Nextdoor Investor Update

Q2 2025

Nextdoor

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John T. Williams

Head of Investor Relations

Disclaimer

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 third quarter of 2025, the second half 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 June 30, 2025, filed on August 7, 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

Our **Transformation** has begun

Product

We launched News, Alerts, and AI Faves, and are now scaling the new Nextdoor experience across our full user base.

Business

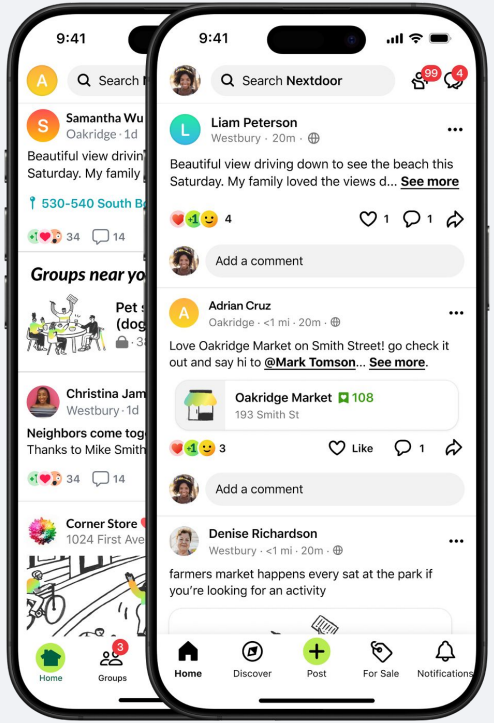
Our focus on productivity has improved revenue yields and cash flow.

Culture

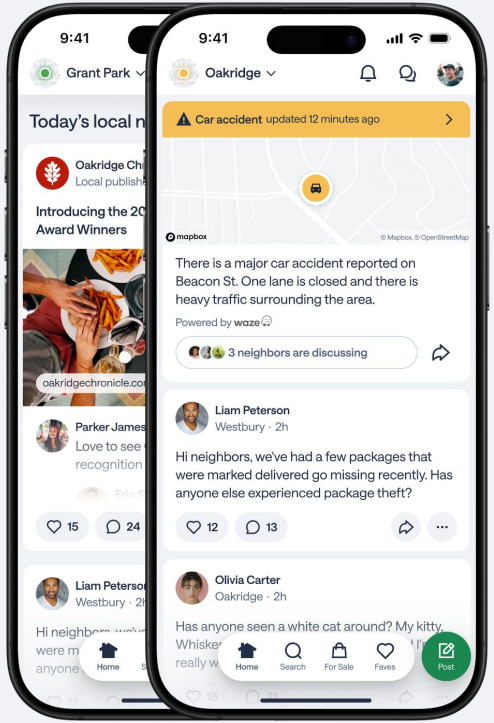
We remain deeply committed to the power and potential of local communities, putting neighbors at the center of everything we do.

