Nextdoor Investor Update

Q3 2025

Nextdoor

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John T. Williams

Head of Investor Relations

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Certain statements in this Investor Update may be considered “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expect,” “intend,” “will,” “estimate,” “anticipate,” “believe,” “predict,” “project,” “target,” “plan,” or “potentially” or the negatives of these terms or variations of them or similar terminology. These statements include, but are not limited to, statements regarding our future performance and our market opportunity, including expected financial results for the fourth quarter of 2025 and 2026, trends and expectations regarding our business and operating results, including the implementation and potential impact of our new Nextdoor initiative, our expectations on Verified Neighbor growth, our business strategy and plans, and our objectives and future operations, including our expansion into new markets.

Forward-looking statements are based upon various estimates and assumptions, as well as information known to us as of the date of this Investor Update, and are subject to risks and uncertainties. Accordingly, actual results could differ materially due to a variety of factors, including: our ability to scale our business and monetization efforts; our ability to expand business operations abroad; our limited operating history; risks associated with managing our growth; our ability to achieve and maintain profitability in the future; the effects of the highly competitive market in which we operate; the impact of macroeconomic conditions on our business, including the impact of significant political, trade and regulatory developments; our ability to attract new and retain existing customers and users, or renew and expand our relationships with them; our ability to anticipate and satisfy customer preferences; market acceptance of our platform; our ability to successfully develop and timely introduce new products and services; risks associated with the use of AI and ML-driven features in our platform; our ability to achieve our objectives of strategic and operational initiatives; cybersecurity risks to our various systems and software; the impact of privacy and data security laws and other applicable laws and regulations; and other general market, political, economic, and business conditions.

Additional risks and uncertainties that could affect our financial results and business are more fully described in our Quarterly Report on Form 10-Q for the period ended September 30, 2025, filed on November 5, 2025, and our other SEC filings, which are available on the Investor Relations page of our website at investors.nextdoor.com and on the SEC’s website at www.sec.gov. All forward-looking statements contained herein are based on information available to us as of the date hereof and you should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements.We undertake no obligation to update any of these forward-looking statements for any reason after the date of this Investor Update or to conform these statements to actual results or revised expectations, except as required by law. Undue reliance should not be placed on the forward-looking statements in this Investor Update.

This Investor Update includes certain non-GAAP financial measures (including on a forward-looking basis). These non-GAAP measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to their nearest GAAP equivalent or any other performance measures derived in accordance with GAAP. A reconciliation of the non-GAAP financial measures used in this Investor Update to their nearest GAAP equivalent is included in the Appendix to this Investor Update. Nextdoor believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about Nextdoor. Nextdoor’s management uses forward-looking non-GAAP measures to evaluate Nextdoor’s projected financials and operating performance. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents, including that they exclude significant expenses that are required by GAAP to be recorded in Nextdoor’s financial measures. In addition, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore, Nextdoor’s non-GAAP measures may not be directly comparable to similarly titled measures of other companies. Additionally, to the extent that forward-looking non-GAAP financial measures are provided, they are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

