advanced building information modeling rendering technology, to enhance Procore's capabilities for large-scale construction projects. The purchase price was \$44.3 million in total cash consideration. Of the consideration transferred, \$43.2 million was considered purchase consideration. \$1.1 million of the cash consideration relates to the acceleration of options vesting for certain Novorender option holders, and was excluded from purchase consideration and recorded to compensation expense in the accompanying condensed consolidated statements of operations and comprehensive income (loss) on the acquisition date. On the acquisition date, \$5.0 million in cash was placed in an escrow account held by a third-party escrow agent for potential breaches of representations, warranties, and covenants, and satisfaction of indemnity obligations and is scheduled to be released from escrow to Novorender's stockholders 24 months after the acquisition date (subject to any indemnification claims).

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The purchase consideration was allocated to the following assets and liabilities at the acquisition date (in thousands):

	Fair Value	Useful Life
Assets acquired		
Cash and cash equivalents	\$ 1,931	
Accounts receivable	272	
Prepaid expenses and other current assets	379	
Other non-current assets	2	
Developed technology intangible asset	19,100	7 years
Customer relationships intangible asset	4,900	10 years
Goodwill	23,706	
Total assets acquired	\$ 50,290	
Liabilities assumed		
Accounts payable	\$ (250)	
Deferred revenue, current	(590)	
Other current liabilities	(214)	
Accrued expenses	(1,687)	
Net deferred tax liabilities	(4,366)	
Total liabilities assumed	\$ (7,107)	
Net assets acquired	\$ 43,183	

During the three months ended June 30, 2025, the Company recorded a measurement period adjustment which did not have a material impact on goodwill. The purchase price accounting for this acquisition is final.

Developed technology intangible asset represents the fair value of Novorender's technology, which was valued considering both the cost to rebuild and relief from royalty methods. Key assumptions under the cost to rebuild method include the estimated level of effort and related costs of reproducing or replacing the acquired technology. Key assumptions under the relief from royalty method include forecasted revenue to be generated from the developed technology, an estimated royalty rate applicable to the technology, and a discount rate. Developed technology is amortized on a straight-line basis, which approximates the pattern in which the economic benefits of the technology are consumed, over its estimated useful life of seven years. The amortization expense is recorded in cost of revenue in the accompanying condensed consolidated statements of operations and comprehensive income (loss).

Customer relationships represent the fair value of the underlying relationships with Novorender's existing customers, which were valued using the excess earnings method. Key assumptions under the excess earnings method include estimated future revenues, costs, cash flows, and a discount rate. The customer relationship intangible asset is amortized on a straight-line basis, which approximates the pattern in which the economic benefits of the customer relationships are consumed, over its estimated useful life of 10 years. The amortization expense is recorded in sales and marketing expenses in the accompanying condensed consolidated statements of operations and comprehensive income (loss).

The \$23.7 million goodwill balance is primarily attributable to synergies and expanded market opportunities that are expected to be achieved from the integration of Novorender with the Company's offerings and assembled workforce. Goodwill is not deductible for income tax purposes.

The Company issued 55,956 service-based RSUs at a grant date fair value of \$76.30 per share in order to retain certain employees of Novorender. The total grant date fair value of the RSUs was excluded from

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purchase consideration and is recognized as post-combination expense. See Note 10 to these condensed consolidated financial statements for details on how the Company expenses stock-based compensation.

To retain certain Novorender employees, the Company held back \$6.7 million of the cash purchase price, which will vest based on continued employment over a two-year period. \$1.9 million was paid in January 2026, and the remaining \$4.8 million will be paid in January 2027. The cash holdback amount is excluded from the purchase consideration and will be recorded as post-combination compensation expense over the service period on a straight-line basis.

The Company has not separately presented pro forma results reflecting the acquisition of Novorender or revenue and operating losses of Novorender for the period from the acquisition date through June 30, 2026, as the impacts were not material to the condensed consolidated financial statements. The acquisition-related transaction costs were not material and were expensed as incurred in the accompanying condensed consolidated statements of operations and comprehensive income (loss).

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

During the six months ended June 30, 2026, the Company completed the acquisition of Datagrid, which was accounted for as a business combination, as described above in Note 6.

The Company's intangible assets are summarized as follows (in thousands):

June 30, 2026				
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Useful Life (Years)
Developed technology	\$ 262,961	\$ (144,541)	\$ 118,420	4.7
Customer relationships	79,950	(57,436)	22,514	6.6
Total intangible assets	\$ 342,911	\$ (201,977)	\$ 140,934	5.0

December 31, 2025				
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Useful Life (Years)
Developed technology	\$ 212,463	\$ (127,638)	\$ 84,825	3.8
Customer relationships	75,950	(55,411)	20,539	6.4
Total intangible assets	\$ 288,413	\$ (183,049)	\$ 105,364	4.3

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Certain of the Company's intangible assets related to the previous acquisitions were fully amortized in 2025. The Company estimates that there is no significant residual value related to its intangible assets. Amortization expense recorded on the Company's intangible assets is summarized as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenue	\$ 8,311	\$ 8,015	\$ 16,019	\$ 15,617
Sales and marketing	905	3,346	2,026	6,651
Research and development	221	658	883	1,290
Total amortization of acquired intangible assets	\$ 9,437	\$ 12,019	\$ 18,928	\$ 23,558

Goodwill

The following table presents the changes in carrying amount of goodwill during the six months ended June 30, 2026 (in thousands):

Beginning balance	\$ 574,083
Additions	114,926
Other adjustments, net ⁽¹⁾	(602)
Ending balance	\$ 688,407

(1) Includes acquisition-related post-closing net working capital adjustments and the effect of foreign currency translation

The addition to goodwill was due to the acquisition of Datagrid, as disclosed in Note 6 to these condensed consolidated financial statements. There was no impairment of goodwill during the periods presented.

8. ACCRUED EXPENSES

The following represents the components of accrued expenses contained within the Company's condensed consolidated balance sheets at the end of each period (in thousands):

	June 30, 2026	December 31, 2025
Accrued bonuses	\$ 28,615	\$ 49,706
Accrued commissions	25,493	30,417
Accrued salary, payroll tax, and employee benefit liabilities	43,704	32,173
Other accrued expenses	16,017	17,984
Total accrued expenses	\$ 113,829	\$ 130,280

9. COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company is, and may in the future become, involved in or subject to various legal proceedings arising in the ordinary course of business, including, among other things, related to commercial matters, business or employment practices, regulatory compliance, and legal proceedings with third parties asserting infringement of their intellectual property rights. The results of any current or future legal proceedings cannot be predicted with certainty, and regardless of the outcome, such proceedings can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors. The Company reviews at least quarterly the status of each legal proceeding and assesses its potential financial exposure in light of the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel, and other

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information and events pertaining to such matters. The Company accrues a liability related to a legal proceeding when it is considered both probable that a liability has been incurred and the amount of the loss is reasonably estimable. However, legal proceedings are inherently uncertain and as circumstances change, it is possible that the amount of any accrued liability may increase, decrease, or be eliminated.

Trade Secret Litigation

On October 25, 2024, Oracle America, Inc. and certain of its affiliates (“Oracle”) filed a lawsuit against the Company, one of its affiliates, and a former employee of Oracle employed by the Company, in the U.S. District Court for the Northern District of California. The lawsuit alleges misappropriation of trade secrets in violation of the Defend Trade Secrets Act, asserting that the Company utilized Oracle’s trade secrets to develop and enhance the Company’s construction payment product, Procore Pay. Discovery has closed, and the case is in the pre-trial phase. Oracle is seeking injunctive relief and monetary damages. The Company intends to vigorously defend itself against the claim. The Company’s chances of success on the merits are still uncertain, and any possible loss or range of loss cannot be reasonably estimated at this time.

Indemnification

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, investors, directors, and officers with respect to certain matters, including, but not limited to, losses arising out of its breach of such agreements, breaches of confidentiality or data protection requirements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments the Company could be required to make under these indemnification provisions may not be subject to maximum loss clauses or be covered by the Company’s insurance programs. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable.

The Company has never paid a material claim, nor has the Company been sued in connection with these indemnification arrangements. To date, the Company has not accrued a liability for these guarantees because the likelihood of incurring a payment obligation, if any, in connection with these guarantees is not probable or reasonably estimable.

10. STOCKHOLDERS’ EQUITY
2021 Equity Incentive Plan

In May 2021, the Company’s board of directors (the “Board”) adopted, and the stockholders approved, the 2021 Equity Incentive Plan (the “2021 Plan”) with the purpose of granting stock-based awards, including stock options, stock appreciation rights, restricted stock awards, RSUs, PSUs, and other forms of awards, to employees, directors, and consultants. As of December 31, 2025, a total of 59,355,916 shares of common stock were authorized for issuance under the 2021 Plan. The number of shares of the Company’s common stock reserved for issuance under the 2021 Plan automatically increases on January 1 of each calendar year, starting on January 1, 2022 through January 1, 2031, in an amount equal to either (i) 5% of the total number of shares of the Company’s common stock outstanding on December 31 of the fiscal year before the date of each automatic increase, or (ii) a lesser number of shares determined by the Board prior to the applicable January 1. Accordingly, on January 1, 2026, the number of shares of common stock that may be issued under the 2021 Plan increased by an additional 7,585,428 shares. As a result, as of June 30, 2026, a total of 66,941,344 shares of common stock are authorized for issuance under the 2021 Plan. As of June 30, 2026, a total of 43,123,751 shares of common stock were available for issuance under the 2021 Plan. No stock options have been issued under the 2021 Plan.

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Notes to Condensed Consolidated Financial Statements (unaudited)

Stock options

No stock options were granted during the periods presented.

The following table summarizes the stock option activity during the six months ended June 30, 2026:

	Number of Shares	Weighted- Average Exercise Price
Outstanding at December 31, 2025	2,064,273	\$ 13.05
Exercised	(531,931)	8.30
Cancelled/Forfeited	(509)	19.23
Outstanding at June 30, 2026	1,531,833	14.70
Exercisable at June 30, 2026	1,531,833	\$ 14.70

As of June 30, 2026, there is no unrecognized stock-based compensation cost for stock options previously granted by the Company.

Restricted stock units

Service-based restricted stock units

In 2018, the Company began issuing RSUs to certain employees, officers, non-employee consultants, and directors. All of the RSUs granted subsequent to the Company's initial public offering ("IPO") vest based solely on continued service, which is generally over three or four years, on either a quarterly or annual vesting schedule.

The following table summarizes the RSU activity during the six months ended June 30, 2026:

	Number of Shares	Weighted- Average Grant Date Fair Value
Outstanding at December 31, 2025	6,431,468	\$ 68.18
Granted	3,364,131	57.10
Vested	(1,620,194)	64.80
Canceled/Forfeited	(830,113)	67.02
Outstanding at June 30, 2026	7,345,292	\$ 63.98

As of June 30, 2026, the total unrecognized stock-based compensation cost for all RSUs outstanding was \$431.6 million, which is expected to be recognized over a weighted-average vesting period of 2.5 years.

Performance-based restricted stock units

Operating and financial performance-based restricted stock units

In 2022, the Company began granting PSUs to certain non-executive employees with vesting terms based on the achievement of certain operating and financial performance goals. In 2024, the Company began granting PSUs to certain executive employees with vesting terms based on the achievement of certain operating performance goals. Such PSUs are also subject to employees' continued service through the applicable vesting dates. The grant date fair value per share for PSUs is equal to the closing stock price of the Company's common stock on the market date prior to the grant date.

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The grant date fair value for PSUs is recognized as compensation expense using a graded vesting attribution model. No expense is recognized for PSUs until that condition is probable of being met, therefore the portion of expense recognized in any period may fluctuate depending on changing estimates of the achievement of the performance conditions. Forfeitures are recorded when they occur.

Market based restricted stock units

In 2025, the Company began granting market-based PSUs ("MSUs"), with vesting terms that are subject to a market condition and will vest based on the Company's total shareholder return ("TSR") performance relative to the TSR of the other companies that comprise the S&P Completion Index (CI) Information Technology. Such MSUs are also subject to employees' continued service through the applicable vesting dates. To determine the fair value of MSUs on the date of grant, the Company utilizes a Monte Carlo simulation with the following assumptions:

Risk-free interest rate	3.55% to 3.77%
Expected term (in years)	3.0 to 3.1
Estimated dividend yield	0.00%
Estimated weighted-average volatility	42.75% to 43.51%

The Company estimates volatility for MSUs based on the historical volatility of its own common stock price. The interest rate is derived from government bonds with a term equal to the longest simulation term. The Company has not declared, nor does it expect to declare, dividends in the foreseeable future. Consequently, an expected dividend yield of zero is utilized.

The grant date fair value for MSUs is recognized as compensation expense using a graded vesting attribution model. The expense recognized for MSUs is not adjusted for final projected payout of the awards. Forfeitures are recorded when they occur.

The following table summarizes the PSU and MSU activity during the six months ended June 30, 2026:

	Number of Shares	Weighted- Average Grant Date Fair Value
Outstanding at December 31, 2025	605,053	\$ 103.05
Granted ⁽¹⁾	636,035	90.45
Vested	(72,873)	73.77
Canceled/Forfeited	(6,424)	79.16
Outstanding at June 30, 2026	1,161,791	\$ 98.12

(1) This represents awards granted at 100% attainment of the performance conditions.

As of June 30, 2026, the total unrecognized stock-based compensation cost for all PSUs outstanding was \$90.4 million, which is expected to be recognized over a weighted-average vesting period of 2.6 years.

Employee Stock Purchase Plan

In May 2021, the Board adopted, and the stockholders approved, the 2021 Employee Stock Purchase Plan (the "ESPP"), which became effective immediately prior to the effective date of the Company's IPO. As of December 31, 2025, a total of 8,278,659 shares of common stock had been reserved for issuance under the ESPP. The number of shares of the Company's common stock reserved for issuance under the ESPP automatically increases on January 1 of each year for a period of 10 years, beginning on January 1, 2022 and continuing through January 1, 2031, by the lesser of (i) 1% of the total number of shares of the Company's common stock outstanding on December 31 of the immediately preceding year; and (ii) 3,900,000 shares,

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except before the date of any such increase, the Board may determine that such increase will be less than the amount set forth in clauses (i) and (ii). Accordingly, on January 1, 2026, the number of shares of common stock reserved under the ESPP increased by an additional 1,517,085 shares.

The offering periods are scheduled to start in May and November of each year. The ESPP provides for consecutive offering periods that will typically have a duration of 12 months in length and comprise two purchase periods of six months in length, subject to reset and rollover provisions.

The ESPP provides eligible employees with an opportunity to purchase shares of the Company's common stock through payroll deductions of up to 15% of their eligible compensation, subject to a maximum of \$25,000 of stock per calendar year. A participant may purchase a maximum of 2,500 shares of common stock during a purchase period. Amounts deducted and accumulated by the participant are used to purchase shares of common stock at the end of each six-month purchase period. The purchase price of the shares will be 85% of the lower of the fair market value of the common stock on (i) the first trading day of the applicable offering period and (ii) the last trading day of each purchase period in the related offering period. However, in the event the fair value of the common stock on the purchase date is lower than the fair value on the first trading day of the offering period, the offering period is terminated immediately following the purchase and a new offering period begins the following day. Participants may end their participation at any time prior to the last 15 days of a purchase period and will be repaid their accrued contributions that have not yet been used to purchase shares of common stock. Participation ends automatically upon termination of employment.

The fair value of the ESPP purchase rights on the date of grant using the Black-Scholes option pricing model was estimated using the following assumptions during the six months ended June 30, 2026:

Risk-free interest rate	3.74% to 3.78%
Expected term (in years)	0.5 to 1.0
Estimated dividend yield	0.00%
Estimated weighted-average volatility	46.99% to 52.77%

The term of the ESPP purchase rights is the offering period. The Company estimates volatility for ESPP purchase rights based on the historical volatility of its own common stock price. The interest rate is derived from government bonds with a similar term to the ESPP purchase right granted. The Company has not declared, nor does it expect to declare, dividends in the foreseeable future. Consequently, an expected dividend yield of zero was utilized. The fair value of the Company's common stock used to value ESPP purchase rights is based on the trading price of its publicly traded common stock.

Employee payroll contributions accrued in connection with the ESPP were \$3.6 million and \$5.2 million as of June 30, 2026 and December 31, 2025, respectively, and are included within accrued expenses on the accompanying condensed consolidated balance sheets. Employee payroll contributions ultimately used to purchase shares will be reclassified to stockholders' equity on the purchase date. Stock-based compensation expense related to the ESPP is recognized on a straight-line basis over the offering period. During the six months ended June 30, 2026 and 2025, the Company recognized stock-based compensation expense of \$4.9 million and \$5.1 million, respectively, in connection with the ESPP. During the six months ended June 30, 2026 and 2025, 330,571 and 245,276 shares of the Company's common stock were purchased under the ESPP, respectively.

As of June 30, 2026, unrecognized stock-based compensation expense related to the ESPP was \$8.7 million, which is expected to be recognized over a weighted-average period of 0.5 years.

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Stock-based compensation

The Company recorded total stock-based compensation cost from stock options, RSUs, PSUs, and the ESPP as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenue	\$ 2,556	\$ 3,204	\$ 5,175	\$ 5,956
Sales and marketing	18,045	17,473	38,518	32,307
Research and development	21,989	21,230	40,537	39,602
General and administrative	14,166	13,670	29,526	25,991
Total stock-based compensation expense	\$ 56,756	\$ 55,577	\$ 113,756	\$ 103,856
Stock-based compensation capitalized for software development and cloud-computing arrangement implementation costs	4,798	5,060	9,135	9,183
Total stock-based compensation cost	\$ 61,554	\$ 60,637	\$ 122,891	\$ 113,039

Stock repurchase program

On November 3, 2025, the Board authorized a stock repurchase program to repurchase up to \$300.0 million of the Company's outstanding common stock (the "2025 Stock Repurchase Program"). The Company intends to opportunistically repurchase shares of its common stock from time to time through the open market, or other transactions in accordance with applicable securities laws, in each case, subject to market conditions, applicable legal requirements, and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended. The Company may also, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases of its common stock under this authorization. The timing of stock repurchases and the actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities, and will be subject to the discretion of the Company's management within its authorization. The 2025 Stock Repurchase Program will be funded using the Company's working capital. The 2025 Stock Repurchase Program does not obligate the Company to acquire any particular number of shares of the Company's common stock, or any shares at all. The 2025 Stock Repurchase Program expires on November 3, 2026, and may be suspended or discontinued at any time at the Company's discretion and without notice.

During the six months ended June 30, 2026, the Company repurchased and retired a total of 1,765,560 shares of the Company's common stock at a weighted average per share price of \$56.66 for an aggregate amount of \$100.0 million, which includes the transaction costs associated with the repurchases but excludes the 1% excise tax on stock repurchases imposed by the Inflation Reduction Act of 2022.

11. INCOME TAXES

For the three months ended June 30, 2026 and 2025, the Company recorded an income tax (benefit) of \$(1.8) million and \$(0.4) million, respectively. For the six months ended June 30, 2026 and 2025, the Company recorded an income tax (benefit) provision of \$(3.6) million and \$4.9 million, respectively. As of June 30, 2026, the Company maintained a full valuation allowance on its U.S. federal and state net deferred tax assets as it was more likely than not that those deferred tax assets would not be realized.

In determining quarterly provisions for income taxes, the Company uses the annual estimated effective tax rate applied to the actual year-to-date income or loss, adjusted for discrete items, if any, arising in that quarter. The Company's annual estimated effective tax rate differs from the U.S. federal statutory rate of 21% primarily as a result of state taxes, foreign taxes, and changes in the Company's valuation allowance.

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12. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share attributable to common stockholders is calculated by dividing the net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is calculated by giving effect to all potential dilutive common stock equivalents during the period. For purposes of this calculation, options to purchase common stock, RSUs, PSUs, and shares issuable under the ESPP are considered to be potential common stock equivalents.

A reconciliation of the denominator used in the calculation of basic and diluted net income (loss) per share is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss)	\$ 16,922	\$ (21,089)	\$ 7,826	\$ (54,078)
Weighted-average common shares outstanding, basic	151,355,834	149,663,744	151,154,487	149,829,900
Dilutive effect of share equivalents				
Shares of common stock issuable from stock options	1,173,930	—	1,327,272	—
RSUs and PSUs subject to future vesting	126,870	—	354,397	—
Shares of common stock issuable from ESPP	136,856	—	192,441	—
Weighted-average common shares outstanding, diluted	152,793,490	149,663,744	153,028,597	149,829,900
Net income (loss) per share, basic	\$ 0.11	\$ (0.14)	\$ 0.05	\$ (0.36)
Net income (loss) per share, diluted	\$ 0.11	\$ (0.14)	\$ 0.05	\$ (0.36)

For the three and six months ended June 30, 2026, potentially dilutive shares are included in the calculation of diluted net income per share using the treasury stock method.

Since the Company reported net losses for the three and six months ended June 30, 2025, diluted net loss per share is the same as basic net loss per share. All of the Company's outstanding stock options, RSUs, PSUs, and shares issuable under the ESPP were excluded in the calculation of diluted net loss per share as the effect would be anti-dilutive.

The following weighted-average potentially dilutive shares are excluded from the calculation of diluted earnings per share as they are anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
RSUs and PSUs subject to future vesting	7,920,780	8,267,286	5,163,328	7,639,155
Shares issuable pursuant to the ESPP	9,980	443,577	6,470	443,948
Shares of common stock issuable from stock options	—	2,799,723	—	2,883,346
Total	7,930,760	11,510,586	5,169,798	10,966,449

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Notes to Condensed Consolidated Financial Statements *(unaudited)*

13. GEOGRAPHIC INFORMATION

The following table sets forth the Company's revenues by geographic region, which is determined based on the billing location of the customer (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue by geographic region:				
U.S.	\$ 316,559	\$ 276,144	\$ 621,928	\$ 540,741
Rest of the world	58,648	47,775	112,562	93,810
Total revenue	<u>\$ 375,207</u>	<u>\$ 323,919</u>	<u>\$ 734,490</u>	<u>\$ 634,551</u>
Percentage of revenue by geographic region:				
U.S.	84%	85%	85%	85%
Rest of the world	16%	15%	15%	15%

14. RESTRUCTURING

In January 2026, the Company executed a reduction of 4% of its global workforce as part of its ongoing evaluation of its operations to ensure alignment of its workforce with, and to enable greater investment in key growth opportunities. The reduction in force was completed as of March 31, 2026.

The following table summarizes the severance and other benefit costs incurred during the six months ended June 30, 2026 by line item within the condensed consolidated statement of operations and comprehensive income (loss) (in thousands) related to this restructuring event:

Cost of revenue	\$ 1,002
Sales and marketing	2,428
Research and development	1,893
General and administrative	638
Total restructuring-related costs	<u>\$ 5,961</u>

As of June 30, 2026, there was no liability remaining for restructuring-related costs.

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15. SUBSEQUENT EVENTS

On July 27, 2026, the Company entered into an Agreement and Plan of Merger to acquire DroneDeploy, Inc., a Delaware corporation ("DroneDeploy"), for a purchase price of approximately \$845.0 million in cash, subject to certain adjustments for working capital, transaction expenses, cash, and indebtedness, among other things, as described in the merger agreement. DroneDeploy is a software company that provides cloud-control software solutions for drones and other robots, which include automated flight safety checks, workflows, and real-time mapping and data processing. In addition to the purchase price, the Company has agreed to create a retention pool for the benefit of certain service providers of DroneDeploy consisting of equity awards, or cash where equity cannot be granted due to applicable law, to encourage such service providers to continue providing services to the Company or its affiliates following the closing of the merger. The completion of this transaction is anticipated to occur later this year and is subject to the satisfaction of certain closing conditions. As such, the Company is not able to disclose certain information relating to the business combination, including the preliminary fair value of assets acquired, liabilities assumed, and the final purchase price allocation.

In connection with its entry into the merger agreement, on July 27, 2026, the Company entered into a debt financing commitment letter with Goldman Sachs Bank USA, pursuant to which the bank committed to provide the Company with debt financing in an aggregate principal amount of up to \$700.0 million in the form of a 364-day senior secured bridge loan facility, subject to customary conditions. Subject to market conditions and other factors, the Company may fund a portion of the purchase price through one or more bank financing or capital markets transactions in lieu of all or a portion of the bridge facility.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and notes thereto and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K dated February 24, 2026 (our "2025 Form 10-K"). You should review the disclosures under the section titled "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q and under Part I, Item 1A, "Risk Factors" in our 2025 Form 10-K for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. These statements, like all statements in this report, speak only as of their date (unless another date is indicated), and we undertake no obligation to update or revise these statements in light of future developments, except as required by law.

Overview

Our mission is to connect everyone in construction on a global platform.

We are the leading global provider of construction management software, and are helping transform one of the oldest, largest, and least digitized industries in the world. We focus exclusively on connecting and empowering the construction industry's key stakeholders, such as owners, general contractors, and specialty contractors, to collaborate and access our capabilities from any location on any connected device. Our platform is modernizing and digitizing construction management by enabling timely access to critical project information, simplifying complex workflows, and facilitating seamless communication among relevant stakeholders, all of which we believe positions us to serve as a critical system of record and collaboration for the construction industry. We also continue to develop other products and services to address related challenges faced by the construction industry's key stakeholders. Our products, services, and platform help our customers increase productivity and efficiency, reduce rework and costly delays, improve safety and compliance, and enhance financial transparency and accountability.

In short, we build the software for the people that build the world.

Our customers range from small businesses managing a few million dollars of annual construction volume to global enterprises managing billions of dollars of annual construction volume. Our core customers are owners, general contractors, and specialty contractors operating across the residential and non-residential segments of the construction industry. We primarily sell subscriptions to access our products through our direct sales team, which is specialized by geography, followed by size and type of stakeholder.

Our products are offered on our cloud-based platform and are designed to be easy to configure and deploy. Our users can access our products on computers, smartphones, and tablets through any web browser or from our mobile application available for both the iOS and Android platforms.

We generate substantially all of our revenue from subscriptions to access our products. We primarily sell our products on a subscription basis for a fixed fee with pricing generally based on the number and mix of products a customer subscribes to and the fixed aggregate dollar volume of construction work contracted to run on our platform annually, which we refer to as annual construction volume. As our customers subscribe to additional products or increase the annual construction volume contracted to run on our platform, we generate more revenue. We do not provide refunds for unused construction volume. We generally do not charge customers based on consumption or on a per-project basis. Our business model is designed to encourage rapid, widespread adoption of our products by generally allowing for unlimited users. We typically do not charge a per-seat or per-user fee, meaning that customers can invite all project participants, including owners, general contractors, specialty contractors, architects, and engineers, to engage with our platform as part of a project team without incurring additional fees. We offer access to our products on a per-user basis to certain of our owner customers who have preferred to purchase access on a per-user basis. Customers are able to invite project participants to join our platform, including their employees and collaborators, who are other project participants that engage with our platform but do not pay us for such use. Multiple participants can be customers on the same project, which allows each of them to manage their own discrete workflows for the

project and retain access to project information for the duration of their subscription while allowing us to receive revenue from multiple customers on the same project independent of seat count.

Recent Developments

On July 27, 2026, we entered into an Agreement and Plan of Merger to acquire DroneDeploy (the “DroneDeploy Merger Agreement”) for a purchase price of approximately \$845.0 million in cash, subject to adjustment as provided in the DroneDeploy Merger Agreement (the “DroneDeploy Merger”). DroneDeploy is a software company that provides cloud-control software solutions for drones and other robots, which include automated flight safety checks, workflows, and real-time mapping and data processing. In addition to the purchase price, we have agreed to create a retention pool for the benefit of certain service providers of DroneDeploy consisting of equity awards, or cash where equity cannot be granted due to applicable law, to encourage such service providers to continue providing services to us following the closing of the DroneDeploy Merger. The completion of this transaction is anticipated to occur later this year and is subject to the satisfaction of certain closing conditions.

In connection with our entry into the DroneDeploy Merger Agreement, on July 27, 2026, we entered into a debt financing commitment letter (the “Commitment Letter”) with Goldman Sachs Bank USA, pursuant to which it committed to provide us with debt financing in an aggregate principal amount of up to \$700.0 million in the form of a 364-day senior secured bridge loan facility, subject to customary conditions. Subject to market conditions and other factors, we may fund a portion of the purchase price through one or more bank financing or capital markets transactions in lieu of all or a portion of the bridge facility.

Certain Factors Affecting Our Performance

Acquiring New Customers and Retaining and Expanding Existing Customers’ Use of Our Platform

We believe that the market for our platform is large, and we are highly focused on our long-term growth. Our ability to generate revenue, continue to grow our business, and serve the broader needs of the construction industry depends on our ability to efficiently acquire new customers, retain existing customers and expand their use of our products, services, and platform, and maintain or increase the pricing of our products and services. We drive new customer acquisitions by investing across our sales and marketing engine to engage prospective customers, increase brand awareness, and drive adoption of our products, services, and platform. We drive retention of existing customers and expansion of their use of our products, services, and platform by focusing on our customers’ success.

To support these efforts, beginning in 2024 and continuing through 2025, we evolved our GTM operating model by, among other things, transitioning to a general manager model, adding new product and technical specialists to our GTM teams and, increasing our sales headcount. We believe that the evolved GTM operating model will improve our long-term operating efficiency, best position us for sustainable long-term growth, and enhance our ability to capture our market opportunity. However, if we are not able to realize the benefits of this model, or otherwise fail to acquire new customers, retain existing customers, or expand existing customers’ use of our products, services, and platform, our business, financial condition, results of operations, and prospects will be adversely affected, potentially materially.

Despite macroeconomic challenges, we have seen an increase in the number of customers that contributed more than \$100,000 of annual recurring revenue (“ARR”), which increased from 2,517 as of June 30, 2025 to 2,871 as of June 30, 2026, reflecting a year-over-year growth rate of 14%. The number of customers that contributed more than \$100,000 of ARR represented 68% and 64% of our total ARR as of June 30, 2026 and 2025, respectively. As of June 30, 2026, 59%, 26%, and 15% of our ARR was generated from general contractors, owners, and specialty contractors, respectively. All aforementioned customer counts, and the customer ARR mix exclude customers acquired from business combinations that do not have standard Procore annual contracts.

In addition, our gross retention rate (“GRR”) was 95% as of both June 30, 2026 and June 30, 2025. Our GRR reflects only customer losses and does not reflect customer expansion or contraction. We believe our high GRR demonstrates that we serve a vital role in our customers’ operations, as the vast majority of our customers continue to use our products and platform and to renew their subscriptions. We believe that GRR is a key metric to understand our ability to retain our customer base, to evaluate whether our products and platform are addressing our customers’ needs throughout the year.

To calculate GRR at the end of a particular period, we first calculate our ARR from the cohort of active customers at the end of the period 12 months prior to the end of the period selected. We define ARR at the end of a particular period as the annualized dollar value of our subscriptions from customers as of such period end date. For multi-year subscriptions, ARR at the end of a particular period is measured by using the stated contractual subscription fees as of the period end date on which ARR is measured. For example, if ARR is measured during the first year of a multi-year contract, the first-year subscription fees are used to calculate ARR. ARR at the end of a particular period includes the annualized dollar value of subscriptions for which the term has not ended, and subscriptions for which we are negotiating a subscription renewal. ARR should be viewed independently of revenue determined in accordance with accounting principles generally accepted in the U.S. ("GAAP" or "U.S. GAAP") and does not represent our U.S. GAAP revenue on an annualized basis. ARR is not intended to be a replacement or forecast of revenue. We then calculate the value of ARR from any customers whose subscriptions terminated and were not renewed during the 12 months preceding the end of the period selected, which we refer to as cancellations. We then divide (a) the total prior period ARR minus cancellations by (b) the total prior period ARR to calculate GRR.

Remaining Performance Obligations

Our subscriptions typically have a term of one to three years. The transaction price allocated to remaining performance obligations ("RPO") under our subscriptions represents the contracted transaction price that has not yet been recognized as revenue, which includes deferred revenue and amounts under non-cancelable subscriptions that will be invoiced and recognized as revenue in future periods. Our current RPO ("cRPO") represents future revenue under existing contracts that is expected to be recognized as revenue in the next 12 months.

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

	June 30,		Change	
	2026	2025	Dollar	Percent
(dollars in thousands)				
Remaining performance obligations				
Current	\$ 1,072,490	\$ 879,489	\$ 193,001	22%
Non-current	597,425	464,268	133,157	29%
Total remaining performance obligations	<u>\$ 1,669,915</u>	<u>\$ 1,343,757</u>	<u>\$ 326,158</u>	<u>24%</u>

We believe that cRPO is a key metric to track our ability to win fixed revenue commitments from new customers and to expand and retain existing customers. However, as our average contract duration continues to lengthen due to increased purchases of multi-year subscriptions, our cRPO growth rate may not directly correlate with our actual or expected revenue growth in current or future periods. As of June 30, 2026, cRPO increased by \$193.0 million, or 22%, year-over-year. Approximately 42% of the increase was attributable to existing customers and 58% was attributable to new customers acquired during the twelve months ended June 30, 2026. We expect RPO to change from period to period primarily due to the size, timing, and duration of new customer contracts and customer renewals.

Continued Technology Innovation and Strategic Expansion of Our Products and Services

We plan to continue to invest in technology innovation and product development, including Procore AI, which includes tools and products that are purpose-built for the construction industry, to enhance the capabilities of our platform. Additional capabilities will also enable customers and collaborators to manage new workflows on our platform and allow us to attract a broader set of stakeholders. We have introduced and continue to develop new products and services organically and through our acquisitions.

We intend to continue to invest in building additional products, services, offerings, features, and functionality that expand our capabilities and facilitate the extension of our platform. For example, in January 2026, we acquired Toric Labs, Inc. (d/b/a Datagrid), a leader in agentic AI solutions for the construction industry, to accelerate our AI strategy, and in January 2025, we acquired Novorender AS, a leader in advanced building information modeling rendering technology, to enhance our capabilities for large-scale construction projects. In

addition, in July 2026, we entered into the DroneDeploy Merger Agreement to acquire DroneDeploy, a leader in reality capture and robotic automation. We also intend to continue to evaluate strategic acquisitions and investments in businesses and technologies to drive product and market expansion. While the impact of these developments are not yet material to our business, our future success is dependent on our ability to successfully develop or acquire, market, and sell existing and new products and services to both new and existing customers.

International Growth

We see international expansion as a major, and largely greenfield, opportunity for growth as we look to capture a larger part of the worldwide construction market. We have an international sales and marketing presence with offices in Sydney, Australia; Toronto, Canada; London, England; Dublin, Ireland; and Dubai, United Arab Emirates ("UAE"). As a result of our international efforts, we support multiple languages and currencies. Non-U.S. revenue as a percentage of our total revenue was 15% for both the six months ended June 30, 2026 and 2025. We determine the percentage of non-U.S. revenue based on the billing location of each customer. Fluctuations in foreign currencies may positively or negatively impact the amount of revenue that we report for our foreign subsidiaries upon the translation of these amounts into U.S. Dollars.

Furthermore, we believe global demand for our products, services, and platform will continue to increase as we expand our international sales and marketing efforts, and the awareness of our products, services, and platform grows. However, our ability to conduct our business operations internationally will require considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, currencies, cultures, customs, and commercial markets, as well as differing legal, tax, regulatory, and alternative dispute systems. We have made, and plan to continue to make, significant investments in international markets. While these investments may adversely affect our operating results in the near term, we believe they will contribute to our long-term growth.

Macroeconomic Factors

Macroeconomic factors and geopolitical events that impact the construction industry, such as elevated inflation and responses by governments to address it, changing interest rates, volatility in capital markets, bank failures, fluctuations in foreign exchange rates, global pandemics, trade wars or shifting tariffs, evolving and potentially conflicting regulatory requirements, and wars and other conflicts may impact our customers' spending as well as our operating expenses and cash flows. However, as such factors evolve, we continue to monitor the ways in which they may directly or indirectly impact our business, results of operations, and financial condition. See the section titled "Risk Factors" in Part I, Item 1A, of our 2025 Form 10-K for further discussion.

Components of Results of Operations

Revenue

We generate substantially all of our revenue from subscriptions to access our products and related support. Subscriptions are sold for a fixed fee and revenue is recognized ratably over the term of the subscription. Our subscriptions generally have annual or multi-year terms, are typically subject to renewal at the end of the subscription term, and are non-cancelable. To the extent we invoice our customers in advance of revenue recognition, we record deferred revenue. Consequently, a portion of the revenue that we report each period is attributable to the recognition of revenue previously deferred related to subscriptions that we entered into during previous periods.

Cost of Revenue

Cost of revenue primarily consists of personnel-related compensation expenses for our customer support team, including salaries, benefits, stock-based compensation, payroll taxes, commissions, and bonuses. Additionally, cost of revenue includes non-personnel-related expenses, such as third-party hosting costs, amortization of capitalized software development costs related to our platform, amortization of acquired technology intangible assets, software license fees, and allocated overhead. We expect our cost of revenue to increase on an absolute dollar basis as our revenue and acquisition activities increase. We intend to continue to invest additional resources in platform hosting, customer support, and software development as we grow our business, support our GTM operating model, and ensure that our customers are realizing the full benefit of our products. The level and timing of investment in these areas could affect our cost of revenue in the future.

Costs related to the development of internal-use software for new products and major platform enhancements are capitalized until the software is substantially complete and ready for its intended use. Capitalized software development costs are amortized on a straight-line basis over the developed software's estimated useful life of two years and the amortization is recorded in cost of revenue.

Operating Expenses

Our operating expenses consist of sales and marketing, research and development, and general and administrative expenses. For each of these categories of expense, personnel-related compensation expenses are the most significant component, which include salaries, stock-based compensation, commissions, benefits, bonuses, and payroll taxes.

Sales and Marketing

Sales and marketing expenses primarily consist of personnel-related compensation expenses for our sales and marketing organizations. Additionally, sales and marketing expenses include non-personnel-related expenses, such as advertising costs, marketing events, travel, trade shows, and other marketing activities; contractor costs to supplement our staff levels; consulting services; amortization of acquired customer relationship intangible assets; and allocated overhead. We expense advertising and other promotional expenditures as incurred. We expect sales and marketing expenses to increase on an absolute dollar basis and vary from period to period as a percentage of revenue, as our business continues to grow, as we support our GTM operating model, and as we increase our investment in sales and marketing to drive customer growth.

Research and Development

Research and development expenses primarily consist of personnel-related compensation expenses for our engineering, product, and design teams, net of capitalized software development costs. Additionally, research and development expenses include non-personnel-related expenses, such as contractor costs to supplement our staff levels; computer software expenses; consulting services; amortization of certain acquired intangible assets used in research and development activities; and allocated overhead. We expect research and development expenses to increase on an absolute dollar basis and vary from period to period as a percentage of revenue for the foreseeable future as we continue to build, enhance, maintain, and scale our products, services, and platform.

General and Administrative

General and administrative expenses primarily consist of personnel-related compensation expenses for our finance, human resources, information technology, legal, executive, and other administrative functions. Additionally, general and administrative expenses include non-personnel-related expenses, such as professional fees for legal, audit, tax, and other external consulting services; computer software expenses; costs associated with operating as a public company, including insurance costs, professional services, investor relations, and other compliance costs; property and use taxes; licenses; travel and entertainment costs; acquisition-related transaction expenses; and allocated overhead. We expect general and administrative expenses to increase on an absolute dollar basis and vary from period to period as a percentage of revenue as our business continues to grow, including in relation to our international expansion.

Interest Income

Interest income consists primarily of interest income earned on our marketable securities, money market funds, and cash savings accounts.

Interest Expense

Interest expense consists primarily of costs associated with our finance leases.

Accretion Income, Net

Accretion income, net consists of accretion of discounts, net of amortization of premiums, related to our available-for-sale marketable debt securities.

Other Income , Net

Other income, net primarily consists of gains or losses on foreign currency transactions, unrealized gains or losses on equity securities, and miscellaneous other income and expenses.

(Benefit from) Provision for Income Taxes

(Benefit from) provision for income taxes consists primarily of income taxes of U.S. state franchise taxes and certain foreign jurisdictions in which we conduct business, net of the release of valuation allowance as a result of deferred tax liabilities from acquisitions that are an available source of income to realize our deferred tax assets. As we expand our international operations, we expect to incur increased foreign tax expenses. We have a full valuation allowance for net U.S. deferred tax assets. The U.S. valuation allowance primarily includes net operating loss carryforwards and tax credits related primarily to research and development for our operations in the U.S. We expect to maintain this full valuation allowance for our net U.S. deferred tax assets for the foreseeable future.

Results of Operations

The following tables set forth our condensed consolidated statements of operations data and such data as a percentage of revenue for each of the periods indicated. Certain percentages below may not sum due to rounding.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Revenue	\$ 375,207	\$ 323,919	\$ 734,490	\$ 634,551
Cost of revenue ⁽¹⁾⁽²⁾⁽³⁾	75,411	67,732	146,904	132,658
Gross profit	299,796	256,187	587,586	501,893
Operating expenses				
Sales and marketing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	145,785	141,897	294,966	280,581
Research and development ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	93,349	88,902	178,914	176,511
General and administrative ⁽¹⁾⁽³⁾⁽⁴⁾	56,335	55,655	125,050	111,313
Total operating expenses	295,469	286,454	598,930	568,405
Income (loss) from operations	4,327	(30,267)	(11,344)	(66,512)
Interest income	4,422	5,015	8,944	11,012
Interest expense	(179)	(298)	(447)	(583)
Accretion income, net	714	2,027	1,711	4,474
Other income, net	5,879	2,023	5,323	2,414
Income (loss) before (benefit from) provision for income taxes	15,163	(21,500)	4,187	(49,195)
(Benefit from) provision for income taxes	(1,759)	(411)	(3,639)	4,883
Net income (loss)	\$ 16,922	\$ (21,089)	\$ 7,826	\$ (54,078)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Revenue	100%	100%	100%	100%
Cost of revenue ⁽¹⁾⁽²⁾⁽³⁾	20%	21%	20%	21%
Gross profit	80%	79%	80%	79%
Operating expenses				
Sales and marketing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	39%	44%	40%	44%
Research and development ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	25%	27%	24%	28%
General and administrative ⁽¹⁾⁽³⁾⁽⁴⁾	15%	17%	17%	18%
Total operating expenses	79%	88%	82%	90%
Income (loss) from operations	1%	(9%)	(2%)	(10%)
Interest income	1%	2%	1%	2%
Interest expense	0%	0%	0%	0%
Accretion income, net	0%	1%	0%	1%
Other income, net	2%	1%	1%	0%
Income (loss) before (benefit from) provision for income taxes	4%	(7%)	1%	(8%)
(Benefit from) provision for income taxes	(0%)	(0%)	(0%)	1%
Net income (loss)	5%	(7%)	1%	(9%)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Cost of revenue	\$ 6,196	\$ 5,868	\$ 12,138	\$ 11,136
Sales and marketing	18,160	17,589	38,748	32,539
Research and development	21,994	21,237	40,549	39,661
General and administrative	14,212	13,718	29,614	26,100
Total stock-based compensation expense*	\$ 60,562	\$ 58,412	\$ 121,049	\$ 109,436

*Includes amortization of capitalized stock-based compensation of \$3.8 million and \$2.8 million, respectively, for the three months ended June 30, 2026 and 2025; and \$7.3 million and \$5.6 million, respectively, for the six months ended June 30, 2026 and 2025; 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Cost of revenue	\$ 8,311	\$ 8,015	\$ 16,019	\$ 15,617
Sales and marketing	905	3,346	2,026	6,651
Research and development	221	658	883	1,290
Total amortization of acquired intangible assets	\$ 9,437	\$ 12,019	\$ 18,928	\$ 23,558

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Cost of revenue	\$ 129	\$ 200	\$ 303	\$ 461
Sales and marketing	572	748	1,324	1,879
Research and development	687	1,103	1,737	2,829
General and administrative	315	462	817	1,345
Total employer payroll tax on employee stock transactions	\$ 1,703	\$ 2,513	\$ 4,181	\$ 6,514

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(in thousands)				
Sales and marketing	\$ 166	\$ 138	\$ 320	\$ 794
Research and development	3,001	695	5,587	1,744
General and administrative	1,298	166	2,543	541
Total acquisition-related expenses	\$ 4,465	\$ 999	\$ 8,450	\$ 3,079

Comparison of the Three Months Ended June 30, 2026 and 2025

Revenue

	Three Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
	(dollars in thousands)			
Revenue	\$ 375,207	\$ 323,919	\$ 51,288	16%

During the three months ended June 30, 2026, our revenue increased by \$51.3 million, or 16%, compared to the three months ended June 30, 2025, of which approximately 88% was attributable to revenue from existing customers and approximately 12% was attributable to revenue from new customers acquired during the three months ended June 30, 2026. The increase in revenue from existing customers includes the net benefit of a full quarter of subscription revenue in the second quarter of 2026 from customers that were newly acquired or expanded their subscriptions between the second quarter of 2025 and the first quarter of 2026 and continued or expanded their subscriptions, as applicable, in the second quarter of 2026.