Nirav Tolia

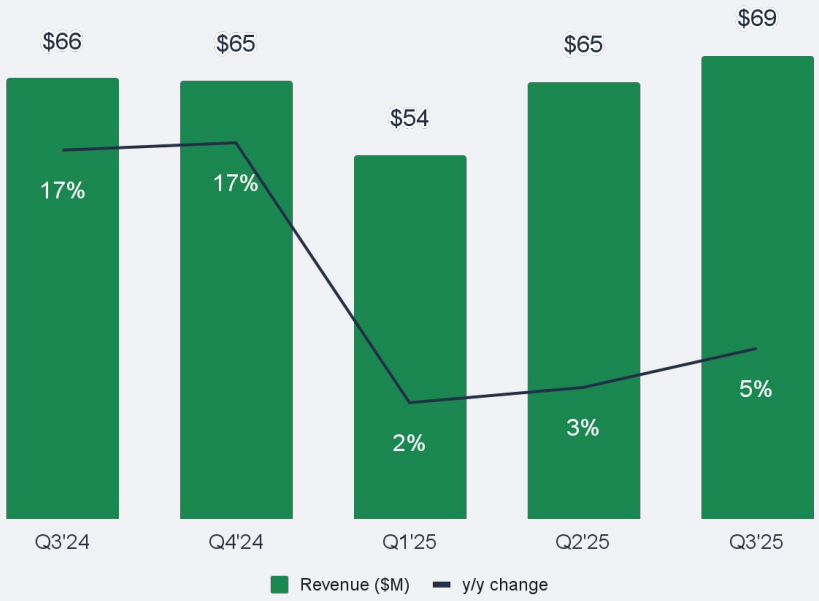
CEO

Q3’25 Performance Update

Users	-3% y/y	21.6M Platform WAU	Modest (1%) sequential decline as we reduced notifications to drive higher quality usage and engagement
Revenue	+5% y/y	$69M	Self-serve +33% y/y on strong demand from advertisers seeing better performance on our platform
Profitability	$13M Net Loss; Margin +4 ppt y/y	$4M Adj. EBITDA; Margin +8 ppt y/y	Positive Q3 Adjusted EBITDA driven by strong revenue, ongoing productivity focus

Metrics as of 9/30/2025. Some figures may not tie due to rounding. A reconciliation of non-GAAP metrics used in this Investor Update to their most comparable GAAP measures is provided in the Appendix at the end of this Investor Update.

Revenue



Our self-serve channel remains a growth engine.

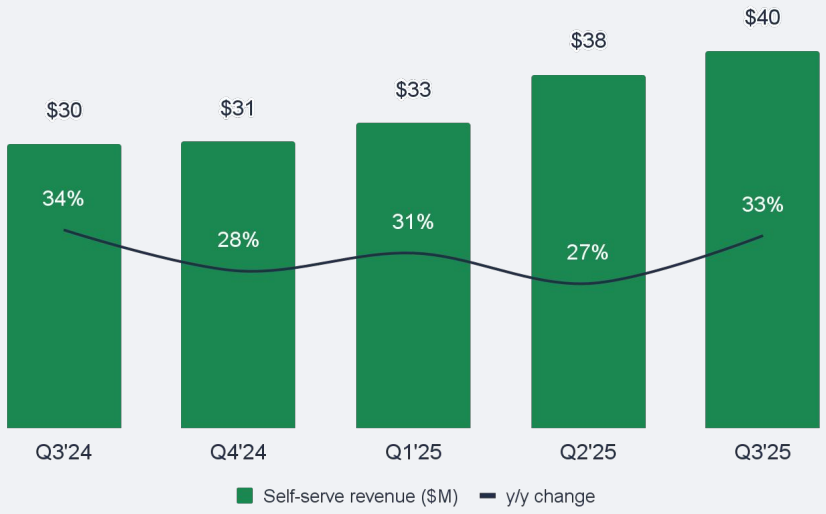
Q3 revenue was $69M, +5% year-over-year and reflecting strong demand from self-serve advertisers.

Self-serve channel revenue grew 33% year-over-year in Q3 and represented nearly 60% of Q3 total revenue.

We delivered on our commitment to complete our programmatic supply integrations.

Some figures may not tie due to rounding.

Self-Serve



Our product investments have driven durable self-serve momentum.