Cost of Revenue, Gross Profit, and Gross Margin

	Three Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
	(dollars in thousands)			
Cost of revenue	\$ 75,411	\$ 67,732	\$ 7,679	11%
Gross profit	299,796	256,187	43,609	17%
Gross margin	80%	79%		

The increase in cost of revenue during the three months ended June 30, 2026 was primarily attributable to an increase of \$4.4 million in amortization of capitalized software development costs. The increase in cost of revenue was also attributable to a \$2.6 million increase in third-party cloud hosting and related services as we grow our customer base. We increased our cost of revenue headcount by 2% since June 30, 2025.

Operating Expenses

	Three Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
	(dollars in thousands)			
Sales and marketing	\$ 145,785	\$ 141,897	\$ 3,888	3%

The increase in sales and marketing expenses during the three months ended June 30, 2026 was primarily attributable to an increase of \$5.5 million in personnel-related expenses, including increases of \$5.1 million in salaries and wages and \$0.6 million in stock-based compensation expense. The increases in sales and marketing expenses were partially offset by a \$2.4 million decrease in amortization of customer relationship intangible assets due to certain customer relationship intangible assets becoming fully amortized in Q4 2025. We decreased our sales and marketing headcount by 4% since June 30, 2025.

	Three Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
(dollars in thousands)				
Research and development	\$ 93,349	\$ 88,902	\$ 4,447	5%

The increase in research and development expenses during the three months ended June 30, 2026 was primarily attributable to an increase of \$2.3 million in acquisition-related expenses. The increase in research and development expenses was also attributable to a \$2.1 million increase in computer software expenses. We increased our research and development headcount by 6% since June 30, 2025.

	Three Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
(dollars in thousands)				
General and administrative	\$ 56,335	\$ 55,655	\$ 680	1%

The increase in general and administrative expenses during the three months ended June 30, 2026 was primarily attributable to an increase of \$5.5 million in professional fees, including a \$3.4 million increase in legal fees, which were predominantly related to an ongoing lawsuit with Oracle. The increase in general and administrative expenses was also attributable to a \$1.1 million increase in acquisition-related expenses. The increases in general and administrative expenses were partially offset by a \$5.0 million decrease in rent expense, primarily related to a non-cash gain that was recognized in relation to modifications of leases in the second quarter of 2026. Our general and administrative headcount has remained relatively consistent since June 30, 2025.

Interest Income, Interest Expense, Accretion Income, Net, Other Income, Net, and (Benefit from) Provision for Income Taxes

	Three Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
(dollars in thousands)				
Interest income	\$ 4,422	\$ 5,015	\$ (593)	(12%)
Interest expense	179	298	(119)	(40%)
Accretion income, net	714	2,027	(1,313)	(65%)
Other income, net	5,879	2,023	3,856	*
(Benefit from) provision for income taxes	(1,759)	(411)	(1,348)	*

* Percentage not meaningful

During the three months ended June 30, 2026, accretion income, net decreased by \$1.3 million due to a decrease in the balance of our marketable securities portfolio year over year.

During the three months ended June 30, 2026, other income, net increased by \$3.9 million primarily due to unrealized gains on strategic investments.

During the three months ended June 30, 2026, benefit from income taxes increased by \$1.3 million due to the Company's shift from pre-tax loss in 2025 to pre-tax income in 2026

Comparison of the Six Months Ended June 30, 2026 and 2025

Revenue

	Six Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
	(dollars in thousands)			
Revenue	\$ 734,490	\$ 634,551	\$ 99,939	16%

During the six months ended June 30, 2026, our revenue increased by \$99.9 million, or 16%, compared to the six months ended June 30, 2025, of which approximately 84% was attributable to revenue from existing customers and approximately 16% was attributable to revenue from new customers acquired during the six months ended June 30, 2026. The increase in revenue from existing customers includes the net benefit of a full six months of subscription revenue in the first half of 2026 from customers that were newly acquired or expanded their subscriptions in 2025 and continued or expanded their subscriptions, as applicable, in the first half of 2026.

Cost of Revenue, Gross Profit, and Gross Margin

	Six Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
	(dollars in thousands)			
Cost of revenue	\$ 146,904	\$ 132,658	\$ 14,246	11%
Gross profit	587,586	501,893	85,693	17%
Gross margin	80%	79%		

The increase in cost of revenue during the six months ended June 30, 2026 was primarily attributable to an increase of \$8.3 million in amortization of capitalized software development costs. The increase in cost of revenue was also attributable to a \$3.6 million increase in third-party cloud hosting and related services as we grow our customer base, and a \$1.1 million increase in personnel-related expenses for salaries and wages. We increased our cost of revenue headcount by 2% since June 30, 2025.

Operating Expenses

	Six Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
	(dollars in thousands)			
Sales and marketing	\$ 294,966	\$ 280,581	\$ 14,385	5%

The increase in sales and marketing expenses during the six months ended June 30, 2026 was primarily attributable to an increase of \$18.2 million in personnel-related expenses, including increases of \$12.5 million in salaries and wages and \$6.2 million in stock-based compensation expense. The increase in sales and marketing expenses was also attributable to a \$2.9 million increase in travel-related costs, and a \$1.2 million increase in computer software expenses. The increases in sales and marketing expenses were partially offset by a \$4.6 million decrease in amortization of customer relationship intangible assets due to certain customer relationship intangible assets becoming fully amortized in Q4 2025, and a \$2.4 million decrease in professional fees for temporary contractor labor. We decreased our sales and marketing headcount by 4% since June 30, 2025.

	Six Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
(dollars in thousands)				
Research and development	\$ 178,914	\$ 176,511	\$ 2,403	1%

The increase in research and development expenses during the six months ended June 30, 2026 was primarily attributable to an increase of \$3.9 million in acquisition-related expenses. The increase in research and development expenses was also attributable to a \$2.4 million increase in computer software expenses. The increases in research and development expenses were partially offset by a \$4.0 million decrease in personnel-related expenses for salaries and wages. We increased our research and development headcount by 6% since June 30, 2025.

	Six Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
(dollars in thousands)				
General and administrative	\$ 125,050	\$ 111,313	\$ 13,737	12%

The increase in general and administrative expenses during the six months ended June 30, 2026 was primarily due to an increase of \$15.9 million in professional fees, including an increase of \$11.3 million in legal fees, which were predominantly related to an ongoing lawsuit with Oracle America, Inc. and certain of its affiliates ("Oracle"). The increase in general and administrative expenses was also attributable to a \$2.0 million increase in acquisition-related expenses. The increases in general and administrative expenses were partially offset by a decrease of \$3.2 million in rent expense, primarily related to modifications of leases in the second quarter of 2026; and a \$0.9 million decrease in personnel-related expenses, including a decrease of \$3.9 million in salaries and wages, partially offset by an increase of \$3.5 million in stock-based compensation expense. Our general and administrative headcount has remained relatively consistent since June 30, 2025.

Interest Income, Interest Expense, Accretion Income, Net, Other Income, Net, and (Benefit from) Provision for Income Taxes

	Six Months Ended June 30,		Change	
	2026	2025	Dollar	Percent
(dollars in thousands)				
Interest income	\$ 8,944	\$ 11,012	\$ (2,068)	(19%)
Interest expense	447	583	(136)	(23%)
Accretion income, net	1,711	4,474	(2,763)	(62%)
Other income, net	5,323	2,414	2,909	*
(Benefit from) provision for income taxes	(3,639)	4,883	(8,522)	*

* Percentage not meaningful

During the six months ended June 30, 2026, accretion income, net decreased by \$2.8 million due to a decrease in the balance of our marketable securities portfolio year over year.

During the six months ended June 30, 2026, other income, net increased by \$2.9 million primarily due to unrealized gains on strategic investments.

(Benefit from) income taxes for the six months ended June 30, 2026, differs from provision for income taxes for the six months ended June 30, 2025, primarily due to the release of a portion of our valuation allowance as a result of acquired deferred tax liabilities from the Datagrid acquisition that are an available

source of income to realize our deferred tax assets. Further, in the prior year, the Company recognized a one-time tax expense related to foreign tax on the realignment of intellectual property attributable to the Novorender acquisition.

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, we believe certain non-GAAP measures, as described below, are useful in evaluating our operating performance. We use this non-GAAP financial information, collectively, to evaluate our ongoing operations as well as for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, is helpful to investors because it provides consistency and comparability with past financial performance, and may assist in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results.

The non-GAAP financial information is presented for supplemental informational purposes only. Non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP. There are limitations in using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP, non-GAAP financial measures may be different from similarly-titled non-GAAP measures used by other companies since other companies may calculate such non-GAAP financial measures differently, and non-GAAP financial measures exclude expenses that may have a material impact on our reported financial results. Unlike stock-based compensation expense, employer payroll tax related to employee stock transactions is a cash expense that we will continue to incur in the future. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures. Investors should not rely on any single financial measure to evaluate our business.

Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Expenses, Non-GAAP Income from Operations, and Non-GAAP Operating Margin

We define these non-GAAP financial measures as the respective GAAP measures, excluding stock-based compensation expense, amortization of acquired intangible assets, employer payroll tax related to employee stock transactions, and acquisition-related expenses. Non-GAAP gross margin is the ratio calculated by dividing non-GAAP gross profit by total revenue. Non-GAAP operating margin is the ratio calculated by dividing non-GAAP income from operations by total revenue.

Stock-based compensation expense includes the net effects of capitalization and amortization of stock-based compensation expense related to capitalized software and cloud-computing arrangement implementation costs. Stock-based compensation expense has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of the compensation provided to our employees. Because of varying available valuation methodologies, subjective assumptions, and the variety of equity instruments that can impact a company's non-cash expenses, we believe that providing non-GAAP financial measures that exclude stock-based compensation expense allows for meaningful comparisons between our operating results from period to period. The expense related to amortization of acquired intangible assets is a non-cash expense and dependent upon estimates and assumptions, which can vary significantly and are unique to each asset acquired; therefore, we believe that non-GAAP measures that adjust for the amortization of acquired intangible assets provide investors a consistent basis for comparison across accounting periods. The amount of employer payroll tax-related items on employee stock transactions is dependent on restricted stock unit ("RSU") settlements, option exercises, related stock price, and other factors that are beyond our control and that do not correlate to the operation of our business. When evaluating the performance of our business and making operating plans, we do not consider these items (for example, when considering the impact of equity award grants, we place a greater emphasis on overall stockholder dilution than the accounting charges associated with such grants). Since the amount of employer payroll tax-related items on employee stock transactions is highly variable due to factors outside our control, and unrelated to our core operations, operating results, revenue-generating activities, business strategy, industry, or regulatory environment, management does not consider employer payroll tax on employee stock transactions in the evaluation of the business or in making operating plans. Accordingly, we believe this adjustment in arriving at

our non-GAAP measures provides investors with a better understanding of the performance of our core business in a manner that is consistent with management's view of the business. Acquisition-related expenses include external and incremental transaction costs, such as legal and due diligence costs, and retention or other compensation payments. These expenses are unpredictable and generally would not have otherwise been incurred in the periods presented as part of our continuing operations. In addition, the size and complexity of an acquisition, which often drives the magnitude of acquisition-related expenses, may not be indicative of such future costs. We believe excluding acquisition-related expenses facilitates the comparison of our financial results to our historical operating results and to other companies in our industry. Overall, we believe it is useful to exclude these expenses in order to better understand the long-term performance of our core business and to facilitate comparison of our results period-over-period and to those of peer companies.

The following tables present reconciliations of our GAAP financial measures to our non-GAAP financial measures for the periods presented:

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,	
	2026	2025	2026	2025
(dollars in thousands)				
Revenue	\$ 375,207	\$ 323,919	\$ 734,490	\$ 634,551
Gross profit	299,796	256,187	587,586	501,893
Stock-based compensation expense	6,196	5,868	12,138	11,136
Amortization of acquired technology intangible assets	8,311	8,015	16,019	15,617
Employer payroll tax on employee stock transactions	129	200	303	461
Non-GAAP gross profit	\$ 314,432	\$ 270,270	\$ 616,046	\$ 529,107
Gross margin	80%	79%	80%	79%
Non-GAAP gross margin	84%	83%	84%	83%

Reconciliation of operating expenses to non-GAAP operating expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Revenue	\$ 375,207	\$ 323,919	\$ 734,490	\$ 634,551
GAAP sales and marketing	145,785	141,897	294,966	280,581
Stock-based compensation expense	(18,160)	(17,589)	(38,748)	(32,539)
Amortization of acquired intangible assets	(905)	(3,346)	(2,026)	(6,651)
Employer payroll tax on employee stock transactions	(572)	(748)	(1,324)	(1,879)
Acquisition-related expenses	(166)	(138)	(320)	(794)
Non-GAAP sales and marketing	\$ 125,982	\$ 120,076	\$ 252,548	\$ 238,718
GAAP sales and marketing as a percentage of revenue	39%	44%	40%	44%
Non-GAAP sales and marketing as a percentage of revenue	34%	37%	34%	38%
GAAP research and development	\$ 93,349	\$ 88,902	\$ 178,914	\$ 176,511
Stock-based compensation expense	(21,994)	(21,237)	(40,549)	(39,661)
Amortization of acquired intangible assets	(221)	(658)	(883)	(1,290)
Employer payroll tax on employee stock transactions	(687)	(1,103)	(1,737)	(2,829)
Acquisition-related expenses	(3,001)	(695)	(5,587)	(1,744)
Non-GAAP research and development	\$ 67,446	\$ 65,209	\$ 130,158	\$ 130,987
GAAP research and development as a percentage of revenue	25%	27%	24%	28%
Non-GAAP research and development as a percentage of revenue	18%	20%	18%	21%
GAAP general and administrative	\$ 56,335	\$ 55,655	\$ 125,050	\$ 111,313
Stock-based compensation expense	(14,212)	(13,718)	(29,614)	(26,100)
Employer payroll tax on employee stock transactions	(315)	(462)	(817)	(1,345)
Acquisition-related expenses	(1,298)	(166)	(2,543)	(541)
Non-GAAP general and administrative	\$ 40,510	\$ 41,309	\$ 92,076	\$ 83,327
GAAP general and administrative as a percentage of revenue	15%	17%	17%	18%
Non-GAAP general and administrative as a percentage of revenue	11%	13%	13%	13%

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Revenue	\$ 375,207	\$ 323,919	\$ 734,490	\$ 634,551
Income (loss) from operations	4,327	(30,267)	(11,344)	(66,512)
Stock-based compensation expense	60,562	58,412	121,049	109,436
Amortization of acquired intangible assets	9,437	12,019	18,928	23,558
Employer payroll tax on employee stock transactions	1,703	2,513	4,181	6,514
Acquisition-related expenses	4,465	999	8,450	3,079
Non-GAAP income from operations	\$ 80,494	\$ 43,676	\$ 141,264	\$ 76,075
Operating margin	1%	(9%)	(2%)	(10%)
Non-GAAP operating margin	21%	13%	19%	12%

Liquidity and Capital Resources

As of June 30, 2026, our principal sources of liquidity were cash, cash equivalents, and marketable securities totaling \$655.9 million, which were held in money market funds, U.S. treasury securities, corporate notes and obligations, checking accounts, and savings accounts. Our investments in marketable securities are exposed to interest rate risk; however, due to the short-term nature of our investments, we do not anticipate being exposed to material risks due to changes in interest rates.

As of June 30, 2026, we had outstanding letters of credit, on an unsecured basis, totaling approximately \$7.6 million to secure various leased office facilities in the U.S. and Australia.

Our cash sources primarily consist of cash generated from sales to our customers, maturities of our marketable securities, proceeds from employees through stock option exercises and our employee stock purchase plan ("ESPP"), and interest income on our marketable securities, money market funds, and savings account balances.

Our cash requirements are primarily for operating expenses, which include personnel-related costs, purchase obligations primarily for hosting and software licenses and other services, lease obligations, and capital expenditures for our employees and offices. We also fund investments which help drive our strategic business growth through acquisitions and investments in equity securities and limited partnership funds. In February 2025, we began using cash to fund withholding taxes due upon the vesting of employee RSUs by net share settlement, rather than our previous approach of selling shares of our common stock issued to employees to cover applicable withholding taxes. We also use working capital to fund repurchases under our stock repurchase program.

On July 27, 2026, we entered into the DroneDeploy Merger Agreement to acquire DroneDeploy for approximately \$845.0 million in cash, subject to adjustment as provided in the DroneDeploy Merger Agreement. In connection with our entry into the DroneDeploy Merger Agreement, we entered into the Commitment Letter with Goldman Sachs Bank USA, pursuant to which it committed to provide us with debt financing in an aggregate principal amount of up to \$700.0 million in the form of a 364-day senior secured bridge facility, subject to customary conditions. Subject to market conditions and other factors, we may fund a portion of the purchase price through one or more bank financing or capital markets transactions in lieu of all or a portion of the bridge facility.

During the six months ended June 30, 2026, we had a \$29.7 million decrease in contractual commitments beyond those disclosed in our 2025 Form 10-K, related to the Carpinteria lease modifications. The Company modified its office leases in Carpinteria, California to extend the term of its primary core lease space and decline renewal extensions for its remaining office suites. In the next 12 months, we have operating lease obligations of \$1.7 million related to leases that commenced during the six months ended June 30, 2026. Beyond the next 12 months, we have additional net contractual commitments for operating lease obligations of \$23.7 million related to leases that commenced during the six months ended June 30, 2026. There have been no other material changes to our contractual obligations from those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K. We believe our existing cash, cash equivalents, and marketable securities will be sufficient to meet our needs for at least the next 12 months. While we have generated positive cash flows from operations in recent years, we have a limited history of generating profit from operations, as reflected in our accumulated deficit of \$1.3 billion as of June 30, 2026. We may not maintain profitability in future periods and may require additional capital resources to execute strategic initiatives to grow our business.

This assessment is a forward-looking statement and involves risks and uncertainties. Our additional future capital requirements will depend on many factors, including our revenue growth rate, new customer acquisition and subscription renewal activity, timing of billing activities, our ability to integrate the companies or technologies we acquire and realize strategic and financial benefits from our investments and acquisitions, other strategic transactions or investments we may enter into, the volume and timing of any stock repurchases under our stock repurchase program, the timing and extent of spending to support further sales and marketing and research and development efforts, general and administrative expenses to support our growth (including international expansion), and inflation. We may in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies, including intellectual property rights. We may be required to seek additional equity or debt financing to fund these activities. If we are unable to raise additional

capital when desired, or on acceptable terms, our business, results of operations, and financial condition could be materially adversely affected.

As of June 30, 2026, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	\$ 164,629	\$ 96,856
Net cash used in investing activities	(33,108)	(80,462)
Net cash used in financing activities	(92,014)	(131,804)

Operating Activities

Our largest source of cash from operating activities is collections from the sales of subscriptions to our customers. Our primary uses of cash from operating activities are for personnel expenses, marketing expenses, hosting and software license expenses, and overhead.

Net cash provided by operating activities was \$164.6 million during the six months ended June 30, 2026 which resulted from net income of \$7.8 million, adjusted for non-cash charges of \$163.9 million and a net cash outflow of \$7.1 million from changes in operating expenses and liabilities. The \$7.1 million of net cash outflows as a result of changes in our operating assets and liabilities primarily reflected the following:

- a \$21.8 million decrease in accrued expenses and other liabilities primarily due to the size and timing of bonus and commission accruals and payouts, accrued ESPP contributions, payroll, and cash payments to our vendors;
- a \$15.7 million decrease in deferred revenue primarily due to timing of billings and seasonality;
- a \$15.7 million increase in deferred contract cost assets related to commissions as a result of additional customer contracts closed during the period;
- a \$6.6 million increase in prepaid expenses and other current assets primarily due to timing of cash payments to our vendors; and
- a \$2.3 million decrease in operating lease liabilities related to lease payments.

These changes in our operating assets and liabilities were partially offset by the following:

- a \$46.8 million decrease in accounts receivable primarily due to timing of billings and cash receipts from customers; and
- a \$8.2 million increase in accounts payable primarily due to timing of cash payments to our vendors.

Net cash provided by operating activities was \$96.9 million during the six months ended June 30, 2025, which resulted from a net loss of \$54.1 million, adjusted for non-cash charges of \$157.8 million and net cash inflows of \$6.8 million from changes in operating assets and liabilities. The \$6.8 million of net cash inflows provided as a result of changes in our operating assets and liabilities primarily reflected the following:

- a \$28.3 million decrease in deferred revenue primarily due to the growth of our business and timing of billings;
- a \$20.2 million increase in deferred contract cost assets related to commissions as a result of additional customer contracts closed during the period;

- a \$13.0 million decrease in accounts payable primarily due to timing of cash payments to our vendors;
- a \$9.2 million increase in prepaid expenses and other current assets primarily due to timing of cash payments to our vendors; and
- a \$2.3 million decrease in operating lease liabilities related to lease payments.

These changes in our operating assets and liabilities were partially offset by the following:

- a \$54.6 million decrease in accounts receivable primarily due to timing of billings and cash receipts from customers; and
- a \$11.6 million increase in accrued expenses and other liabilities primarily due to the size and timing of bonus and commission accruals and payouts, accrued ESPP contributions, payroll, and cash payments to our vendors.

Investing Activities

Net cash used in investing activities of \$33.1 million during the six months ended June 30, 2026 consisted of cash outflows for business combinations of \$158.9 million, capitalized software development costs of \$34.1 million, purchases of property and equipment of \$9.9 million, and purchases of strategic investments of \$0.4 million; partially offset by \$106.7 million in sales of marketable securities, \$63.1 million in maturities of marketable securities, and \$0.4 million in sales of strategic investments.

Net cash used in investing activities of \$80.5 million during the six months ended June 30, 2025 consisted of cash outflows for purchases of marketable securities of \$218.6 million, business combinations of \$41.5 million, capitalized software development costs of \$32.6 million, purchases of property and equipment of \$7.0 million, and asset acquisitions of \$3.5 million, and purchases of strategic investments of \$0.9 million. Such outflows were partially offset by \$223.7 million in maturities of marketable securities.

Financing Activities

Net cash used in financing activities of \$92.0 million during the six months ended June 30, 2026 consisted of repurchases of our common stock of \$100.0 million, payments of tax withholding for net share settlement of \$30.5 million, payments on our finance lease obligations of \$0.7 million, and payments of deferred asset acquisition consideration of \$0.3 million; partially offset by a \$22.1 million increase in funds held for customers, proceeds from employee purchases under the ESPP of \$13.0 million and proceeds from stock option exercises of \$4.4 million.

Net cash used in financing activities of \$131.8 million during the six months ended June 30, 2025 consisted of repurchases of our common stock of \$103.2 million, payments of tax withholding for net share settlement of \$49.9 million, and payments on our finance lease obligations of \$0.8 million; partially offset by proceeds from employee purchases under the ESPP of \$14.4 million and proceeds from stock option exercises of \$7.6 million.

Capital Allocation Strategy

We have a balanced approach to capital allocation based on the following priorities: driving organic and efficient revenue growth; investing in accretive mergers and acquisitions; and returning capital to stockholders through regular evaluation of stock repurchases, as appropriate.

Stock Repurchase Program

On November 3, 2025, our board of directors (our "Board") authorized a stock repurchase program to repurchase up to \$300.0 million of our outstanding common stock. We intend to opportunistically repurchase shares of our common stock from time to time through the open market or other transactions in accordance with applicable securities laws, in each case, subject to market conditions, applicable legal requirements, and other relevant factors. The timing of stock repurchases and the actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities, and will be subject to the discretion of our management within its authorization. The stock repurchase program will be funded using our working capital. The stock repurchase program does not obligate

us to acquire any particular number of shares of our common stock, or any shares at all. The stock repurchase program expires on November 3, 2026, and may be suspended or discontinued at any time at our discretion and without notice. During the six months ended June 30, 2026, we repurchased and retired a total of 1,765,560 shares of our common stock at a weighted average per share price of \$56.66 for an aggregate amount of \$100.0 million, which includes the transaction costs associated with the repurchases but excludes the 1% excise tax on stock repurchases imposed by the Inflation Reduction Act of 2022.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those accounting policies and estimates that are both the most important to the portrayal of our net assets and results of operations and require the most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. These estimates are developed based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Critical accounting estimates are accounting estimates where the nature of the estimates is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and the impact of the estimates on financial condition or operating performance is material.

Our significant accounting policies are described in Note 2 of our condensed consolidated financial statements. Our critical accounting policies and more significant judgments and estimates used in the preparation of our financial statements are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K. There have been no significant changes to these policies for the six months ended June 30, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency and Exchange Risk

The vast majority of our cash generated from revenue is denominated in U.S. Dollars, with the remainder denominated in Australian Dollars, Canadian Dollars, Great British Pounds, Euros, Norwegian Krone, and UAE Dirham. Our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our business operations, which are primarily in the U.S., Australia, Canada, England, Egypt, Ireland, Czech Republic, Costa Rica, India, the UAE, and Norway. Our results of current and future operations and cash flows are, therefore, subject to the risk of fluctuations in foreign currency exchange rates. This exposure is the result of selling in multiple currencies and payment of personnel-related expenses and other operating expenses in countries where the functional currency is the local currency. Changes in foreign currency exchange rates could have an adverse impact on our financial results and cash flow. These exposures may change over time as business practices evolve and economic conditions change. As the impact of foreign currency exchange rates has not been material to our historical operating results, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Interest Rate Risk

We had cash, cash equivalents, and marketable securities of \$655.9 million as of June 30, 2026. Cash, cash equivalents, and marketable securities consist of money market funds, U.S. treasury securities, corporate notes and obligations, commercial paper, checking accounts, and savings accounts. The cash and cash equivalents are held for working capital and general corporate purposes. Interest-earning instruments carry a degree of interest rate risk. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. As of June 30, 2026, a hypothetical 100 basis points increase or decrease in interest rates would not have a material impact on the fair market value of our portfolio. We therefore do not expect our results of operations or cash flows to be materially affected by a sudden change in market interest rates.

Inflation Risk

Inflation can have a positive impact on our pricing since increased construction costs may increase construction volume purchased by customers. However, supply chain challenges and labor shortages can result in delayed construction project starts, which may negatively impact construction volume purchased. Inflation can also result in higher personnel-related costs. We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, results of operations, or financial condition.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of June 30, 2026, the end of the period covered by this report.

Based on the Company's evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures.

(b) Changes in Internal Control Over Financial Reporting.

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recently completed fiscal quarter. There have not been any changes in internal control over financial reporting during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) Limitations on Effectiveness of Controls and Procedures

Our management, including our chief executive officer and chief financial officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are, and may in the future become, involved in or subject to various legal proceedings arising in the ordinary course of business. Refer to Note 9 of the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of legal proceedings.

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the related notes thereto, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of such future risks or any of the following risks occur, our business, financial condition, results of operations, and prospects could be materially adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Industry

We have experienced rapid growth in prior periods, and such growth may not be indicative of our future performance. If we fail to properly manage future growth, our business, financial condition, results of operations, and prospects could be materially adversely affected.

We have experienced rapid growth in prior periods. Our revenue was \$734.5 million and \$634.6 million in the six months ended June 30, 2026 and 2025, respectively. Our results of operations may fluctuate significantly, which could make our future results difficult to predict and could cause our results of operations to fall below expectations. You should not rely on the revenue growth of any prior period as an indication of our future performance. While our revenue has continued to increase, our revenue growth rate has declined and may continue to decline in the future as a result of a variety of factors, including our ability to effectively manage our growth and investments (including through our evolved GTM operating model), macroeconomic conditions, and the maturation of our business. Our overall revenue growth and results of operations depend on a number of factors, including many that are out of our control. These factors include our ability to do the following: attract new customers and retain and expand sales of subscriptions to our existing customers; increase sales to owners and specialty contractors, as well as monetize new stakeholders; develop new products and services, further improve our existing products, services, and platform, and evolve our App Marketplace with new offerings and purpose-built APIs; provide our customers and collaborators with support that meets their needs; invest financial and operational resources to support future growth in our customer, collaborator, and third-party relationships; expand our operations domestically and internationally; and retain and motivate existing personnel, and attract, integrate, and retain new personnel, particularly with respect to our sales and marketing and engineering and product development teams.

Our future growth also depends on changes in our customers' IT budgets, the timing and success of new products and services introduced by us or our competitors, the pace of development of the construction management software industry, regulatory and macroeconomic conditions, and economic conditions and business practices within the construction industry, including construction spending in the public and private sectors. The overall sentiment in the construction industry continues to be uncertain, which presents challenges to our future growth. We expect this sentiment to continue at least for the short term as a result of macroeconomic factors.

If we are not able to maintain revenue growth or accurately forecast future growth, our business, financial condition, results of operations, and prospects could be materially adversely affected.

We have a history of losses and may not be able to sustain profitability in the future.

We have a history of losses, and we may not be able to maintain profitability in the future. We recorded net income of \$7.8 million for the six months ended June 30, 2026, but incurred a net loss of \$54.1 million for the six months ended June 30, 2025. As of June 30, 2026, we had an accumulated deficit of \$1.3 billion. We are not certain whether or when we will be able to sustain profitability in the future. We also expect our expenses to increase in future periods as we continue to invest in growth, which could negatively affect our future results of operations if our revenue does not correspondingly increase. In particular, we intend to continue to expend substantial financial and other resources on the following: expanding our sales and marketing and customer success teams to drive new subscriptions, increase the use of our products, services, and platform by existing customers, and support our international growth; developing our technology infrastructure, including systems architecture, scalability, availability, performance, and data security and privacy; investing in our engineering and product development teams and developing new products, services, and platform functionality; and pursuing strategic acquisition and investment opportunities.

These expenditures may not result in increased revenue or profitable growth. Any failure to increase our revenue as we invest in our business, or to manage our costs, could prevent us from achieving or maintaining profitability or positive cash flow. We may also incur significant losses in the future for a number of reasons, including the other risks described in this Annual Report on Form 10-K, and unforeseen expenses, difficulties, complications, delays, and other unknown events. If we are unable to successfully address these risks and challenges, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our business has been, and may continue to be, significantly impacted by changes in the economy, in spending across the construction industry, and in the size and growth of our addressable market.

Our business has been, and may continue to be, affected by changes in the economy, especially those affecting the construction industry. The overall sentiment in the construction industry continues to be uncertain, which presents challenges to our future growth. We expect this sentiment to continue at least for the short term as a result of macroeconomic factors. If the construction industry experiences a decrease in overall construction volume, the amount our customers pay for our products could be reduced as we generally price our products based on a customer's annual construction volume, which is the fixed aggregate dollar volume of construction work contracted to run on our platform annually. In times of unfavorable economic conditions, our revenue may decrease because customers may choose to purchase less construction software. Rising inflation may increase our vendor, employee, and facility costs, and further decrease demand for our products. Unfavorable or deteriorating market conditions, reductions in the rate of construction growth, reductions in government spending and funding of infrastructure or other construction projects, reduced demand for public projects, and any resulting effects on spending by our customers or prospective customers could also have an adverse impact on our business.

The construction industry is also cyclical and has experienced periods of economic expansion and contraction. Periods of economic contraction for the construction industry have been, and may continue to be, caused by a wide range of factors, including tightening of economic policies, financial and credit market fluctuations, tariffs on imported goods, weakening exchange rates, elevated inflation, interest rate increases and fluctuations, supply chain disruptions, labor shortages, commodity prices, and policies that reduce government spending. We cannot accurately predict the timing, strength, or duration of any economic slowdown, instability, or recovery, generally or within any particular industry, or how any such event may impact our business or the business of our customers. To the extent we do not effectively address these risks and challenges, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Further, our addressable market size estimates and market growth forecasts for the construction industry are based on assumptions, estimates, and third-party data that may be inaccurate. The size of our total addressable market depends on a number of factors, including the economic factors mentioned above, digitization of the construction industry globally, customer demand among existing and new customers, construction volume, and overall IT spending, among many others. Even if our estimates and forecasts relating to the size and expected growth of our total addressable market are accurate, we may not be able to capture enough of that growth and our business may not grow in those markets at the rates we anticipate, if at all, which could materially adversely affect our business, financial condition, results of operations, and prospects.

The construction management software industry is evolving rapidly and may not develop in ways we expect. If we fail to respond adequately to changes in the industry, our business, financial condition, results of operations, and prospects could be materially adversely affected.

The construction management software industry is evolving rapidly. Widespread acceptance and use of construction management technology in general, and of our platform in particular, is critical to our future growth. While we believe that our construction management software addresses a significant market opportunity, demand for our products, services, and platform may develop more slowly than we expect. If that happens, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Demand for construction management software in general, and for our products, services, and platform in particular, is affected by a number of factors, some of which are beyond our control. Some of these factors include: general awareness of construction management software; availability, functionality, and pricing and packaging of products and services that compete with ours; ease of adoption and use; the reliability, performance, or perceived performance of our products and platform, including interruptions to the use of our products and platform; the development and awareness of our brand; and how we sell our products, services, and platform. Even though we use internal data to assess the likelihood of success of introducing new products, services, pricing, and packaging or changes to existing products, services, pricing, and packaging, we may incorrectly calculate such risks or assume undue risks with respect to such products, services, pricing, and packaging. Competitors may also develop and introduce new products or entirely new technologies to replace our existing products, including through the use of AI, which could make our platform and products obsolete or otherwise materially adversely affect our business, financial condition, results of operations, and prospects. If our investments in engineering and product development do not accurately anticipate user demand or if we fail to develop products, features, or capabilities in a manner that satisfies customer needs in a timely and cost-effective manner, we may fail to retain our existing customers or increase demand for our products, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Furthermore, our ability to grow our customer base and retain and increase revenue from customers depends on our ability to enhance and improve our products, services, and platform in response to changes in the construction management software industry and customer demand. In response to such shifts, we may introduce changes to our existing products and services or introduce new products and services, which may require significant expenditures in research and development and customer support, which may harm our results of operations. While we have designed our existing products for easy adoption, our customers depend on our customer success teams to provide implementation, training, and support services, especially when it comes to new products and features. If we do not provide effective ongoing support, our ability to sell additional products to existing and prospective customers could be adversely affected.

Additionally, we may experience difficulties with software development, design, or marketing that could delay or prevent our development, introduction, or implementation of new products, features, or capabilities. We have in the past experienced delays in our internally planned release dates of new products, features, and capabilities, and there can be no assurance that new products, features, or capabilities will be released according to schedule. Any delays could result in adverse publicity, loss of revenue or market acceptance, or claims by customers brought against us, all of which could materially adversely affect our business, financial condition, results of operations, and prospects.

Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, our ability to retain and expand our customer base, attract investors, and recruit and retain qualified personnel may be impaired, and our business, financial conditions, results of operations, and prospects could be materially adversely affected.

We believe that our brand identity and brand awareness are critical to our sales and marketing efforts. We also believe that maintaining and enhancing our brand is critical to retaining and expanding our customer base, attracting investors, and recruiting and retaining qualified personnel, and, in particular, conveying to customers and collaborators that our platform offers capabilities that address the needs of the construction ecosystem throughout the project lifecycle. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. If we experience difficulties with software development, customer service, or professional services that negatively impact new or existing products, we may experience negative publicity or lose market acceptance.

Any unfavorable publicity or negative perception of our products, services, or platform or the providers of construction management software generally, could adversely affect our reputation and our ability to attract and retain customers. If we fail to promote and maintain our brand, or if we incur increased expenses in this effort, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our ability to increase our customer base, expand existing customers' use of our platform, and achieve broader market acceptance of our products, services, and platform will significantly depend on our ability to develop and expand our sales and marketing capabilities. Any failure to do so could materially adversely affect our business, financial condition, results of operations, and prospects.

Continuing and increasing sales of our products and services depends to a significant extent on our ability to expand our sales and marketing capabilities. It is difficult to predict customer demand, customer retention, and expansion rates, the size and growth rate of the market, the entry of competitive products and services, or the success of existing competitive products and services. Our sales and marketing efforts involve educating prospective customers about the uses and benefits of our products, services, and platform. We spend substantial time and resources on our sales and marketing efforts without any assurance that our efforts will result in a sale. We expect that we will continue to need intensive sales and marketing efforts to educate prospective customers about the uses and benefits of our construction management software and services, and we may have difficulty convincing prospective customers of the value of adopting our products and services. We plan to continue expanding our sales force, both domestically and internationally. Identifying, recruiting, and training qualified sales representatives is time-consuming and resource-intensive, and they may not be fully trained and productive for a significant amount of time following their hiring, if ever. In addition, the cost to acquire customers is high due to these considerable sales and marketing efforts. Our business will be harmed if our efforts do not generate a corresponding increase in revenue. Even if we are successful in convincing prospective customers of the value of our products and services, they may decide not to purchase our products and services for a variety of reasons, some of which are out of our control. The failure of our efforts to secure sales after investing resources in a lengthy sales process could materially adversely affect our business, financial condition, results of operations, and prospects.

In July 2024, we began to evolve our GTM operating model, by, among other things, transitioning to a general manager model, in order to deepen customer relationships and improve our operating efficiency by building nimble, customer-focused teams under empowered general managers. If we fail to realize the full benefits of our evolved GTM operating model over the long term or otherwise fail to acquire new customers, retain existing customers, or expand existing customers' use of our products, services, and platform, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our failure to successfully incorporate AI into our products, services, and platform, as well as our business operations, or our failure to comply with laws, regulations, contractual obligations, or other requirements that now or in the future could apply to our use of AI, could materially adversely affect our business, financial condition, results of operations, and prospects.

We are increasingly building or incorporating AI tools (including generative and agentic AI tools) into our products, services, and platform. We also deploy AI tools in our business operations. We have used, and may continue to use, third parties to provide and support these tools. Our use of AI may present significant risks, uncertainties, and challenges that could materially adversely affect our business, financial condition, results of operations, and prospects.

Developing, testing, selling, deploying, and adopting resource-intensive AI capabilities has increased and will likely continue to increase our operating costs. We have invested, and expect to continue to invest, significant resources to develop AI tools. We may also face greater competition from general purpose AI solutions that rely on generic large language models, generative AI, and general purpose AI agents to address a broad range of business needs. If the integration of AI tools into our products, services, and platform fails to operate as anticipated, or as well as competing offerings, or otherwise does not meet customer needs, or if we are unable to bring AI-related offerings to market as effectively or as quickly as our competitors, we may fail to recoup our investments in AI, our competitive position may be harmed, and our business and reputation may be adversely impacted.

AI models may create flawed, inaccurate, or incomplete outputs, some of which may appear to be correct. This may happen if the inputs that an AI model relied on were flawed, inaccurate, incomplete (including if a bad

actor “poisons” an AI model with bad inputs or logic), or if the logic of the AI model is flawed (a so-called hallucination). We, our customers or partners, or other third parties may use or rely on such outputs to our or their detriment, or such outputs may lead to adverse outcomes, including delays and errors, any of which may negatively impact our ability to attract and retain customers and to expand the use of our products, services, and platform, and expose us to brand or reputational harm, competitive risk, and legal liability. Social or ethical concerns about the use of AI, such as the risk of AI models creating discriminatory outcomes using biased information, may also hinder the use and adoption of AI by our customers, partners, and employees. As we expand the use of AI in our own business operations, there is a risk that we will experience such outcomes, which would harm our business and reputation.

If we use any third-party AI technologies that misuse or fail to protect the data that we or our employees, customers, partners, or vendors input, then that data (including confidential, competitive, proprietary, customer, or personal data) could be leaked, disclosed, or revealed to others. Additionally, where an AI model ingests sensitive data without appropriate safeguards, and makes connections using such data, the AI model may produce outputs that reveal other sensitive data generated by the AI model that was not intended to be revealed. Any such leak, disclosure, or revelation of data could harm our business, expose us to reputational harm and competitive risk, or result in legal or regulatory action against us. We could also experience an increased risk of litigation if any AI tools that we provide or use are alleged to produce outputs that infringe or violate third-party intellectual property rights.

The legal and regulatory landscape surrounding AI is rapidly evolving and uncertain. Several jurisdictions around the world, as well as several states and localities, have proposed, enacted, or are considering laws governing AI, including the European Union’s (“EU”) AI Act and the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (collectively, the “CCPA”) regulations on automated decision-making technology, and we expect that lawmakers and regulators will continue to maintain a heightened focus on AI and promulgate new legislation and regulations, which could impact our business and our actual or planned use of AI. Laws and regulations governing AI may apply in new, unpredictable ways, and differences in how jurisdictions choose to address issues related to AI may require us to navigate a complex web of different obligations. For example, the EU’s AI Act sets out a risk-based framework, subjecting certain AI technologies to numerous compliance obligations, including transparency, conformity, risk assessment, monitoring, and human oversight requirements. Under the EU’s AI Act, non-compliant companies may be subject to administrative fines of up to 35 million euros or 7% of such company’s total worldwide annual revenue for the preceding financial year, whichever is greater. We are subject to the EU’s AI Act. Depending on how the EU’s AI Act is implemented and interpreted, we may have to adapt our business practices, contractual arrangements, and current or planned products or services to comply with obligations imposed by the EU’s AI Act. Our use of AI technologies could also lead to regulatory investigations and consumer lawsuits. Certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision-making, which may complicate our use of AI, lead to regulatory fines or penalties, be incompatible with our use of AI, require us to change our business practices, retrain our AI, or prevent our use of AI. For example, the Federal Trade Commission has required other companies to turn over or disgorge valuable insights or trainings generated through the use of AI where they allege the company has violated privacy and consumer protection laws. Complying with applicable laws, rules, and regulations governing AI could increase our operating costs, require significant resources or technical modifications to our systems, change the way that we operate in certain jurisdictions, and impede our ability to offer AI in certain products or use AI in our business operations. Any of the above risks could materially adversely affect our business, financial condition, results of operations, and prospects.

Because we recognize revenue from subscriptions to access our products over the term of the subscription, downturns or upturns in new business will not be immediately reflected in our results of operations.

We generate substantially all of our revenue from subscriptions to access our products. We recognize revenue ratably over the term of the subscription, beginning on the date that access to our products is made available to the customer. Our subscriptions generally have annual or multi-year terms. As a result, the significant majority of our revenue is generated from subscriptions entered into during prior periods. Consequently, a decline in new or renewed subscriptions in any one quarter may not significantly reduce our revenue for that quarter, but could negatively affect our revenue in future periods. Accordingly, the effect of downturns or upturns in new sales and potential changes in our rate of renewals may not be fully reflected in

our results of operations until future periods. Our revenue recognition model also makes it difficult for us to rapidly increase our revenue through new subscriptions in any period.

Our ability to recognize revenue may also be affected by the length and unpredictability of the sales cycle for our products, especially with respect to larger enterprises, owners, and governmental entities. Such customers typically undertake a significant evaluation and negotiation process due to their leverage, size, organizational structure, and regulatory and approval requirements, all of which can lengthen our sales cycle. Further, certain macroeconomic conditions or uncertainty related to the macroeconomic environment may cause such customers to take corresponding actions to manage costs, which can increase the length of sales cycles, reduce budgets, cause slowdowns in customer consumption, or cause customers to reduce their spend with us at renewal by running less construction volume on our platform, reducing the number of products purchased, or cancelling their subscriptions entirely. We may spend substantial time, effort, and money on sales efforts for such customers without any assurance that our efforts will produce any sales or that these customers will deploy our platform widely enough across their business to justify our substantial upfront investment. As a result, we anticipate increased sales to large enterprises, owners, and governmental entities will lead to higher upfront sales costs and greater unpredictability, which could materially adversely affect our business, results of operations, financial condition, and prospects.