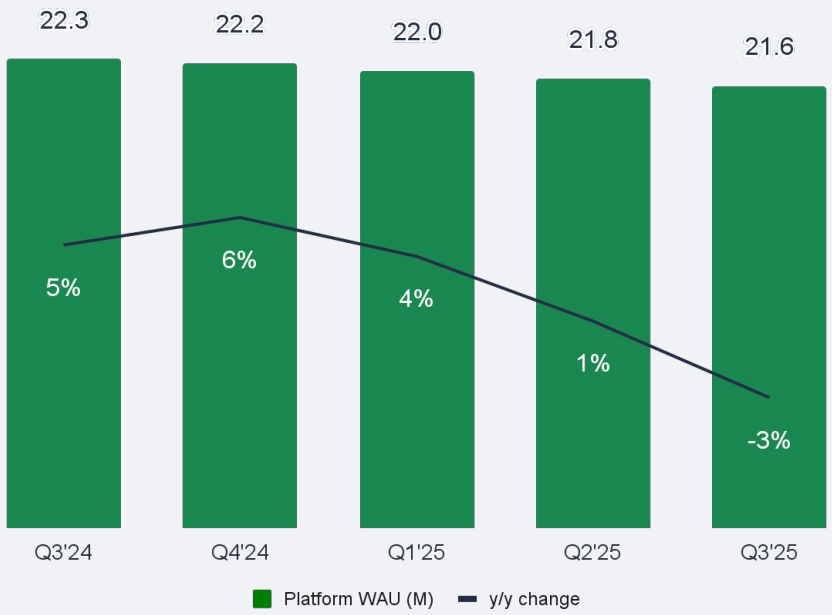
Investments in self-serve make campaign creation/management easier for all customers.

Automated click and conversion optimization make it easier for buyers using our self-serve platform to achieve stronger performance outcomes.

Self-serve usage unlocks operating leverage, productivity improvements for advertisers.

Some figures may not tie due to rounding.

Platform WAU



Platform WAU is our primary user metric.

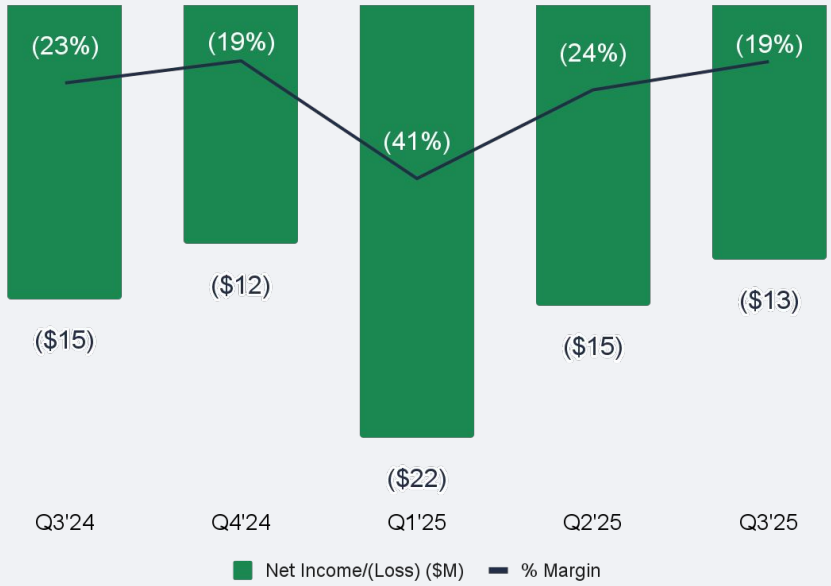
It includes users who engage directly on the Nextdoor app or website.

The Q3 decline was driven by our intentional decision to reduce notification and email volumes, reflecting our focus on engagement quality over quantity.

Short-term, we expect Platform WAU may continue to fluctuate, due to seasonality and our continued commitment to delivering the best user experience.

Some figures may not tie due to rounding. Platform WAU reflects users who open our application or log on to our website at least once during a defined 7-day period.

Net Income (Loss)



Operating leverage again improved year-over-year.

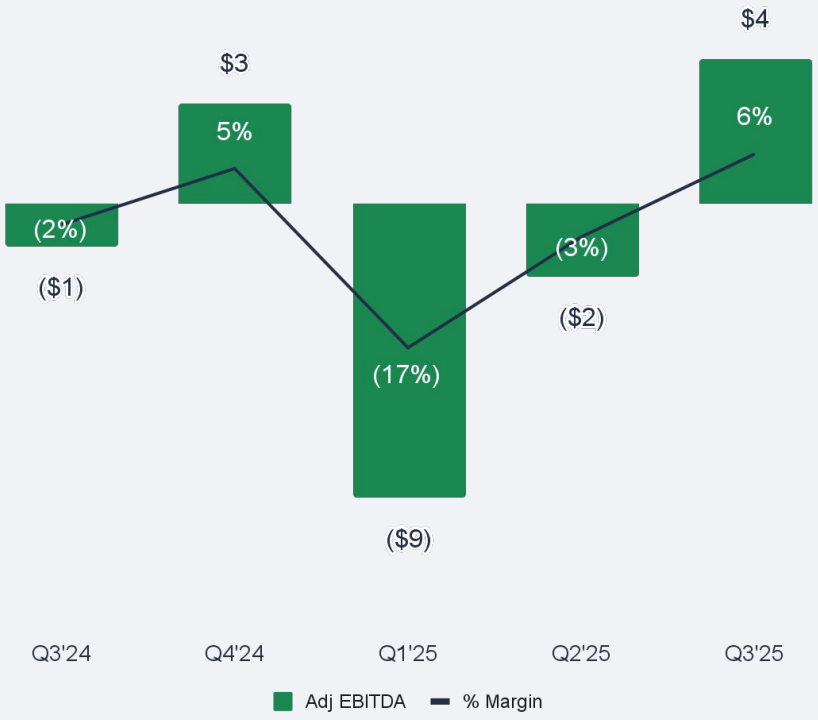
Net loss and margin were ($13M) and (19%), respectively.

Net margin improved by 4 ppt year-over-year.

Margin improvement was driven by stronger revenue and slightly lower year-over-year GAAP operating expenses.

Some figures may not tie due to rounding.

Adjusted EBITDA



Margin gains reflect spending discipline and stronger execution.

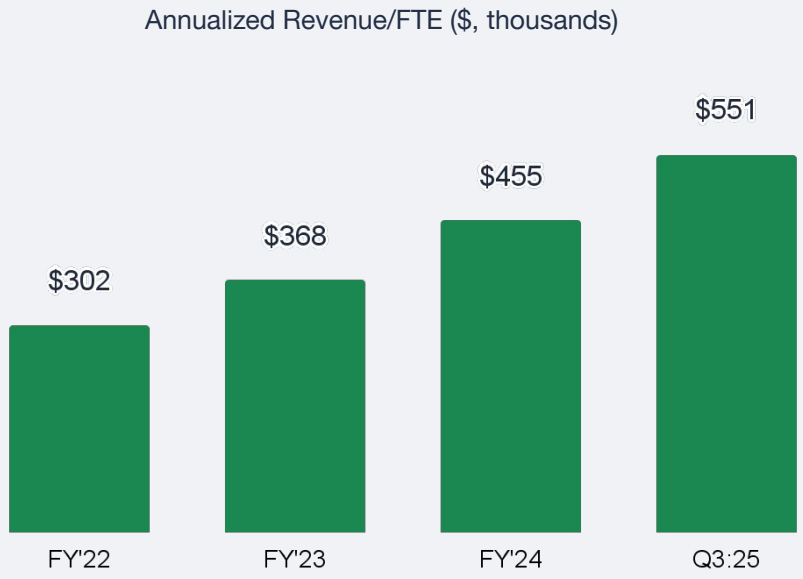
Adjusted EBITDA was $4M, representing a 6% margin.

Adjusted EBITDA margin improved by 8 ppt year-over-year.

Sales and marketing and personnel efficiency drove the majority of our year-over-year improvement.

Some figures may not tie due to rounding. A reconciliation of non-GAAP metrics used in this presentation to their most comparable GAAP measures is provided in the Appendix at the end of this presentation.

Productivity and Capital Allocation



Productivity remains a key focus area.

Revenue/FTE has improved 21% year-to-date.

We have driven >30 ppts of margin improvement over the last two years while increasing our resource allocation toward product.

Strong balance sheet provides flexibility: $403M in cash, cash equivalents, and marketable securities at Q3-end.