In addition, as required by the revenue recognition standard under Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, we disclose the transaction price allocated to remaining performance obligations ("RPO"). It is possible that analysts and investors could misinterpret our disclosure or that the terms of our customer subscriptions or other circumstances could cause our methods for calculating this disclosure to differ significantly from others, which could lead to inaccurate or unfavorable forecasts by analysts and investors that could negatively impact our business and prospects.

We are continuing to expand our operations outside the U.S., where we may be subject to increased business, regulatory, and economic risks (including fluctuations in currency exchange rates) that could materially adversely affect our business, financial condition, results of operations, and prospects.

We had customers running projects in approximately 160 countries as of December 31, 2025, and 15% of our revenue in 2025 was generated from customers outside the U.S. We expect to continue to expand our international presence, which may include opening offices in new jurisdictions and providing our products, services, and platform in additional languages. Any new markets or countries into which we attempt to sell our products or services may not be receptive to our efforts. For example, we may not be able to further expand our operations in some countries if we are not able to adapt our products, services, and platform to fit the needs of prospective customers in those countries or if we are unable to satisfy certain government- and industry-specific laws or regulations. In addition, our international operations and expansion efforts require considerable management attention and the investment of significant resources, while subjecting us to new risks and increasing certain risks that we already face, including risks associated with:

- providing our products, services, and platform in different languages and customizing them to support local requirements;
- compliance by us and our partners with applicable international laws and regulations, including laws and regulations with respect to anti-corruption, competition, import and export controls, tariffs, trade barriers, economic sanctions, employment, construction, privacy, data protection and sovereignty, consumer protection, and unsolicited communications, and the risk of penalties and fines against us and individual members of management or employees if our practices are deemed to be out of compliance;
- recruiting and retaining talented and capable employees outside the U.S., including employees who speak multiple languages and come from a wide variety of different cultural backgrounds and customs, and managing an employee base in jurisdictions with differing employment regulations;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as the U.S. and navigating the practical enforcement of such intellectual property rights outside of the U.S.;
- political and economic instability, including as a result of international conflicts and a shifting and uncertain geopolitical landscape;

- generally longer payment cycles and greater difficulty in collecting accounts receivable; and
- higher costs of doing business internationally, including increased accounting, tax, travel, infrastructure, and legal compliance costs, and costs associated with fluctuations in currency exchange rates.

Compliance with laws and regulations applicable to our global operations substantially increases our cost of doing business. We may be unable to keep current with changes in laws and regulations as they occur, and there can be no assurance that we, our employees, contractors, partners, and agents will be able to maintain compliance. Any violations could result in enforcement actions, fines, civil and criminal penalties, damages, injunctions, or reputational harm. If we are unable to maintain compliance or manage the complexity of our global operations successfully, we may need to relocate or cease operations in certain foreign jurisdictions, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Additionally, as we continue to expand our international operations, we will become more exposed to the effects of fluctuations in currency exchange rates. Although the majority of our cash generated from sales is denominated in U.S. Dollars, a small amount is denominated in foreign currencies, and our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations. Because we conduct business in currencies other than U.S. Dollars but report our results of operations in U.S. Dollars, we also face remeasurement exposure to fluctuations in currency exchange rates. Any of these risks could hinder our ability to predict our future results and earnings. In addition, we do not currently maintain a program to hedge exposures to non-U.S. Dollar currencies.

We operate in a competitive market, and we must continue to compete effectively.

The market for our products and services is highly competitive and rapidly changing. Certain features of our current platform compete with a wide variety of products, including aggregated construction management tools (some of which integrate with our platform), accounting software vendors, point solution vendors in various categories (many of which integrate with our platform and are available in our App Marketplace), and in-house specialized tools or processes built by or for existing or prospective customers.

With the introduction of new products, services, and technologies by competitors, including through the use of AI, and the emergence of new market entrants in the construction management software industry, we expect competition to continue and intensify. Other companies may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively. Many of our competitors have competitive advantages over us, such as better name recognition, longer operating histories, larger marketing budgets, existing or more established relationships, greater third-party integrations, access to larger customer bases, greater financial, technical, pricing, packaging, and marketing strategies, and other resources. Some of our competitors may make acquisitions or enter into strategic relationships with third parties to offer a broader range of products and services than we do; others may have more effective sales and marketing strategies or may deploy those strategies in ways that enable them to acquire customers at a lower cost than we can. These combinations may make it more difficult for us to effectively compete. Further, the challenges and costs of recruiting and retaining qualified candidates with AI experience may negatively affect our ability to effectively develop and leverage AI technologies. Our market and the technology landscape in general will also be impacted by the continued adoption of AI in ways that are currently unforeseeable and that could have significant benefits for our competitors. Additionally, as we introduce new products and services in the market, we may face new or different competitors who may similarly have competitive advantages over us. Such competitive pressures may erode our market share and may hinder or slow our expansion into new markets. We expect these competitive dynamics to continue as competitors attempt to strengthen or maintain their market positions.

Many factors affect our pricing and packaging strategies, which we revisit from time to time. For example, the quality of our products and services allows us to sell them at a premium as compared to some of our competitors. Certain competitors offer, or may in the future offer, lower-priced or free products or services that compete with our products or may bundle and offer a broader range of products or services. We may not be able to compete at such lower price points or with such product configurations. There can be no assurance that we will not be forced to engage in price-cutting initiatives or other discounts, or to increase our marketing and other expenses, in order to attract and retain customers in response to competitive pressures, any of which could materially adversely affect our business, financial condition, results of operations, and prospects.

Interruptions or performance issues associated with or otherwise impacting our products, services, and platform, including the interoperability of our platform across devices, operating systems, and third-party applications, could materially adversely affect our business, financial condition, results of operations, and prospects.

We have experienced, and may in the future experience, service interruptions and other performance issues. Our future growth depends in part on the ability of our existing and prospective customers to rely on access to our products, services, and platform.

Increasing numbers of users on our platform and increasing bandwidth requirements may degrade the performance of our products or platform due to capacity constraints and other internet infrastructure limitations. Frequent or persistent interruptions, including those from increased usage, could cause existing or prospective users to believe that our platform is unreliable, leading them to switch to competitors, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Certain of our customer agreements contain specifications regarding the availability and performance of our platform. If we are unable to meet these service level commitments or if we suffer extended periods of poor performance, we may be contractually obligated to provide affected customers with service credits against existing subscriptions or, in certain cases, refunds. Any such performance issues could negatively impact our renewal rates and harm our ability to attract new customers.

One of the most important features of our platform is its broad interoperability with a range of devices, web browsers, operating systems, and integrations. Accessibility across this range is oftentimes out of our control, including as a result of reliance on third-party service providers or applications. Any third-party software-induced interruptions to our operations, such as software issues that affect our operating systems, could materially adversely affect our business, financial condition, results of operations, and prospects.

Integrations and products are constantly evolving, and we may not be able to modify our platform to assure its compatibility with such developments. In addition, some competitors may be able to disrupt the compatibility of our platform with their integrations, which some of our customers may rely upon. In other instances, the operability of our platform features relies on third-party service providers or partners that may be unable to accommodate our evolving service needs, choose to terminate or decline to renew agreements with us, or demand more favorable terms, among other things, any of which may cause service changes, interruptions, or delays for our customers. If our platform has operability or interoperability challenges with any of our integrations, customers may not adopt our platform, and our App Marketplace may not be useful to customers, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Additionally, our products, services, and platform are inherently complex and may contain material defects or errors, particularly when new products or features are released. We have in the past found defects or errors in our products, services, and platform, and we may detect new defects or errors in the future. Any real or perceived failures or vulnerabilities in our products, services, or platform, or any real or perceived delay in resolving them, could result in negative publicity or lead to data security, access, retention, or performance issues. In addition, the costs incurred in correcting such defects or errors may be substantial. Any of these risks could materially adversely affect our business, financial condition, results of operations, and prospects.

We rely on third-party data centers, such as Amazon Web Services (“AWS”), to host and operate our platform, and any disruption of or interference with these resources may negatively affect our ability to maintain the performance and reliability of our platform, which could cause our business to suffer.

Our customers depend on the continuous availability of our platform, which relies in large part on third-party data centers. We currently host our platform and serve our customers primarily using AWS. Consequently, we may be subject to service disruptions as well as failures to provide adequate support for reasons that are outside of our control, including: the performance and availability of AWS and other third-party providers of cloud infrastructure services with the necessary speed, data capacity, and security for providing reliable services; decisions by AWS and other owners and operators of the data centers where our cloud infrastructure is deployed to terminate our subscriptions, discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy, or prioritize the traffic of other

parties; and cyberattacks, including denial of service attacks, targeted at us, our data centers, or the infrastructure of the internet.

The adverse effects of any service interruptions on our reputation, results of operations, and financial condition may be disproportionately heightened due to the nature of our business and the fact that our customers have a low tolerance for interruptions of any duration.

To meet the performance and other requirements of our customers, we intend to continue to make significant investments to increase capacity and to develop and implement new technologies in our cloud infrastructure operations. Any renegotiation or renewal of our agreement with AWS, or a new agreement with another provider of cloud-based services, may be on terms that are significantly less favorable to us than our current agreement. Additionally, these new technologies, which include databases, application and server optimizations, network strategies, and automation, are often advanced, complex, new, and untested, and we may not be successful in developing or implementing these technologies. It takes a significant amount of time to plan, develop, and test improvements to our technologies and cloud infrastructure, and we may not be able to accurately forecast demand or predict the results we will realize from such improvements. To the extent that we do not effectively scale our infrastructure to meet the needs of our growing customer base and maintain performance as our customers expand their use of our products, or if our cloud-based server costs were to increase, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Sales to governmental entities, customers reliant on government funding, and other government contractors are subject to a number of additional challenges and risks.

We provide our products, services, and platform to federal, state, local, and non-U.S. governmental customers, which may occur through direct sales to governmental entities or through channel partners that may sell directly to governmental entities. We also provide our products, services, and platform to customers that may be reliant on funding derived from federal, state, local or non-U.S. governmental sources. We achieved U.S. Federal Risk and Authorization Management Program ("FedRAMP") Moderate authorization for our Procore for Government solution in January 2026, which we believe will allow us to expand our ability to sell to U.S. federal government customers and contractors. Even with FedRAMP Moderate authorization of Procore for Government, selling to governmental entities, customers reliant on government funding, and other government contractors presents a number of unique challenges and risks, including the following:

- selling to governmental entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale;
- governmental entities may have statutory, contractual, or other legal rights to terminate our contracts or contracts with channel partners for convenience or due to default;
- government certification or technical requirements for products and services may change, or we may be unable to achieve one or more government certifications, which may restrict our ability to sell into certain governmental entities until we have attained such certifications or technical requirements;
- contracts with governmental entities, customers reliant on government funding, and other government contractors, including channel partners in the government market, may contain terms that are less favorable than what we generally agree to in our standard commercial agreements, including terms that may be required by statute or regulation and/or may not be negotiable with the customer;
- non-compliance with terms or conditions of government contracts, or with representations or certifications made in connection with government contracts, can result in significantly more adverse consequences than we typically would expect in the commercial market, including, depending on the circumstances, criminal liability, liability under the civil False Claims Act, and/or suspension or debarment from doing business with governmental entities;
- governmental entities routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in governmental entities refusing to continue buying our products and services, a loss of revenue, fines, and/or civil or criminal liability;

- negative publicity related to our contracts with governmental entities or with channel partners who sell to governmental entities or any proceedings surrounding them may damage our business and affect our competitive position;
- demand and payment for our products from governmental entities or other customers may be adversely impacted by, among other things, government shutdowns, changes in administrations, fiscal policies, contracting policies or requirements, efforts by government to evaluate and reduce overall government spending, budgetary cycles, and funding authorizations; and
- in January 2025, the U.S. presidential administration began issuing Executive Orders identifying new government policies and directing U.S. federal agencies to evaluate their current actions, including certain spending, to ensure that such actions are consistent with new administration priorities. Some of those Executive Orders are the subject of pending litigation, and there remains significant uncertainty about the ways in which agencies will implement the new Executive Orders. Such implementation could negatively affect our current and future business with U.S. government customers.

There is a risk that the costs of achieving and maintaining FedRAMP authorization will not be offset, in full or at all, by increased sales of our products and services. Though our current revenue impact from contracts with governmental entities is not significant, to the extent that we become more reliant on contracts with governmental entities, customers reliant on government funding, and/or other government contractors in the future, our exposure to such risks and challenges could increase, which in turn could materially adversely impact our business, financial condition, results of operations, and prospects.

Risks Related to Our Employees and Culture

If we lose key management personnel or if we are unable to retain or hire qualified personnel, we may not be able to achieve our strategic objectives and our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our future success is substantially dependent on our ability to attract, retain, and motivate our executive officers, other members of our management team and other key personnel throughout our organization. Our U.S. employees, including our executive officers, the members of our management team, and other key personnel, work for us on an "at-will" basis, which means they may terminate their employment with us at any time. As previously disclosed, effective November 10, 2025, Craig F. Courtemanche, Jr., our founder, and former President and Chief Executive Officer, resigned as President and Chief Executive Officer of the Company, and Dr. Ajei S. Gopal was appointed as President and Chief Executive Officer. If Dr. Gopal or one or more other members of our management team or other key personnel resign or otherwise cease to provide us with their services, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our continued success is also dependent on our ability to attract and retain other qualified personnel possessing a broad range of skills and expertise. There is significant competition for personnel with the skills and technical knowledge that we require. To continue to enhance our products, services, and platform, develop new products and services, and add new and innovative functionality, it will be critical for us to continue to grow our research and development teams. We have in the past hired, and may in the future hire, employees from competitors or other companies. Their former employers have in the past, and may in the future, assert that we or these employees have breached such employee's legal obligations, resulting in a diversion of our time and resources. If we fail to meet our hiring needs, at all or on the timeframes we expect, or if we fail to successfully integrate our new hires, our efficiency and ability to meet our forecasts and our employee morale, productivity, and retention could all suffer. Any of these factors could materially adversely affect our business, financial condition, results of operations, and prospects.

If we cannot maintain our company culture as we grow, we could lose the innovation, teamwork, passion, and focus on execution that we believe contribute to our success.

We believe that our corporate culture fosters innovation, teamwork, passion, and focus on execution and has contributed to our success. As we grow, we may find it difficult to maintain our corporate culture. Further, recent leadership changes may create uncertainty or shifts in priorities that could make it more challenging to preserve our culture. In addition, many of our employees work remotely and there is no guarantee that we will be able to maintain our corporate culture when much of our team is dispersed. Any failure to preserve our culture could harm our future success, including our ability to recruit and retain qualified personnel, innovate

and operate effectively, and execute on our business strategies. In the past we have carried out, and we may in the future carry out, reductions in our workforce to ensure that our resources are aligned to our business strategy. Such reductions in our workforce could negatively impact our reputation as an employer and harm our company culture. If we experience any of these risks, our ability to attract new employees and retain existing employees could be impaired, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Risks Related to Our Regulatory and Legal Environment

We and the third parties with which we work are subject to stringent, changing, and potentially inconsistent laws, regulations, rules, policies, and obligations related to data privacy and security, both domestically and internationally. Our actual or perceived failure to comply with such obligations, or the failure or perceived failure of third parties with which we work to comply with such obligations, could lead to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse consequences, any of which could materially adversely affect our business, financial condition, results of operations, and prospects.

In the ordinary course of business, we collect, receive, store, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, “process”) proprietary, confidential, and sensitive information and data, including personal data, intellectual property, trade secrets, and sensitive third-party and customer data (collectively, “sensitive information”). For example, our customers store sensitive information on our platform, such as building plans and other information related to government works or projects for regulated industries, such as banks and healthcare facilities. Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, internal and external privacy and security policies, contracts (including with our customers and other third parties), and other obligations relating to data privacy and security.

In the U.S., federal, state, and local governments have enacted, and may in the future enact, numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws).

Numerous U.S. states, including California, have enacted, and may in the future enact, comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices, affording residents with certain rights concerning their personal data, and stricter requirements for processing certain personal data. Such rights may include the right to access, correct, or delete personal data, and to opt out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. For example, the CCPA requires businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights. The CCPA provides for administrative fines and allows private litigants affected by certain data breaches to recover significant statutory damages. Moreover, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. Our inability or failure to obtain such consents could result in adverse consequences, including class action litigation and mass arbitration demands. Additional data privacy and security laws have also been proposed at the federal, state, and local levels in recent years, which could complicate compliance efforts.

As we continue to expand globally, our obligations related to data protection will increase. Outside the U.S., an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, the EU’s General Data Protection Regulation (the “EU’s GDPR”) and the United Kingdom’s (“U.K.”) General Data Protection Regulation (the “U.K.’s GDPR”) impose strict requirements for processing personal data. Under the EU’s GDPR and the U.K.’s GDPR, government regulators may impose temporary or definitive bans on data processing, as well as fines of up to the greater of (1) 20 million euros or 17.5 million pounds sterling, respectively, or (2) 4% of annual revenue. The application of the EU’s GDPR alongside the U.K.’s GDPR exposes us to two parallel regimes, each of which potentially authorizes similar fines and other potentially divergent enforcement actions for certain violations. In addition, data subject or consumer protection organizations (which are authorized by law to represent data subjects’ interests) may initiate litigation to represent their interests. There are also stringent local data protection requirements in Germany and cloud-

server initiatives in France which may impact our operations in these countries. Furthermore, as our business continues to expand and evolve, the EU's GDPR, the U.K.'s GDPR, and similar data protection regulations may apply additional obligations on us to further secure personal data, provide further rights to data subjects, and require additional reporting to regulators.

In Canada, the Personal Information Protection and Electronic Documents Act and various provincial laws, as well as Canada's Anti-Spam Legislation, applies to our operations. Similarly, Australia's Privacy Act 1988, Singapore's Personal Data Protection Act, the UAE's Federal Data Protection Law No. 45 of 2021, and Brazil's General Data Protection Law (Lei Geral de Proteção de Dados Pessoais) (Law No. 13,709/2018), which also apply to our operations, impose compliance obligations and penalties that are comparable to those of the EU's GDPR. In addition, India's Digital Personal Data Protection Act and its implementing regulations, which provide for penalties of up to 2.5 billion Indian rupees for violations, may also apply to our operations.

We may also become subject to new laws that regulate non-personal data. For example, the EU's Data Act imposes certain data and cloud service interoperability and switching obligations to enable users to switch between cloud service providers without undue delay or cost, as well as certain requirements concerning cross-border international transfers of, and governmental access to, non-personal data outside the European Economic Area ("EEA"). Depending on how this and similar laws are implemented and interpreted, we may have to adapt our business practices, contractual arrangements, products, and services to comply with such laws.

In the ordinary course of business, we transfer personal data from Europe and other jurisdictions to the U.S. or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the EEA and the U.K. have significantly restricted the transfer of personal data to the U.S. and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt or have already adopted similarly stringent data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and the U.K. to the U.S. in compliance with law, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy these mechanisms to lawfully transfer personal data to the U.S.

If there is no lawful manner for us to transfer personal data from the EEA, the U.K., or other jurisdictions to the U.S., or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors, and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. For example, in May 2023, the Irish Data Protection Commission determined that a major social media company's use of standard contractual clauses to transfer personal data from Europe to the U.S. was insufficient and levied a 1.2 billion euro fine against the company and prohibited it from transferring personal data to the U.S.

We are bound by contractual obligations and laws related to data privacy and security, and our efforts to comply with such obligations and laws may not be successful. For example, certain privacy laws, such as the EU's GDPR, the U.K.'s GDPR, and the CCPA, require our customers to impose specific contractual restrictions on their service providers. We also publish privacy policies, marketing materials, white papers, and other statements, such as compliance with certain certifications, standards, or self-regulatory principles, concerning data privacy, security, and AI. Regulators in the U.S. are increasingly scrutinizing these statements, and if any of these policies, materials, or statements are found by our customers or regulators to be overly broad, deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences.

In addition, privacy advocates and industry groups have proposed, and may further propose, standards with which we are legally or contractually bound to comply. For example, we are subject to the Payment Card Industry Data Security Standard (the "PCI DSS"). The PCI DSS requires companies to adopt certain measures to ensure the security of cardholder information, including using and maintaining firewalls, adopting proper password protections for certain devices and software, and restricting data access. Noncompliance with the PCI DSS can result in penalties ranging from \$5,000 to \$100,000 per month by credit card companies, litigation,

damage to our reputation, and loss of revenue. We also rely on vendors to process payment card data who may also be subject to the PCI DSS, and our business may be negatively impacted if our vendors are fined or suffer other consequences as a result of noncompliance with the PCI DSS.

Our obligations related to data privacy and security (and consumers' data privacy and security expectations) are quickly changing in an increasingly stringent fashion. Although we endeavor to comply with all applicable data privacy and security obligations, we may at times fail, or be perceived to have failed, to do so. Moreover, despite our efforts, our personnel or third parties with which we work, such as vendors or developers, may fail to comply with such obligations, which could negatively impact our business operations and compliance posture. For example, any failure by a third-party processor to comply with applicable law, regulations or contractual obligations could result in adverse consequences for us, including our ability to, or interruption in our ability to, operate our business and proceedings against us by governmental entities or others. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with data privacy and security obligations, we could face significant consequences, including government enforcement actions (e.g., investigations, audits, inspections, fines, and penalties), litigation (including class-related claims), additional reporting requirements and oversight, restrictions or bans on processing personal data, orders to destroy or not use personal data, the imprisonment of company officials, the inability to operate in certain jurisdictions, limited ability to develop or commercialize our products and services, loss of revenue or profits, loss of customers or sales (including a decline in customer subscription renewals), interruptions or stoppages in or modifications to our operations, negative publicity (including public statements against us by consumer advocacy groups or others), and reputational harm, any of which could materially adversely affect our business, financial condition, results of operations, and prospects.

If our IT systems or data, or those of third parties with which we work, are or were compromised, we could experience adverse consequences resulting from such compromise, including regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse consequences, any of which could materially adversely affect our business, financial condition, results of operations, and prospects.

In the ordinary course of our business, we, and the third parties with which we work, process substantial amounts of sensitive information.

Cyberattacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of such sensitive information and IT systems, and those of the third parties on which we rely. Cloud-based platform providers of products and services have been targeted by such activities and are expected to continue to be targeted. The threats posed by such activities are prevalent and continue to grow, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation-states, and nation-state-supported actors. Further, our achievement of FedRAMP Moderate authorization for our Procore for Government solution, and heightened visibility as a provider of products and services to U.S. federal government customers and contractors, may increase the risk of threats from nation-state, and nation-state supported, and other threat actors.

We, the third parties with which we work, and our customers are subject to a variety of evolving threats, including social-engineering attacks (including through deep fakes, which may be increasingly difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct, misuse, or error, break-ins, ransomware attacks, supply chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other IT assets, adware, telecommunications failures, attacks enhanced or facilitated by AI, and other similar threats. We and our products and services may also be subject to fraudulent usage and schemes, including from third parties accessing customer accounts or viewing data from our platform. We have in the past and may in the future be subject to third parties gaining access to and copying our code in an unauthorized manner from our code repositories. Such incidents could result in, among other things, the use of our code to attempt to identify vulnerabilities in our products or systems, ransomware attacks or extortion demands, the impairment of our intellectual property rights, harm to our customer relationships, and legal claims against us, and may otherwise adversely affect our business, financial condition, results of operations, and prospects. In addition, remote work has become more common and has increased risks to our IT systems and data, as more of our employees

utilize network connections, computers, and devices outside our premises or network, including working at home, while in transit, and in public locations.

Some actors, including, without limitation, organized criminal threat actors and nation-state-supported actors, now engage and are expected to continue to engage in cyberattacks for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties with which we work, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell, and maintain the availability of our products, services, and platform. For example, individuals from sanctioned jurisdictions such as North Korea have illicitly and fraudulently sought employment at U.S. companies to get access to those companies' sensitive information. If we were found to have willfully or knowingly employed any such individuals, we could face criminal liability.

Ransomware attacks are becoming increasingly prevalent and severe and can lead to significant interruptions in our operations, loss of sensitive information and income, reputational harm, and diversion of funds. While extortion payments have the potential to alleviate the negative impact of a ransomware attack, we may be unwilling or unable to make such payments for a variety of reasons.

We employ a shared responsibility model where our customers are responsible for using, configuring, and otherwise implementing security measures related to our products, services, and platform in a manner that meets applicable cybersecurity standards, complies with laws, and addresses their information security risk. As part of this model, we make certain security features available to our customers that can be implemented at our customers' discretion, or identify security areas or measures for which our customers are responsible. For example, depending on the product implementation, our customers are responsible for adding and enforcing multi-factor authentication to access their accounts. In certain cases where our customers choose not to implement, or incorrectly implement, such features or measures, misuse our services, or otherwise experience their own vulnerabilities, policy violations, credential exposure or security incidents, even if we or our platform are not the cause of any customer security issue or incident that may result, our customer relationships, reputation, and operating results may be adversely impacted.

It may be difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us, or the third parties with which we work, to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

We rely upon third-party developers, service providers, and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, third-party providers of cloud-based infrastructure, encryption and authentication technology, employee email, and other functions. We may also rely on third-party developers, service providers, and technologies to provide other products or services to operate our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. We may also share or receive sensitive information with or from third parties. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages or we may be unable to recover such award. In addition, supply chain attacks have increased in frequency and severity, and we cannot guarantee that third parties and infrastructure in our supply chain or our third-party partners' supply chains have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our IT systems (including our products, services, and platform) or the third-party IT systems that support us and our services.

While we have implemented security measures designed to help protect against security incidents, there can be no assurance that these measures are or will be effective. Although we take certain steps to detect, mitigate, and remediate various vulnerabilities in our IT systems (such as our hardware and/or software,

including that of third parties with which we work, and those used to operate our products), doing so takes significant time and resources and we are not able to detect, and have not been able to remediate, all vulnerabilities in our IT systems (including those that operate our products and those that are used to provide our services).

Additionally, our business depends upon the appropriate and successful implementation of our services by our customers. If our customers fail to use our service according to our specifications, our customers may suffer a security incident on their own systems or other adverse consequences. Even if such an incident is unrelated to our security practices, it could result in our incurring significant economic and operational costs in investigating, remediating, and implementing additional measures to further protect our customers from their own vulnerabilities, as well as in reputational harm.

For several reasons, including the introduction of new vulnerabilities, resource constraints, competing business demands, dependence on third parties, and technological challenges, a large number of high unremediated vulnerabilities exist in our IT systems and will exist until our remediation efforts are completed. We have taken, and are taking, steps designed to mitigate these vulnerabilities in a prioritized manner based on our assessment of the risk posed by such vulnerabilities. Despite our efforts, there can be no assurance that these vulnerability mitigation measures will be effective. Moreover, we have experienced delays in developing and deploying remedial measures and patches designed to address any identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident.

Any of the previously identified or similar threats could cause a security incident or other interruption. A security incident or other interruption could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or IT systems, or those of the third parties with which we work (including our customers). If we or third parties with which we work experience a security incident or are perceived to have experienced a security incident, which has previously occurred, we could experience significant consequences, including government enforcement actions (e.g., investigations, audits, inspections, fines, and penalties), litigation (including class-related claims), additional reporting requirements and oversight, restrictions or bans on processing sensitive information (including personal data and sensitive third-party and customer data), loss of revenue or profits, loss of customers or sales, interruptions or stoppages in or modifications to our operations (including availability of data), indemnification obligations, negative publicity, and reputational harm. Security incidents and attendant consequences may also cause customers to stop using our products, services, and platform (including by declining to renew their subscriptions), deter new customers from using our products, services, and platform, and negatively impact our ability to grow and operate our business.

In addition, business transactions, such as acquisitions or integrations, have exposed us to these same or additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, in the past, we have discovered security issues that were not found during due diligence of such acquired or integrated entities, and it has been, and may continue to be, difficult to integrate companies into our IT environment and security program.

Applicable data privacy and security obligations, including data breach laws and contractual obligations to various customers, may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. For example, SEC rules require disclosure on Form 8-K of the material aspects of the nature, scope, and timing of any material cybersecurity incident and the material impact or reasonably likely material impact of such incident. Determining whether a cybersecurity incident is notifiable or material may not be straightforward, and any such disclosures could be costly and could lead to negative publicity, loss of customer or partner confidence in the effectiveness of our security measures, diversion of management's attention, governmental investigations, and the expenditure of significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security breach.

Our contracts may not contain indemnification, limitations of liability, or other protective provisions. Even where they do, there can be no assurance that indemnification clauses, limitations of liability, or other protective provisions in our contracts are applicable, enforceable, or sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our general liability insurance coverage and coverage for cyber liability or errors or omissions will be adequate or sufficient to protect us from,

or to mitigate liabilities arising out of, our data privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could materially adversely affect our business, financial condition, results of operations, and prospects.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveal competitively sensitive details about our organization and could be used to undermine our competitive advantage. To the extent we do not effectively address these risks, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Our business is subject to a wide range of laws and regulations, many of which are evolving, and our failure to comply with such laws and regulations could materially adversely affect our business, financial condition, results of operations, and prospects.

We are subject to a number of laws and regulations in the U.S. and internationally that apply generally to businesses, including laws and regulations governing the internet and the marketing, sale, and delivery of services over the internet. These laws and regulations, which continue to evolve, cover, among other things, taxation, tariffs, data protection and privacy, data security, data governance, AI, pricing, content, copyrights, distribution, mobile and other communications, advertising practices, electronic contracts, sales procedures, automatic subscription renewals, credit card processing procedures, consumer protection, consumer financial protection, payment regulation, payment processing and settlement services, domestic and cross-border money transmission, foreign currency exchange, anti-money laundering, fraud detection, economic and trade sanctions, the design and operation of websites, and the characteristics and quality of products that are offered online. We cannot guarantee that we have been or will in the future be fully compliant with such laws and regulations in every jurisdiction, as it is not entirely clear in every jurisdiction how existing laws and regulations governing such areas apply or will be enforced. Moreover, as the regulatory landscape continues to evolve, increasing regulation and enforcement efforts by federal, state, and foreign authorities, and the prospects for private litigation claims, become more likely. In addition, the adoption of new laws or regulations, or the imposition of other legal requirements, that adversely affect our ability to market or sell our products and services could harm our ability to offer, or customer demand for, our products and services, which could impact our revenue, impair our ability to expand our products and services, and make us more vulnerable to competition. Future regulations, or changes in laws and regulations or their existing interpretations or applications, could also require us to change our business practices and raise compliance costs or other costs of doing business. For example, on May 7, 2024, the Federal Communications Commission re-adopted “network neutrality” rules in the U.S. These rules could affect the services we and our customers use by restricting the offerings made by internet service providers or reducing their incentives to invest in their networks. On January 2, 2025, the U.S. Court of Appeals for the Sixth Circuit vacated the rules. A petition for rehearing of the decision filed by proponents of network neutrality was denied on March 11, 2025, and the time for seeking Supreme Court review of the decision has expired. In addition, after a federal court judge denied a request for an injunction against California’s state-specific network neutrality law, California began enforcing that law on March 25, 2021. Other states could begin to enforce existing laws or adopt new network neutrality requirements. Several other states have adopted similar rules, including Washington, Oregon, Colorado, New Jersey, and Vermont. Many of the laws and regulations to which we are subject are still evolving and being tested in courts and could be interpreted in ways that could harm our business. The application and interpretation of these laws and regulations often are uncertain, particularly in the new and rapidly evolving industry in which we operate. Because global laws and regulations have continued to develop and evolve rapidly, it is possible that we may not be, or may not have been, compliant with each such applicable law or regulation.

Additionally, various federal, state, and foreign labor laws govern our relationships with our employees and affect operating costs. These laws include employee classifications as exempt or non-exempt, minimum wage requirements, unemployment tax rates, workers’ compensation rates, overtime, family leave, workplace health and safety standards, payroll taxes, citizenship requirements, and other laws and regulations.

In certain instances, we rely on third-party service providers or partners to facilitate certain features of our platform or products that are subject to laws and regulations that may be complex, wide-ranging, and evolving,

and whose compliance practices and licensure we are unable to control. If such third parties or partners are unable to effectively manage their compliance and licensure obligations in connection with the services they provide to us, or choose not to renew agreements with us because of the costs or burden of compliance with such obligations or for any other reason, our users may experience service changes, interruptions, or delays. Furthermore, we may be unable to find new service providers or partners, or may need to obtain replacement services on less favorable terms. For example, we rely on payment partners to facilitate payments through Procore Pay.

Any claim, lawsuit, proceeding, investigation, inquiry, or request under any of the foregoing could: result in reputational harm, criminal sanctions, consent decrees, and orders preventing us from offering certain features, functionalities, products, or services; limit our access to credit; result in a modification or suspension of our business practices; require us to develop non-infringing or otherwise altered products or technologies; prompt ancillary claims, lawsuits, proceedings, investigations, inquiries, or requests; consume financial and other resources which may otherwise be utilized for other purposes, such as advancing other products and services on our platform; cause a breach or cancellation of certain contracts; or result in a loss of customers, investors, or partners. Any of the foregoing, or any significant additional laws or regulations, or our failure to comply with any laws and regulations that now or in the future could apply to our business, could materially adversely affect our business, financial condition, results of operations, and prospects.

We may become involved in litigation and other disputes that could materially adversely affect our business, financial condition, results of operations, and prospects.

As we face increasing competition and gain a higher profile, we have become, and may in the future become, a party to litigation, claims, investigations, inquiries, proceedings, and other disputes related to, among other things, our intellectual property, commercial matters, business or employment practices, regulatory compliance (including securities law compliance), products, services, and platform. Declines in stock price, which we have experienced and may experience from time to time, can increase the risk of securities class action litigation. Such litigation can be costly and time-consuming, divert the attention of management and key personnel from our business operations, and dissuade prospective customers from subscribing to our products or services.

We have become, and may in the future become, party to legal proceedings and claims alleging infringement or misappropriation of intellectual property or violations of employment laws and workplace regulations, whether with or without merit. These matters have been, and could continue to be, time-consuming to defend, and have resulted, and could continue to result, in costly litigation and diversion of resources. Such legal proceedings are unpredictable, and we could receive an unfavorable outcome in pending or future proceedings. If any such proceedings are successful, or if we need to settle disputes on terms that are unfavorable to us, we could be required to change our products, business practices, employment policies, indemnify our customers or business partners, pay substantial settlement costs, back wages, regulatory fines, or refund fees. For example, on October 25, 2024, Oracle filed a lawsuit against us, one of our affiliates, and a former employee of Oracle employed by us, in the U.S. District Court for the Northern District of California, alleging misappropriation of certain trade secrets in violation of the Defend Trade Secrets Act and asserting that we had utilized Oracle's trade secrets to develop and enhance our construction payment product, Procore Pay. The case is currently in the pre-trial phase. Oracle is seeking injunctive relief and monetary damages. We are not able to estimate the extent of the damages that we would incur if we were to receive an unfavorable outcome in this lawsuit.

We may be subject to injunctive relief or ongoing government oversight that restricts our ability to manage our workforce effectively, or be required to seek a license to continue practices found to be in violation of third-party rights, which may not be available to us on reasonable terms or at all, any of which could materially impact our business.

Additionally, during the course of any litigation or dispute, we may make announcements regarding the results of hearings and motions and other interim developments. If securities analysts and investors consider these announcements negative, our stock price may decline. Any of the above could increase our operating expenses, and materially adversely affect our business, financial condition, results of operations, and prospects.

Increased government scrutiny of the technology industry generally or our operations specifically could negatively affect our business.

The technology industry is subject to intense media, political, and regulatory scrutiny, which may expose us to government investigations, legal actions, and penalties. Various regulatory agencies, including competition, consumer protection, and privacy authorities, have active proceedings and investigations concerning technology companies, some of which have offerings, like app marketplaces and collaboration tools, that are similar to services and features we offer. If proceedings or investigations targeted at other companies result in determinations that certain practices are unlawful, we could be required to change our products and services or alter our business operations, which could harm our business. Legislators and regulators also have proposed new laws and regulations intended to restrain the activities of some technology companies. If such laws or regulations are enacted, they could adversely impact us, even if they are not intended to affect our company. The increased scrutiny of acquisitions in the technology industry also could affect our ability to enter into strategic transactions or to acquire other businesses. Compliance with new or modified laws and regulations could increase the cost of conducting business, limit opportunities to increase our revenues, or prevent us from offering products or services.

In addition, the introduction of new products and services, expansion of our activities in certain jurisdictions or with certain government customers, or other actions we may take may subject us to additional laws, rules, and regulations, or other government scrutiny. We may not always be able to accurately predict the scope or applicability of certain laws, rules, or regulations to our business, particularly as we expand into new areas of operations, such as Procore Pay, which could negatively affect our business and our ability to pursue future plans. Compliance with any such new laws and regulations will be costly, time consuming, and, as a global commercial organization, require expenditure of our limited resources to be in compliance with the various standards across the jurisdictions in which we operate. Failure to adequately meet these new and upcoming disclosure requirements may affect the manner and locations in which we choose to conduct our business and could adversely affect our operating results. In addition, any perceived or actual breach by us of applicable laws, rules, and regulations could have a significant impact on our reputation as a trusted brand and could cause us to lose customers in existing and emerging lines of business, prevent us from acquiring new customers, require us to expend significant resources to remedy issues caused by such breaches and to avert further breaches, and expose us to legal risk and potential liability.

Our liability for third-party content on our platform, such as content posted by customers and other users, currently is limited by Section 230 of the Communications Decency Act (the “CDA”). The U.S. Congress and federal agencies have proposed further changes or amendments to the CDA each year since 2019, including, among other things, proposals that would narrow CDA immunity, expand government enforcement power relating to content moderation concerns, or repeal the CDA altogether. In addition, some states have passed, and other states may adopt, laws intended to limit the protection afforded by Section 230 of the CDA. For example, laws passed by Florida and Texas related to Section 230 of the CDA are the subject of pending legal challenges. We expect that courts will continue to interpret the scope of Section 230 of the CDA in cases in which platforms seek to invoke its protections. Any changes to the protection afforded by Section 230 of the CDA could decrease or change our protections from liability for third-party content in the U.S. There are other cases pending before the judiciary that may result in changes to the protections Section 230 of the CDA affords to internet platforms. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages or license costs. We could also face fines or orders restricting or blocking our services in particular geographies as a result of content hosted on our services. If any of these events occur, we may incur significant costs or be required to make significant changes to our products, services, business practices, or operations and our business could be seriously harmed. We also could be harmed by government investigations, litigation, or changes in laws and regulations directed at our business partners or suppliers in the technology industry that have the effect of limiting our ability to do business with those entities. For example, the U.S. government recently has taken action against companies operating in China intended to limit their ability to do business in the U.S. or with U.S. companies.

We are currently subject to regulatory inquiries in the ordinary course of business, and may face additional inquiries in the future. Regulatory actions, even if unsuccessful, can be costly, distract us from our core business, and can lead to high defense costs, damage awards, injunctions, increased business costs, fines, or required changes to our business practices. These actions could also demand significant management attention and operational resources, harming our business.

Such government scrutiny of the technology industry, or the outcome of any investigation, inquiry, litigation, or changes to laws or regulations could materially adversely affect our business, financial conditions, results of operations, and prospects.

We are subject to governmental export and import controls that could impair our ability to compete in international markets and subject us to liability if we are not in compliance with applicable laws.

Our products, services, and platform are subject to various restrictions under U.S. export control and sanctions laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations, and various economic and trade sanctions regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. The U.S. export control laws and U.S. economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products and services to embargoed or sanctioned countries, governments, persons, and entities, identified by the U.S., and also require authorization for the export of certain encryption items. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain cloud-based solutions to countries, governments, and persons targeted by U.S. sanctions. In addition, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted or could enact laws that could limit our ability to make available or implement our platform in those countries. While we have implemented certain procedures to facilitate compliance with applicable laws and regulations in connection with the collection of this information, we cannot assure you that these procedures have been effective or that we, or third parties, many of whom we do not control, have complied with all laws or regulations in this regard. Failure by our customers, employees, representatives, contractors, partners, agents, intermediaries, or other third parties to comply with applicable laws and regulations in the collection of this information also could have negative consequences to us, including reputational harm, government investigations, and penalties.

Although we take precautions to prevent our information collection practices from being in violation of such laws, our information collection practices may have been in the past, and could in the future be, in violation of such laws. If we or our employees, representatives, contractors, partners, agents, intermediaries, or other third parties fail to comply with these laws and regulations, we could be subject to civil or criminal penalties, including the possible loss of export privileges and fines and penalties. We may also be adversely affected through other penalties, reputational harm, loss of access to certain countries, or otherwise. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. While we are working to implement additional controls designed to prevent similar activity from occurring in the future, these controls may not be fully effective.

Changes in our platform, or changes in sanctions and import and export laws, may delay the introduction and sale of subscriptions to access our products or services internationally, prevent our customers with international operations from using our platform, or in some cases, prevent the access or use of our platform to and from certain countries, governments, persons, or entities altogether. Further, any change in export or import regulations, economic sanctions, or related laws, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons, or technologies targeted by such regulations could result in decreased use of our platform or in our decreased ability to export or sell subscriptions to use our platform to existing or prospective customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell subscriptions to use our platform could materially adversely affect our business, financial condition, results of operations, and prospects.

We are also subject to the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), the U.K. Bribery Act 2010 (the "Bribery Act"), and other anti-corruption, sanctions, anti-bribery, anti-money laundering, and similar laws in the U.S. and other countries in which we conduct activities. Anti-corruption and anti-bribery laws, which have been enforced aggressively and are interpreted broadly, prohibit companies and their employees, agents, intermediaries, and other third parties from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector. We leverage, and may continue to leverage, third parties, including intermediaries, agents, and partners, to conduct our business in the U.S. and abroad and to sell subscriptions. We and these third parties may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, and we may be held liable for the corrupt or other illegal activities of these third-party partners and intermediaries, our employees, representatives, contractors, partners, agents, intermediaries, and other third parties, even if we do not explicitly authorize such activities. While we have policies and procedures to facilitate compliance with the FCPA, the

Bribery Act, and other anti-corruption, sanctions, anti-bribery, anti-money laundering, and similar laws, we cannot assure you that they will be effective, or that all of our employees, representatives, contractors, partners, agents, intermediaries, or other third parties have taken, or will not take actions, in violation of our policies and procedures and applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or debarment from U.S. government contracts, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage, and other consequences. Any investigations, actions, or sanctions could materially adversely affect our business, financial condition, results of operations, and prospects.

Certain of our services subject us to complex and evolving laws and regulations regarding the unauthorized practice of law (“UPL”).

UPL generally refers to a person or entity that is not licensed to practice law but that gives legal advice or advertises its services as the practice of law. As a result of our acquisition of Express Lien, Inc. (d/b/a Levelset) (“Levelset”) in November 2021, certain lien rights management services that we now offer involve activities that could represent an alternative to traditional legal services and, as a result, may potentially subject us to UPL allegations. Our lien rights management business model includes the provision of document-processing services in connection with the filing of mechanic’s liens. In the past, various aspects of Levelset’s lien rights management offering have been subject to claims of UPL. We currently face, and may in the future continue to face, similar claims, actions, or proceedings.

The laws and regulations that define UPL, and the governing bodies that enforce UPL rules, differ among the various jurisdictions in which we operate, and the scope of these laws and regulations is often vague, broad, and evolving. As a result, the application and interpretation of these laws and regulations can be uncertain and conflicting. For example, regulation of legal document processing, a component of our lien rights management offering, varies among the jurisdictions in which we conduct business. Compliance with these disparate laws and regulations may require us to structure our business and services differently in certain jurisdictions, which could lead to operating inefficiencies. Maintaining compliance with UPL rules across various jurisdictions may cause us to incur significant expenses and may require that we dedicate significant management time to dealing with UPL issues, which could divert management’s attention from other matters.