Some figures may not tie due to rounding.

Financial Outlook

	Q4'25 Outlook	y/y change
Revenue	$67M - $68M	3-4% y/y
Adj. EBITDA	$3.5M - $4.5M	NM
Adj. EBITDA Margin	5% - 7%	+0-2 ppt y/y

Additional details:

Our Q4 guidance reflects normal seasonality and a full quarter of savings from our recent workforce reduction, partially offset by incremental platform investments.

We do not plan to increase ad load in Q4 or into 2026, as we continue to prioritize the best user experience.

Consistent with this approach, we expect to intentionally reduce new user acquisition efforts during Q4.

We continue to expect full-year adjusted EBITDA breakeven in 2026.

Some figures may not tie due to rounding. Outlook as of 11/5/2025.

Q3 Product Update

Nirav Tolia

CEO

Appendix

Condensed Consolidated Balance Sheets

in thousands, except per share data (unaudited)

	September 30, 2025	December 31 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 56,088	$ 45,550
Marketable securities	347,229	381,429
Accounts receivable, net of allowance of $470 and $451 as of September 30, 2025 and December 31, 2024, respectively	33,076	31,173
Prepaid expenses and other current assets	11,975	8,540
Total current assets	448,368	466,692
Restricted cash, non-current	8,379	11,171
Property and equipment, net	1,888	2,748
Operating lease right-of-use assets	12,318	14,447
Intangible assets, net	96	257
Goodwill	1,211	1,211
Other assets	16,689	17,427
Total assets	$ 488,949	$ 513,953
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,340	$ 249
Operating lease liabilities, current	8,929	8,495
Accrued expenses and other current liabilities	20,149	19,200
Total current liabilities	33,418	27,944
Operating lease liabilities, non-current	25,542	32,251
Other liabilities, non-current	304	270
Total liabilities	59,264	60,465
Stockholders' equity:		
Class A common stock, $0.0001 par value; 2,500,000 shares authorized, 240,900 and 224,488 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	24	22
Class B common stock, $0.0001 par value; 500,000 shares authorized, 147,734 and 158,134 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	15	16
Additional paid-in capital	1,342,251	1,316,616
Accumulated other comprehensive income	1,649	917
Accumulated deficit	(914,254)	(864,083)
Total stockholders' equity	429,685	453,488
Total liabilities and stockholders' equity	$ 488,949	$ 513,953

Some figures may not tie due to rounding.

Condensed Consolidated Statements of Operations

in thousands, except per share data (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	$ 68,898	$ 65,610	$ 188,167	$ 182,048
Costs and expenses:				
Cost of revenue	10,437	11,129	30,527	31,387
Research and development	35,674	31,897	103,790	94,318
Sales and marketing	23,766	26,158	70,212	86,468
General and administrative	16,250	17,203	48,156	74,417
Total costs and expenses	86,127	86,387	252,685	286,590
Loss from operations	(17,229)	(20,777)	(64,518)	(104,542)
Interest income	4,624	5,804	14,380	19,059
Other income (expense), net	(121)	243	507	226
Loss before income taxes	(12,726)	(14,730)	(49,631)	(85,257)
Provision for income taxes	131	168	540	683
Net loss	$ (12,857)	$ (14,898)	$ (50,171)	$ (85,940)
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	$ (0.03)	$ (0.04)	$ (0.13)	$ (0.22)
Weighted average shares used in computing net loss per share attributable to Class A and Class B common stockholders, basic and diluted	387,297	378,437	384,791	386,220

Some figures may not tie due to rounding.