As we continue to support our lien rights management offering or expand into new jurisdictions, we may face increased scrutiny and risk of additional UPL claims, actions, or proceedings. Any failure or perceived failure by us to comply with applicable UPL laws and regulations may subject us to regulatory inquiries, actions, lawsuits, or proceedings. Levelset has incurred in the past, and we expect to incur in the future, costs associated with responding to, defending, resolving, and settling UPL claims, actions, and proceedings. We can give no assurance that we will prevail in any such matters on commercially reasonable terms or at all. Responding to, defending, and settling regulatory inquiries, action, lawsuits, and proceedings may be time-consuming and divert management and financial resources or have other adverse effects on our business. A negative outcome in any of these proceedings may result in claims, actions, changes to or discontinuance of some of our services, potential liabilities, and additional costs that could materially adversely affect our business, financial condition, results of operations, and prospects.

Our Procore Pay payment solution is subject to a number of laws and regulations applicable to payment solutions, and our failure to comply with such laws and regulations could interfere with the success of Procore Pay.

Various laws and regulations govern the payments industry throughout the U.S. Procore Pay, our payment solution, holds licenses, or is applying to hold licenses, to operate as a money transmitter (or its equivalent) in the states, as well as in the District of Columbia and certain territories, where such licenses are required. Licensed money transmitters are subject to numerous requirements, including restrictions on the investment of customer funds, reporting requirements, bond requirements, and inspection by state regulatory agencies. If we fail to comply with applicable laws or regulations required to maintain money transmitter licenses for Procore Pay, we could be subject to investigations and resulting liability, including governmental fines, restrictions on our business, or other sanctions, or be forced to cease doing business with residents of certain states or territories, forced to change our business practices, required to change our product functionality, or required to obtain additional licenses or regulatory approvals, which could impose additional costs and harm our business. There

can be no assurance that we will be able to obtain money transmitter licenses in all jurisdictions in which we wish to operate. Even if we are able to do so, there could be substantial costs and potential product changes involved in maintaining such licenses, which could materially adversely affect our business, financial condition, results of operations, and prospects.

In 2025, Procore Pay began processing payments in markets where Procore Payment Services, Inc. ("Procore Payment Services") is licensed as a money transmitter. In markets where Procore Payment Services is not currently licensed as a money transmitter, Procore Pay relies on payment partners to process payments. Local regulators may use their authority over such partners to prohibit, restrict, or limit us from doing business in their respective jurisdictions. Our payment partners may be subject to extensive compliance obligations as well as enforcement actions, fines, and litigation if found to violate any legal or regulatory requirements that apply to them. Our payment partners may choose not to renew their agreement with us for this or any other reason, or may seek to involve us in enforcement actions, fines, or litigation related to the services they provide. Any significant disruption in the services provided through Procore Pay could prevent transactions from being processed in a timely manner, or at all. If we or our payment partners experience delays or disruptions in services or other issues, including in networks or systems that result in the inability to process payment in a timely manner, or at all, we could become involved in enforcement actions, fines, or litigation.

Procore Pay is also subject to anti-money laundering ("AML") laws and regulations. Although we have an AML program in place that is designed to help prevent Procore Pay from being used to facilitate money laundering, terrorist financing, and other illicit activities, or from doing business in countries or with persons and entities included on designated country or person lists promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Controls and equivalent authorities in other countries, there is no guarantee that our program will result in full compliance with applicable AML requirements, which can shift rapidly. Non-compliance with AML laws and regulations or economic and trade sanctions may subject us to significant fines, penalties, lawsuits, and enforcement actions, result in regulatory sanctions and additional compliance requirements, increase regulatory scrutiny of our business, restrict our operations, and damage our reputation and brands. Our compliance history may be considered by OFAC and other regulators as part of any potential future investigation of our sanctions regulation.

We maintain a fraud risk management policy and procedures to help manage fraud risk and minimize exposure to substantial losses, but the policy and procedures may not prevent all fraud or risk of loss. If these programs are not continuously monitored and improved, senders could potentially direct payments to the wrong recipients or bad actors within a customer's organization could make fraudulent payments, which could harm our reputation and damage our brand, business, and operating results.

Risks Related to Our Intellectual Property

Our failure to protect our intellectual property rights and proprietary information could diminish our brand and other intangible assets and otherwise materially adversely affect our business, financial condition, results of operations, and prospects.

We primarily rely and expect to continue to rely on a combination of patent, copyright, trademark, and trade secret laws, as well as confidentiality procedures, licenses, and contractual restrictions, to establish and protect our intellectual property rights and proprietary information, all of which provide only limited protection. As of December 31, 2025, we had 107 issued patents in the U.S. and 90 pending patent applications in the U.S. Additionally, we had 13 issued patents in foreign countries, 28 pending patent applications in foreign countries, as well as 7 pending international patent applications that preserve our right to file additional foreign patent applications in the future. Our issued patents in the U.S. will expire between 2034 and 2046. We continually review our development efforts to assess the existence and patentability of new intellectual property.

We have devoted substantial resources to the development of our proprietary technologies and related processes. We make business decisions about when to seek patent protection for a particular technology and when to rely upon copyright or trade secret protection, and the approach we select may ultimately prove to be inadequate. Even when we seek patent protection, there is no assurance that the resulting patents will effectively protect every significant feature of our products, services, or platform. In addition, we believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand, and maintaining goodwill. If we do not adequately protect our rights in our trademarks from infringement, misappropriation, and unauthorized use, any goodwill that we have developed in those trademarks could be lost.

or impaired, which could harm our brand and our business. In order to protect our proprietary technologies and processes, we rely in part on trade secret laws and confidentiality agreements with our employees, consultants, and third parties. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

From time to time, we have been, and may continue to be, subject to claims of alleged infringement by us of the trademarks, copyrights, patents, and other intellectual property rights of third parties. Third parties may also knowingly or unknowingly infringe our proprietary rights. In any of these cases we may not be able to prevent infringement without incurring substantial expenses. Others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights, or develop similar technologies and processes. Additionally, pending and future patent, trademark, and copyright applications may not be approved, and our issued patents may be contested, circumvented, found unenforceable, or invalidated. Further, laws in certain jurisdictions may afford little or no trade secret protection, and any changes in, or unexpected interpretations of, the intellectual property laws in any country in which we operate may compromise our ability to enforce our intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our intellectual property rights, protect our trade secrets, or determine the validity and scope of proprietary rights claimed by others. Any such litigation, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could materially harm our business. If the protection of our proprietary rights is inadequate to prevent use or appropriation by third parties, the value of our products, services, platform, brand, and other intangible assets may be diminished, and competitors may be able to more effectively replicate our platform and its features. Any of these events could materially adversely affect our business, financial condition, results of operations, and prospects.

We license technology from third parties and our inability to maintain those licenses could materially adversely affect our business, financial condition, results of operations, and prospects.

We currently incorporate, and will in the future incorporate, technology that we license from third parties into our products, services, and platform. We cannot be certain that our licensors do not or will not infringe on the intellectual property rights of third parties or that our licensors have or will have sufficient rights to the licensed intellectual property in all jurisdictions where we may sell subscriptions to use our products, services, or platform. Some of our agreements with our licensors may be terminated by them for convenience or otherwise provide for a limited term. If we are unable to continue our license agreements or enter into new licenses on commercially reasonable terms, our ability to develop and sell subscriptions to use products or services containing that technology would be limited, and our business could be harmed. For example, if we are unable to license technology from third parties, such as technology that helps enable our products, services, or platform, we may be forced to acquire or develop alternative technology, which we may be unable to do in a commercially feasible manner or at all, which may require us to use alternative technology of lower quality or performance standards. This could limit or delay our ability to offer certain existing, new, or competitive products or services and may increase our costs. As a result, our business, financial condition, and results of operations could be materially adversely affected.

Our use of third-party open source software could negatively affect our ability to sell subscriptions to access our products and platform and subject us to possible litigation.

From time to time, companies that use third-party open source software have faced claims challenging the use of such open source software and compliance with the open source software license terms. Accordingly, we may be subject to lawsuits by parties claiming ownership of what we believe to be open source software or claiming non-compliance with the applicable open source licensing terms. Some open source software licenses require end-users, who distribute or make available across a network software and services that include open source software, to make publicly available or to license all or part of such software (which in some circumstances could include valuable proprietary code, such as modifications or derivative works created, based upon, incorporating, or using the open source software) under the terms of the particular open source license. While we employ practices designed to monitor our compliance with the licenses of third-party open source software and protect our valuable proprietary source code, we may inadvertently use third-party open source software in a manner that exposes us to claims of non-compliance with the terms of the applicable license, including claims of intellectual property rights infringement or for breach of contract. Furthermore, there exists today an increasing number of types of open source software licenses, almost none of which have been tested in courts of law to provide clarity on their proper legal interpretation. If we were to receive a claim of non-compliance with the terms of any of these open source licenses, we may be required to publicly release certain

portions of our proprietary source code. We could also be required to expend substantial time and resources to re-engineer some or all of our software. Any of the foregoing could materially adversely affect our business, financial condition, results of operations, and prospects.

In addition, the use of third-party open source software typically exposes us to greater risks than the use of third-party commercial software because open source licensors generally do not provide warranties or controls on the functionality or origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise our platform. Any of the foregoing could help competitors develop products and services that are similar to or better than ours and could materially adversely affect our business, financial condition, results of operations, and prospects.

Our customers' and other users' violations of our policies or other misuse of our platform to transmit unauthorized, offensive, or illegal messages, spam, phishing scams, and website links to harmful applications or for other fraudulent or illegal activity could damage our reputation, and we may face a risk of litigation and liability for illegal activities on our platform and unauthorized, inaccurate, or fraudulent information distributed via our platform.

Despite our ongoing and substantial efforts to limit such use, certain customers or other users may use our platform to transmit unauthorized, offensive, or illegal messages, calls, spam, phishing scams, and website links to harmful applications, reproduce and distribute copyrighted material or the trademarks of others without permission, and report inaccurate or fraudulent data or information. These actions are in violation of our policies. Our efforts to defeat spamming attacks, illegal robocalls, and other fraudulent activity will not prevent all such attacks and activity. Such use of our platform could damage our reputation and we could face claims for damages, regulatory enforcement, copyright or trademark infringement, defamation, negligence, or fraud. Moreover, our customers' and other users' promotion of their products and services through our platform might not comply with federal, state, and foreign laws. We rely on contractual representations made to us by our customers that their use of our platform will comply with our policies and applicable law. Although we retain the right to verify that customers and other users are abiding by our policies, our customers and other users are ultimately responsible for compliance with our policies, and we do not systematically audit our customers or other users to confirm compliance with our policies. Although Section 230 of the CDA currently limits liability for third-party content posted on internet platforms, we cannot predict whether that protection will remain in effect. See the risk factor titled "Increased government scrutiny of the technology industry generally or our operations specifically could negatively affect our business."

Risks Related to Our Acquisitions

We may be unsuccessful in making, integrating, and maintaining acquisitions, joint ventures, and strategic investments, which could materially adversely affect our business, financial condition, results of operations, and prospects.

We expect to continue to evaluate and complete a wide array of potential strategic transactions, including acquisitions of businesses, joint ventures, new technologies, services, products, and other assets, and other strategic investments. Any of these transactions could be material to our business, financial condition, results of operations, and prospects. However, we may not be able to find suitable acquisition, joint venture, and strategic investment candidates, and we may not be able to complete transactions on favorable terms or at all. In addition, transactions may be subject to regulatory scrutiny and the law related to such regulatory scrutiny is evolving, which creates uncertainty.

On July 27, 2026, we entered into the DroneDeploy Merger Agreement to acquire DroneDeploy for a purchase price of approximately \$845.0 million in cash, subject to adjustment as provided in the DroneDeploy Merger Agreement. The completion of this transaction is anticipated to occur later this year and is subject to the satisfaction of certain closing conditions. The DroneDeploy Merger subjects us to a number of additional risks, including the risks that we are unable to complete the merger, that our estimates of the costs required to complete the merger may be greater than we anticipate, that we may not realize anticipated synergies from the merger, and that the diversion of management's attention before and after closing of the merger will negatively affect our business.

Even if we are able to complete the DroneDeploy Merger or other future transactions, we may incur substantial costs, including additional costs related to the integration of acquired businesses, and may not be

able to realize the anticipated benefits of such transactions in the time frame expected or at all. The integration of DroneDeploy and other acquired businesses may be unpredictable and subject to delays or changed circumstances. We can give no assurance that acquired businesses will perform in accordance with our expectations. In particular, if we are unable to successfully operate as a combined business after the completion of such transactions to achieve shared growth opportunities or combine reporting or other processes within the expected time frame, such delay may materially and adversely affect the benefits that we expect to achieve as a result of any such acquisition. For example, in October 2023, we ceased originations under our materials financing program, which we assumed pursuant to the Levelset acquisition. The DroneDeploy Merger or other future transactions may not ultimately strengthen our competitive position or achieve our strategic goals, and may disrupt our ongoing business, increase our expenses, and otherwise present risks not contemplated at the time of the transaction. In addition, we may inherit commitments, risks, and liabilities of companies that we acquire that we are unable to successfully mitigate and that may be amplified by our existing business. Further, valuations supporting our acquisitions and strategic investments could change rapidly. Following any such transaction, we could determine that such valuations have experienced impairments or other-than-temporary declines in fair value which could materially adversely affect our business, financial condition, results of operations, and prospects through the write-off of goodwill and other impairment charges.

To finance such transactions, we may have to pay cash, incur debt, or issue securities, including equity-based securities, each of which could affect our financial condition or the value of our capital stock. The sale of equity to finance any such transaction could result in dilution to our stockholders. If we incur debt in connection with such a transaction, it would result in increased fixed obligations and could also subject us to covenants or other restrictions that would impede our ability to flexibly operate our business. Any of these factors could materially adversely affect our ability to consummate a transaction, and our business, financial condition, results of operations, and prospects. For example, we have arranged committed acquisition financing to fund a portion of the purchase price of the DroneDeploy Merger, and our ability to make repayments of the principal of, to pay interest on, or to refinance such indebtedness will depend on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional debt or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the financial markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Risks Related to Tax Matters

We could be required to collect additional sales and use, value added, goods and services, business, gross receipts, and other indirect tax liabilities in various jurisdictions, which could materially adversely affect our business, financial condition, results of operations, and prospects.

We currently collect and remit applicable indirect taxes in jurisdictions where we, through our employees or economic activity, have a presence, or “nexus,” and where we have determined, based on applicable law, that sales of subscriptions to access our products, services, and platform are taxable. We do not currently collect and remit indirect taxes, including state and local excise, utility user, and ad valorem taxes, fees, and surcharges in jurisdictions where we believe we do not have sufficient nexus. There is uncertainty as to what constitutes sufficient nexus for a state or local jurisdiction to levy taxes, fees, and surcharges on sales made over the internet, and there is also uncertainty as to whether our characterization of our products, services, and platform as not taxable in certain jurisdictions will be accepted by state and local tax authorities.

Tax authorities may challenge our position that we do not have sufficient nexus in a taxing jurisdiction or that our products, services, and platform are not taxable in such jurisdiction and may decide to audit our business and operations with respect to indirect taxes, which could result in significant tax liabilities (including related penalties and interest) for us or our customers, which could materially adversely affect our business, financial condition, results of operations, and prospects.

The application of indirect taxes, such as sales and use, value added, goods and services, business, and gross receipts taxes, to businesses that transact online, such as ours, is a complex and evolving area. States and local jurisdictions in certain circumstances may levy sales and use taxes on sales of goods and services

based on “economic nexus,” regardless of whether the seller has a physical presence in such jurisdiction. A number of states have begun requiring collection of sales and use taxes by online sellers. The details and effective dates of these collection requirements vary from state to state. As a result, it may be necessary for us to reevaluate whether our activities give rise to sales, use, and other indirect taxes as a result of any nexus in those states in which we are not currently registered to collect and remit taxes. Additionally, we may need to assess our potential tax collection and remittance obligations based on the requirements of existing or future economic nexus laws. There have been, and will continue to be, substantial ongoing costs associated with complying with the various indirect tax requirements in the numerous jurisdictions in which we conduct or may conduct business. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such obligations. The application of existing, or future indirect tax laws, whether in the U.S. or internationally, or the failure to collect and remit such taxes, could materially adversely affect our business, financial condition, results of operations, and prospects.

Our corporate structure and intercompany arrangements cause us to be subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which could materially adversely affect our business, financial condition, results of operations, and prospects.

We are expanding our international operations and personnel to support our business internationally. We generally conduct our international operations through wholly-owned subsidiaries and are or may be required to report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by tax authorities in various jurisdictions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of such jurisdictions, including the U.S., to our international business activities, changes in tax rates, new or revised tax laws, or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions, which generally are required to be computed on an arm’s-length basis pursuant to intercompany arrangements, or may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations.

We are subject to federal, state, and local income, sales, and other taxes in the U.S. and income, withholding, transaction, and other taxes in numerous foreign jurisdictions. Evaluating our tax positions and our worldwide provision for taxes is complicated and requires the exercise of significant judgment. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. We may be audited in various jurisdictions, and such jurisdictions may assess additional taxes against us. Although we believe our tax estimates are reasonable, the final determination of any tax audits or litigation could differ materially from our historical tax provisions and accruals, which could have an adverse effect on our results of operations or cash flows in the period or periods for which a determination is made.

Our business could be materially adversely affected by changes to tax laws.

The tax regimes to which we are subject or under which we operate, including income and non-income taxes, are unsettled and may be subject to significant change. Changes in tax laws, regulations, or rulings, or changes in interpretations of existing laws and regulations, could materially adversely affect our business, financial condition, results of operations, and prospects. For example, the legislation commonly referred to as the One Big Beautiful Bill Act was recently signed into law, which, along with the Tax Cuts and Jobs Act, the Coronavirus Aid, Relief and Economic Security Act, and the Inflation Reduction Act (the “IRA”) resulted in significant changes to the taxation of business entities including, among other changes, the imposition of minimum taxes or surtaxes on certain types of income, changes to the taxation of income derived from international operations, changes in the deduction and amortization of research and development expenditures, and limitations on the deductibility of business interest. The IRA includes provisions that will impact the U.S. federal income taxation of certain corporations, including imposing a minimum tax on the book income of certain large corporations and a 1% excise tax on the value of certain corporate stock repurchases by publicly traded companies that would be imposed on the company repurchasing such stock. Regulatory or accounting guidance with respect to existing or future tax laws could materially affect our tax obligations and effective tax rate. It is uncertain if, and to what extent, various states will conform to current federal law or any newly enacted federal tax legislation.

In addition, many countries in Europe, as well as a number of other countries and organizations (including the Organization for Economic Cooperation and Development (the “OECD”) and the European Commission), have recently proposed, recommended, or (in the case of certain countries) enacted, or are in the process of enacting, changes to existing tax laws or new tax laws that could significantly increase our tax obligations in the countries where we do business or require us to change the manner in which we operate our business. In particular, the OECD is working on a two-pillar solution to address the tax challenges arising from the digitalization of the economy, commonly referred to as BEPS 2.0, which has made, and is expected to continue to make, significant changes to the international tax system, including by allocating taxing rights in respect of certain profits of multinational enterprises above a fixed profit margin to the jurisdictions within which they carry on business (subject to certain revenue threshold rules which we do not currently meet but may meet in the future), referred to as the Pillar One proposal, and imposing a minimum effective tax rate on certain multinational enterprises, referred to as the Pillar Two proposal. A number of countries within which we carry on our business have implemented, or are currently expected to implement, core elements of the Pillar Two proposal (with further provisions expected to be enacted in the future). Based on our current understanding of the minimum revenue thresholds contained in the Pillar Two rules, we came within their scope beginning in 2025, but do not expect them to have a material impact on us for fiscal year 2025. The OECD has issued, and continues to issue further, administrative guidance providing transition and safe harbor rules in relation to the implementation of the Pillar Two proposal and other rules. For example, on January 5, 2026, the OECD published details of a proposed “side-by-side” arrangement providing for, among other things, additional safe harbors for multinational groups headquartered in certain qualifying jurisdictions. We are monitoring developments and evaluating the potential impacts of the Pillar Two rules, including on our effective tax rates, and considering our eligibility to qualify for these safe harbor rules (including under the proposed “side-by-side” arrangement). Any of the foregoing could materially adversely affect our business, financial condition, results of operations, and prospects, and we may be required to incur additional material costs and expenditure to ensure compliance with any such rules in each of the relevant jurisdictions within which we carry on our business.

Our ability to use our net operating loss carryforwards (“NOL carryforwards”) and certain other tax attributes may be limited.

As of December 31, 2025, we had \$913.9 million of U.S. federal and \$660.9 million of state NOL carryforwards available to reduce taxable income that we may have in the future. It is possible that we will not generate taxable income sufficient to use certain of these NOL carryforwards. Under current law, our U.S. federal NOLs incurred in taxable years beginning after December 31, 2017 may be carried forward indefinitely, but the ability to utilize such federal NOL carryforwards to offset taxable income in a tax year is limited to 80% of the taxable income in such tax year. In addition, federal NOL carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code (the “IRC”), respectively. Under those sections of the IRC, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change NOL carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income or taxes may be limited. In general, an “ownership change” will occur if there is a cumulative change in our ownership by “5-percent shareholders” that exceeds 50 percentage points over a rolling three-year period. We have experienced ownership changes in the past, and may experience additional ownership changes in the future, as a result of shifts in our stock ownership, some of which may be outside of our control. Our ability to utilize our NOL carryforwards is conditioned upon generating future U.S. federal taxable income. Although we have generated U.S. federal taxable income in the past, we do not know whether we will continue to do so. Therefore, our NOL carryforwards generated prior to 2018 could expire unused. State NOL carryforwards and other state tax credits may be subject to similar limitations under state tax laws, and there may be periods during which the use of state NOL carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For example, California imposed limits on the usability of California state NOLs to offset taxable income in tax years beginning after 2023 and before 2027. If our ability to use our NOL carryforwards and tax credits is limited, or if our ability to utilize NOL carryforwards and certain tax credits is otherwise restricted by law, our business, financial condition, results of operations, and prospects could be materially adversely affected.

Risks Related to Capital Requirements, Our Marketable Securities Portfolio, and Liquidity

We may need to raise additional capital to grow our business, and such capital may not be available on terms acceptable to us, or at all, which could reduce our ability to compete and could materially adversely affect our business, financial condition, results of operations, and prospects.

We expect that our existing cash and cash equivalents will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next 12 months. To support our business and operations, we will need sufficient capital to continue to make significant investments, and we may need to raise additional capital through equity or debt financings to fund such efforts. For example, in connection with the DroneDeploy Merger, we have arranged committed acquisition financing to fund a portion of the purchase price of the merger, and our ability to make repayments of the principal of, to pay interest on, or to refinance such indebtedness will depend on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control.

However, many factors, including recent economic volatility and interest rate changes, could adversely impact our ability to access additional capital. If such financing is not available on terms acceptable to us or at all, we may be unable to fund our growth or develop new business at the rate desired and our operating results may suffer. Debt financing increases expenses, may contain covenants that restrict the operation of our business, and must be repaid regardless of operating results. Equity financing, or debt financing that is convertible into equity, could result in dilution to our existing stockholders and a decline in our stock price.

Our inability to obtain adequate capital resources, whether in the form of equity or debt, to fund our future growth may require us to delay, scale back, or eliminate some or all of our operations or the expansion of our business, which could materially adversely affect our business, financial condition, results of operations, and prospects.

Our marketable securities portfolio is subject to credit, liquidity, market, and interest rate risks that could cause its value to decline significantly and materially adversely affect our business, financial condition, results of operations, and prospects.

We maintain a portfolio of marketable securities through a professional investment advisor. The investments in our portfolio are subject to our corporate investment policy, which focuses on preserving principal, maintaining liquidity, avoiding inappropriate concentration and credit risk, and capturing a market rate of return in accordance with the investment guidelines in the corporate investment policy. These investments are subject to general credit, liquidity, market, and interest rate risks. In particular, the value of our portfolio may decline due to changes in interest rates, instability in the global financial markets that reduces the liquidity of securities in our portfolio, and other factors, including unexpected or unprecedented events such as health epidemics or pandemics. As a result, we may experience a significant decline in value or loss of liquidity of our investments, which could materially adversely affect our business, financial condition, results of operations, and prospects. We attempt to mitigate these risks through diversification of our investments and continuous monitoring of our portfolio's overall risk profile, but the value of our investments may nevertheless decline. To the extent that we increase the amount of our security investments in the future, these risks could be exacerbated.

General Risks Related to Our Business and Investing in Our Common Stock

If we fail to maintain an effective system of disclosure controls and internal control over our financial reporting, including our acquired companies, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired and our business, financial condition, results of operations, and prospects could be materially adversely affected.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of the New York Stock Exchange. Our management and other personnel devote a substantial amount of time to compliance with these requirements. We expect that the requirements of these laws, rules, and regulations will continue to increase our IT, legal, accounting, and financial compliance costs, make some activities more complex, time-consuming, and costly, and place significant strain on our personnel, systems, and resources. We cannot predict or estimate the totality of additional costs we incur as a public company or the specific timing of such costs.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. Failure to maintain effective disclosure controls could cause us to be required to restate our financial statements for prior periods, result in material misstatements in our financial statements, and cause us to fail to timely meet our periodic reporting obligations, among other outcomes. In addition, we are required, pursuant to Section 404 of the Sarbanes-Oxley Act ("Section 404") to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. Our continuing compliance with Section 404 will require that we incur substantial expenses and expend significant management efforts. We may need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

Our current disclosure controls and procedures and internal control over financial reporting, and any new controls that we develop, may become inadequate because of changes in conditions in our business, including our acquisitions. Changes in accounting principles or interpretations could also challenge our controls and require that we establish new business processes, systems, and controls to accommodate such changes. If our current and new systems, controls, or standards and any associated process changes do not give rise to the benefits that we expect or do not operate as intended, our financial reporting systems and processes, our ability to produce timely and accurate financial reports or disclosures, or the effectiveness of our internal control over financial reporting could be adversely affected. Moreover, our business may be harmed if we experience problems with any new systems or controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise. Our ability to manage our operations and growth through, for example, the integration of recently acquired businesses, the adoption of new accounting principles and tax laws, and our back office systems that, for example, support our revenue recognition processes, will require us to further develop our controls and reporting systems and implement or amend new or existing controls and reporting systems in those areas where the implementation and integration is still ongoing. All of these changes to our financial systems and the implementation and integration of acquisitions create an increased risk of deficiencies in our disclosure controls and procedures or internal controls over financial reporting.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our disclosure controls and procedures and internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain effective disclosure controls and procedures or internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have a material weakness in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weaknesses or to maintain effective disclosure controls and internal control over financial reporting could adversely affect investor confidence in our company, causing a decline in our stock price, as well as restrict our future access to capital markets. Such failure could also materially adversely affect our business, financial condition, results of operations, and prospects.

Our business could be disrupted by macroeconomic factors, geopolitical events, or catastrophic occurrences.

Our platform and the infrastructure on which our platform relies are vulnerable to damage or interruption from macroeconomic factors and geopolitical events, including trends within the construction industry, inflation and responses by governments to address it, interest rate changes, tariffs and trade wars, bank failures, a shifting and uncertain geopolitical landscape, military conflicts or wars, health epidemics or pandemics, and supply chain disruptions, or catastrophic occurrences, including earthquakes, floods, fires, other natural disasters, power loss, telecommunication failures, terrorist attacks, criminal acts, sabotage, and other intentional acts of vandalism and misconduct, or other similar events, each of which could materially adversely affect our business, financial condition, results of operations, and prospects, or the business of our customers, partners,

vendors, or the economy as a whole. For example, our corporate headquarters are located near Santa Barbara, California, a region known for seismic activity and severe fires. We also have an office and a sizable workforce in Austin, Texas, which may experience extreme weather events. A catastrophic event in one of these areas or in areas in which our other offices or sizable parts of our workforce are located could materially adversely affect our business, financial condition, results of operations, and prospects. Further, the impact of changes to our climate could result in an increase in the frequency or severity of such events. Climate-related events have the potential to disrupt our business, our third-party suppliers, and the business of our customers, may cause us to experience higher attrition, losses, and additional costs to maintain and resume operations, and may subject us to increased regulations, reporting requirements, standards, or expectations regarding the environmental impacts of our business.

Although we maintain incident management and disaster response plans, in the event of a major disruption, we may be unable to continue our operations and may experience system interruptions and reputational harm. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate.

We cannot guarantee that our stock repurchase program will enhance stockholder value, and any stock repurchases we make could increase the volatility of our common stock and diminish the cash reserves we have available to fund working capital and other projects, and any failure to repurchase our common stock after we have announced our intention to do so may negatively affect the price of our common stock.

On November 3, 2025, our Board authorized a stock repurchase program to repurchase up to \$300.0 million of our outstanding common stock. Our Board previously authorized a previous stock repurchase program on October 29, 2024, to repurchase up to \$300.0 million of our outstanding common stock, which expired on October 29, 2025. We intend to opportunistically repurchase shares of our common stock from time to time through the open market (including via pre-set trading plans) or through other transactions in accordance with applicable securities laws, in each case, subject to market conditions, applicable legal requirements, and other relevant factors. The timing of stock repurchases and the actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities, and will be subject to the discretion of management within its authorization. The stock repurchase program will be funded using our working capital. The stock repurchase program does not obligate us to acquire any particular number of shares of our common stock, or any shares at all. The stock repurchase program expires on November 3, 2026, and may be suspended or discontinued at any time at our discretion and without notice.

Although our stock repurchase program is intended to enhance long-term stockholder value, there is no assurance that it will do so because the market price of our common stock may increase above the levels at which we deem it prudent to repurchase shares, and short-term stock price fluctuations could reduce our ability to properly manage the program and the overall effectiveness of the program. The stock repurchase program could also affect the price of our common stock and increase volatility. The existence of our stock repurchase program could cause our stock price to be higher than it otherwise would be and could potentially reduce the market liquidity for our stock. Repurchasing our common stock reduces the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or investments, other business opportunities, and other general corporate projects. We cannot guarantee that the stock repurchase program will be fully or partially consummated. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation, investor confidence in us, or our stock price. In addition, as part of the IRA, the U.S. implemented a 1% excise tax on the value of certain stock repurchases by publicly traded companies. This tax could increase the costs to us of any stock repurchases under the program. For these and other reasons, we may fail to realize the anticipated value of the stock repurchase program or enhance long-term stockholder value as a result of the stock repurchase program.

The market price of our common stock may be volatile, and you could lose all or part of your investment.

The market price of our common stock has in the past been volatile, and is likely to be volatile again in the future. In light of macroeconomic factors and geopolitical events, the stock market in general has experienced significant volatility in recent years, which has often been unrelated to the operating performance of particular companies. The market price for our common stock may also be influenced by the following factors: actual or

anticipated changes or fluctuations in our results of operations; the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections; repurchases or expectations with respect to repurchases by us of our common stock; announcements by us or competitors of new products or new or terminated significant contracts, commercial relationships, or capital commitments; changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular; rumors and market speculation involving us and other companies in our industry; and actual or anticipated developments in our business, competitors' businesses, or the competitive landscape generally. As a result of this volatility, you may not be able to sell your common stock at or above the price you paid for your shares. Additionally, the foregoing factors, along with other market and industry factors, may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from selling their shares at or above the price paid for the shares and may otherwise negatively affect the liquidity of our common stock.

If we experience excessive fraudulent activity or cannot meet evolving credit card association merchant standards, we could incur substantial costs and lose the right to accept credit cards for payment, which could cause our customer base to decline significantly and could materially adversely affect our business, financial condition, results of operations, and prospects.

Substantial losses due to fraud or our inability to accept credit card payments could cause our customer base to significantly decrease and would harm our business.

A significant portion of our customers authorize us to bill their credit card accounts directly for our products, and certain of our customers purchase from us directly and are required to keep their payment methods current for monthly billing purposes. Our customers provide us with credit card billing information online or over the phone, and we do not review the physical credit cards used in these transactions, which increases our risk of exposure to fraudulent activity. We have incurred charges, which we refer to as chargebacks, from credit card companies for claims that the customer did not authorize the credit card transaction for our products. We may be required to pay for unauthorized credit charges and expenses with no reimbursement from the customer. If the number of claims of unauthorized credit card transactions becomes excessive, we could be assessed substantial fines for excess chargebacks, and we could lose the right to accept credit cards for payment. Although we implement multiple fraud prevention and detection controls, we cannot assure you that these controls will be adequate to protect against fraud.

In addition, credit card issuers may change merchant standards, including data protection and documentation standards, required to utilize their services from time to time. If we fail to comply with such standards, the credit card associations could fine us or terminate their agreements with us, and we would be unable to accept credit cards as payment for our products.

Concentration of ownership of our common stock among our officers, directors, and principal stockholders may prevent new and other existing investors from influencing significant corporate decisions, including mergers, consolidations, or the sale of us or all or substantially all of our assets.

Our officers, directors, and stockholders who own more than 5% of our outstanding common stock, beneficially own, in the aggregate, a significant percentage of our outstanding common stock. Furthermore, one of our current directors is affiliated with one of our largest stockholders. As a result, such persons or their affiliates on our Board, if any, may have the ability to significantly influence matters submitted to our Board or stockholders for approval, including the appointment of our management, the election and removal of directors, and the approval of any significant transactions (including any merger, consolidation, or sale of all or substantially all of our assets), as well as our management and business affairs. This concentration of ownership may also have the effect of delaying, deferring, or preventing a change in control, impeding a merger, consolidation, takeover, or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders. In addition, it may result in the management of our company in ways with which other stockholders disagree. Further, this concentration of share ownership may adversely affect the trading price of our common stock because investors may perceive disadvantages in owning shares in a company with one or more significant stockholders.

Certain provisions in our organizational documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove members of our Board or current management, and adversely affect our stock price.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the current members of our Board or to take other corporate actions, including effecting changes in our management. These provisions include:

- a classified Board with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board;
- the denial of any right of our stockholders to remove members of our Board except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of the total voting power of all our outstanding voting stock then entitled to vote in the election of directors;
- the ability of our Board to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the exclusive right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our Board;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by our Board acting pursuant to a resolution adopted by a majority of our Board, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement to obtain approval of two-thirds of the then-outstanding voting power of our capital stock in order to make certain amendments to our amended and restated certificate of incorporation; and
- advance notice procedures and disclosure requirements with which stockholders must comply to nominate candidates to our Board or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the U.S., as the exclusive forums for certain disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees, or agents to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, (4) any action to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or amended and restated bylaws, or (5) any action asserting a claim that is governed by the internal affairs doctrine (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. This provision would not apply to lawsuits brought to enforce a duty or liability created by the Securities Act, the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction.

In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation provides that the U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all lawsuits brought to enforce any duty or liability created by the Securities Act, and an investor cannot waive compliance with the federal securities laws and the rules and regulations thereunder, there is uncertainty as to whether a court would enforce this provision. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such an instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

On November 3, 2025, our Board authorized a stock repurchase program to repurchase up to \$300.0 million of our outstanding common stock.

There were no shares repurchased under our authorized stock repurchase program during the three months ended June 30, 2026. As of June 30, 2026, the remaining amount authorized under our stock repurchase program was \$200 million.

Items 3, 4, and 5 are not applicable and have been omitted.

Item 6. Exhibits
EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Incorporated by Reference			
		Form	File Number	Exhibit	Filing Date
2.1 [†]	Agreement and Plan of Merger by and among Procore Technologies, Inc., DF Merger Sub, Inc., DroneDeploy, Inc., and Fortis Advisors LLC, as the Stockholder Representative, dated as of July 27, 2026	8-K	001-40396	2.1	July 29, 2026
3.1	Amended and Restated Certificate of Incorporation of the Registrant	8-K	001-40396	3.1	May 24, 2021
3.2	Amended and Restated Bylaws of the Registrant	8-K	001-40396	3.1	December 6, 2024
10.1**	Amended and Restated Non-Employee Director Compensation Policy				
10.2	Commitment Letter by and between Procore Technologies, Inc. and Goldman Sachs Bank USA, dated as of July 27, 2026	8-K	001-40396	10.1	July 29, 2026
31.1*	Section 302 Certification of Principal Executive Officer				
31.2*	Section 302 Certification of Principal Financial Officer				
32.1*#	Section 906 Certification of Principal Executive Officer				
32.2*#	Section 906 Certification of Principal Financial Officer				
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				

- † The exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K under the Securities Act. The Company agrees to furnish supplementally a copy of all omitted exhibits and schedules to the Securities and Exchange Commission upon request.
- * Filed herewith.
- + Indicates management contract or compensatory plan.
- # The certifications attached as Exhibit 32.1 and Exhibit 32.2 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Registrant for purposes of Section 18 of the Exchange Act, and are not to be incorporated by reference into any of the Registrant’s filings under the Securities Act, irrespective of any general incorporation language contained in any such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

Procore Technologies, Inc.

Date: July 31, 2026

By: /s/ Ajei S. Gopal
Ajei S. Gopal
President and Chief Executive Officer
(Principal Executive Officer)

Date: July 31, 2026

By: /s/ Rachel R. Pyles
Rachel R. Pyles
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Non-Employee Director Compensation Policy

(Adopted May 4, 2021; Amended and Restated April 1, 2024, November 18, 2024, December 9, 2025, and April 30, 2026)

Each member of the Board of Directors (the “**Board**”) of Procore Technologies, Inc. (the “**Company**”) who is a non-employee director of the Company (each, a “**Non-Employee Director**”) will receive the compensation described in this Non-Employee Director Compensation Policy (this “**Director Compensation Policy**”) for his or her Board service, subject to the terms and conditions set forth herein.

This Director Compensation Policy is amended and restated effective as of April 30, 2026 (the “**Effective Date**”). This Director Compensation Policy may be amended or modified, or any provision of it waived, at any time in the sole discretion of the Board or the Compensation Committee of the Board (the “**Compensation Committee**”).

Annual Cash Compensation

The annual cash compensation amounts are payable in equal quarterly installments in arrears following the end of each fiscal quarter in which the service occurred, prorated for any partial months of service.

Each Non-Employee Director is eligible to receive the following annual cash retainers for service on the Board (as applicable):

- (a) Annual Board Service Retainer.
 - i. All Eligible Directors: \$48,100
 - ii. Lead Independent Director: \$30,000 (in addition to the Annual Board Service Retainer)
 - iii. Chair: \$56,250 (in addition to the Annual Board Service Retainer)
- (b) Annual Committee Member Service Retainer.
 - i. Member of the Audit Committee: \$13,500
 - ii. Member of the Compensation Committee: \$10,000
 - iii. Member of the Nominating and Corporate Governance Committee: \$6,400
- (c) Annual Committee Chair Service Retainer (in lieu of the Annual Committee Member Service Retainer).
 - i. Chair of the Audit Committee: \$27,000
 - ii. Chair of the Compensation Committee: \$20,000
 - iii. Chair of the Nominating and Corporate Governance Committee: \$14,600

Equity Compensation

Each eligible Non-Employee Director is eligible to receive the equity compensation set forth below. Equity awards will be granted under the Company’s 2021 Equity Incentive Plan (as amended from time to time, the “**Plan**”).

(a) Initial Appointment Equity Grant. On appointment to the Board, and without any further action of the Board or Compensation Committee, at the close of business on the date of such appointment each individual who becomes a Non-Employee Director will automatically receive an RSU Award (as defined in the Plan) having a target equity value of \$530,000 (the “**Initial RSU Award**”). Each Initial RSU Award will vest in three equal annual installments, with the first vesting date being the Company Vesting Date (as defined below) that most closely precedes the first anniversary of the date of grant of such Initial RSU Award. “**Company Vesting Date**” means each February 20, May 20, August 20, and November 20.

(b) Automatic Equity Grants. Without any further action of the Board or Compensation Committee, at the close of business on the date of each annual meeting of the Company's stockholders following the Effective Date (the "**Annual Meeting**"), each person who is then a Non-Employee Director will automatically receive an RSU Award having a target equity value of \$227,500 (the "**Annual RSU Award**"), provided that with respect to any Non-Employee Director who is appointed to the Board other than in connection with an Annual Meeting, the first Annual RSU Award that such Non-Employee Director receives will be prorated by multiplying the target equity value of the Annual RSU Award by a fraction, the numerator of which equals the total number of days from (and including) the date such Non-Employee Director was appointed to the Board until (and including) the date of the first Annual Meeting following the date of such Non-Employee Director's appointment to the Board, and the denominator of which equals 360 days (with the result rounded to the nearest whole dollar). Each Annual RSU Award will vest on the date of the following year's Annual Meeting (or the date immediately preceding the date of the following year's Annual Meeting if the Non-Employee Director's service as a director ends at such meeting as a result of the director's failure to be re-elected or the director not standing for re-election).

(c) Vesting; Change of Control. Vesting of each Initial RSU Award and each Annual RSU Award is subject to the Non-Employee Director's Continuous Service (as defined in the Plan) on the applicable vesting date of each such award. Notwithstanding the foregoing, for each Non-Employee Director who remains in Continuous Service with the Company until immediately prior to the closing of a Change in Control (as defined in the Plan), the shares subject to such Non-Employee Director's then-outstanding Initial RSU Award and any Annual RSU Award, as applicable, will become fully vested immediately prior to the closing of such Change in Control.

(d) Deferrals. Each Non-Employee Director may elect to defer settlement of 100% (but not less than 100%) of any Initial RSU Award and any Annual RSU Award, in each case, prior to the grant of any such award in accordance with the terms herein, until the earlier of (i) the date that is ninety (90) days following the date the Non-Employee Director ceases serving as a member of the Board (and which constitutes a "separation from service" within the meaning of the U.S. Department of Treasury (the "**Treasury**") regulations promulgated under Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**")) and (ii) a Change in Control that constitutes a "change in control event" within the meaning of the Treasury regulations promulgated under Section 409A. For each Initial RSU Award, any such deferral election must be made no later than the 30th day after the date of grant of the Initial RSU Award (or such earlier date as may be specified in the deferral election form), but only for amounts that relate to service rendered after the election. For each Annual RSU Award, any such deferral election must be made no later than the later of (1) December 31st of the year preceding the calendar year in which the Annual RSU Award is granted (or such earlier date as may be specified in the deferral election form) and (2) the 30th day after the applicable Non-Employee Director first becomes eligible to participate in the Director Compensation Policy, but only for amounts that relate to service rendered after the election.

(e) Calculation of Value of an RSU Award. The value of an RSU Award to be granted under this Director Compensation Policy will be determined by dividing the applicable target equity value of the RSU Award by the volume-weighted average closing price¹ of a share of the Company's common stock (the "**Common Stock**") on the New York Stock Exchange, or such other national securities exchange on which the Common Stock is then traded, over the 15 trading day period immediately preceding the third business day prior to the date the RSU Award is granted, as adjusted for any stock split, combination, recapitalization, or similar transaction.

(f) Remaining Terms. The remaining terms and conditions of each RSU Award, including transferability, will be as set forth in the Company's Global RSU Grant Notice and RSU Award Agreement, in the form adopted from time to time by the Board or Compensation Committee.

Non-Employee Director Compensation Limit

¹ The volume-weighted average closing price will be calculated on a simplified basis, based on the daily closing price weighted by the daily volume, which will then be averaged by the trading days in the given period.

Notwithstanding anything herein to the contrary, the cash compensation and equity compensation that each Non-Employee Director is eligible to receive under this Director Compensation Policy shall be subject to the limits set forth in Section 3(d) of the Plan.

Ability to Decline Compensation

A Non-Employee Director may decline all or any portion of his or her compensation under this Director Compensation Policy by giving notice to the Company prior to the date cash is to be paid or equity awards are to be granted, as the case may be.

Expenses

The Company will reimburse each Non-Employee Director for any ordinary and reasonable out-of-pocket expenses actually incurred by such director in connection with in-person attendance at and participation in Board and committee meetings; provided, that such director timely submits to the Company appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy as in effect from time to time.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER**PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ajei S. Gopal, certify that:

1. I have reviewed this Form 10-Q of Procore Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

By: /s/ Ajei S. Gopal

Ajei S. Gopal
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER**PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rachel R. Pyles, certify that:

1. I have reviewed this Form 10-Q of Procore Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

By: /s/ Rachel R. Pyles

Rachel R. Pyles
Chief Financial Officer and Treasurer
(Principal Financial Officer)

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2026, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Ajei S. Gopal
Ajei S. Gopal
President and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Procore Technologies, Inc. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2026, to which this Certification is attached as Exhibit 32.2 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Rachel R. Pyles
Rachel R. Pyles
Chief Financial Officer and Treasurer
(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Procore Technologies, Inc. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.