Condensed Consolidated Statements of Cash Flows

in thousands (unaudited)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Cash flows from operating activities		
Net loss	$ (50,171)	$ (85,940)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,533	3,307
Stock-based compensation	50,798	54,181
Non-cash impairment charges related to lease abandonment	—	22,760
Accretion of investments	(1,908)	(4,858)
Other	409	830
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,883)	(3,423)
Prepaid expenses and other assets	(2,697)	(6,392)
Operating lease right-of-use assets	2,129	3,050
Accounts payable	4,081	(1,656)
Operating lease liabilities	(6,275)	(4,931)
Accrued expenses and other liabilities	983	(8,886)
Net cash used in operating activities	(3,001)	(31,958)
Cash flows from investing activities		
Purchases of property and equipment	(502)	(315)
Purchases of marketable securities	(220,364)	(195,627)
Sales of marketable securities	105,258	138,443
Maturities of marketable securities	151,580	158,409
Loan to Opportunity Finance Network	—	(7,500)
Net cash provided by investing activities	35,972	93,410
Cash flows from financing activities		
Proceeds from issuance of common stock upon exercise of stock options	2,287	11,505
Proceeds from issuance of common stock under employee stock purchase plan	1,325	1,075
Tax withholdings on release of restricted stock units	(14,246)	(11,353)
Repurchase of common stock	(14,528)	(73,300)
Net cash used in financing activities	(25,162)	(72,073)
Effect of exchange rate changes on cash and cash equivalents	(63)	88
Net increase (decrease) in cash, cash equivalents, and restricted cash	7,746	(10,533)
Cash, cash equivalents, and restricted cash at beginning of period	56,721	71,404
Cash, cash equivalents, and restricted cash at end of period	$ 64,467	$ 60,871

Some figures may not tie due to rounding.

Non-GAAP Financial Measures

We have not reconciled our adjusted EBITDA and adjusted EBITDA margin outlook to GAAP net loss or GAAP net loss margin because certain items that impact GAAP net loss and GAAP net loss margin are uncertain or out of our control and cannot be reasonably predicted. In particular, stock-based compensation expense is impacted by the future fair market value of our common stock and other factors, all of which are difficult to predict, subject to frequent change, or not within our control. The actual amount of these expenses during 2025 will have a significant impact on our future GAAP financial results. Accordingly, a reconciliation of adjusted EBITDA outlook to net loss and adjusted EBITDA margin to GAAP net loss margin is not available without unreasonable efforts.

To supplement our condensed consolidated financial statements, which are prepared in accordance with GAAP, we present non-GAAP adjusted EBITDA and adjusted EBITDA margin in this Investor Update. Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP.

We use these non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including in the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance. These measures provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. In addition, adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance. We exclude the following items from one or more of our non-GAAP financial measures: stock-based compensation expense (non-cash expense calculated by companies using a variety of valuation methodologies and subjective assumptions), depreciation and amortization (non-cash expense), interest income, provision for income taxes, and, if applicable, restructuring charges and acquisition-related costs.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, (1) stock-based compensation expense has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy, (2) although depreciation and amortization expense are non-cash charges, the assets subject to depreciation and amortization may have to be replaced in the future, and our non-GAAP measures do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements, and (3) adjusted EBITDA does not reflect: (a) changes in, or cash requirements for, our working capital needs; (b) interest expense (if any), or the cash requirements necessary to service interest or principal payments on debt (if any), which reduces cash available to us; or (c) tax payments that may represent a reduction in cash available to us. The non-GAAP measures we use may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. We compensate for these limitations by providing specific information regarding the GAAP items excluded from these non-GAAP financial measures. A reconciliation of these non-GAAP measures has been provided on the following page.

Adjusted EBITDA Reconciliation

in thousands (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	$ (12,857)	$ (14,898)	$ (50,171)	$ (85,940)
Depreciation and amortization	475	777	1,533	3,307
Stock-based compensation	16,600	18,440	50,798	54,181
Interest income	(4,624)	(5,804)	(14,380)	(19,059)
Provision for income taxes	131	168	540	683
Restructuring charges	4,660	—	4,660	25,517
Adjusted EBITDA	$ 4,385	$ (1,317)	$ (7,020)	$ (21,311)
Net loss % Margin	(19%)	(23%)	(27%)	(47%)
Adjusted EBITDA % Margin	6%	(2%)	(4%)	(12%)

Some figures may not tie due to rounding.

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