The launch of the new Nextdoor was a refounding moment

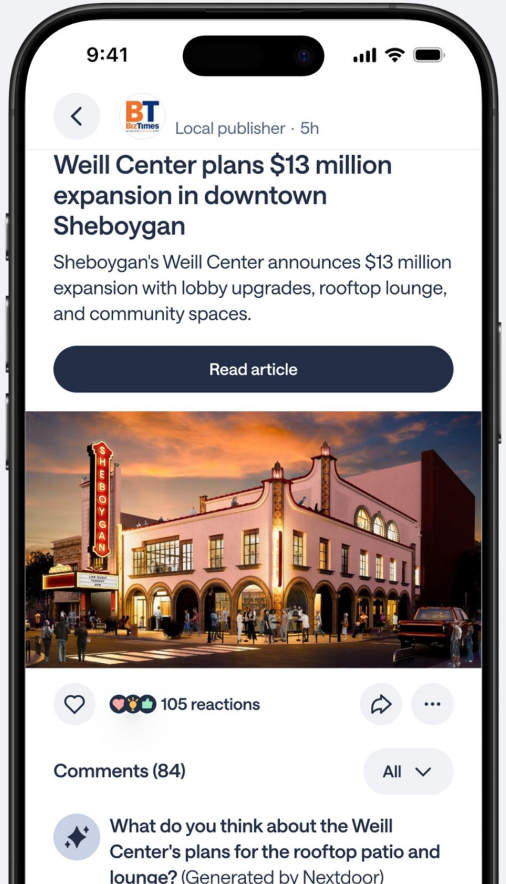
nextdoor

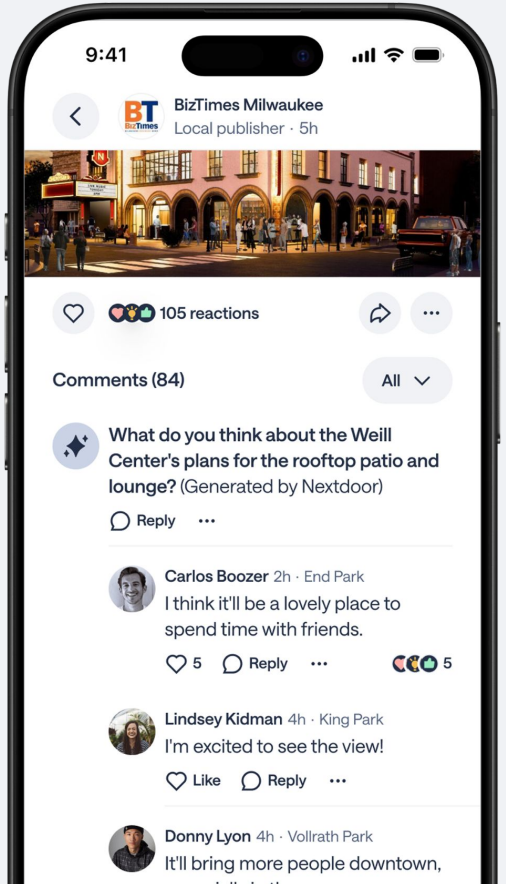


Nextdoor

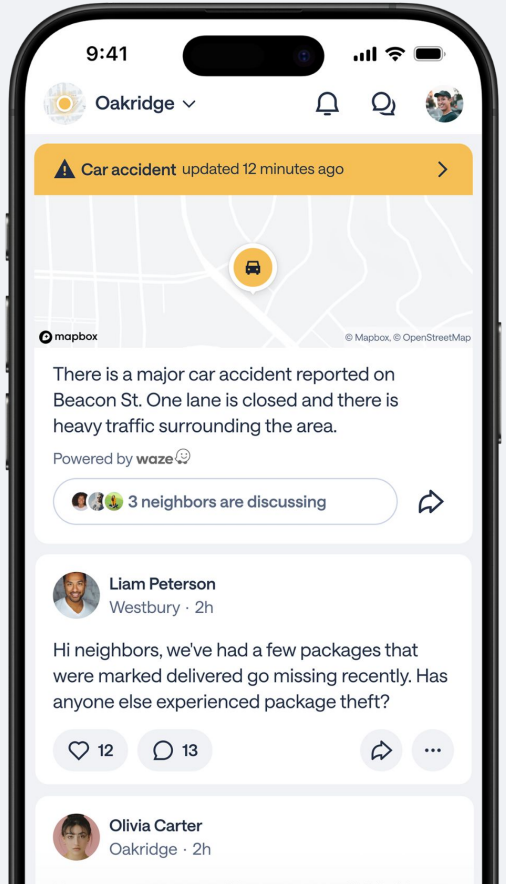


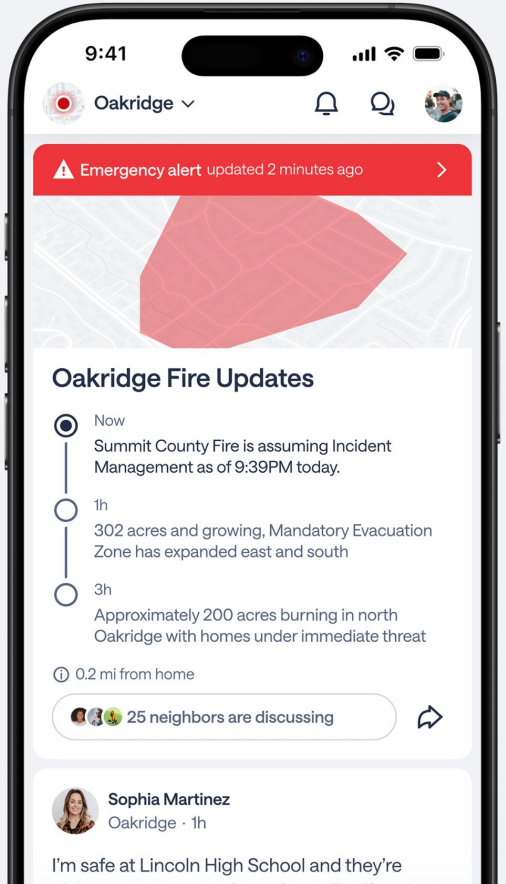
News


9:41
Local publisher · 5h
Weill Center plans $13 million expansion in downtown Sheboygan
Sheboygan's Weill Center announces $13 million expansion with lobby upgrades, rooftop lounge, and community spaces.
Read article
105 reactions
Comments (84)
All
What do you think about the Weill Center's plans for the rooftop patio and lounge? (Generated by Nextdoor)

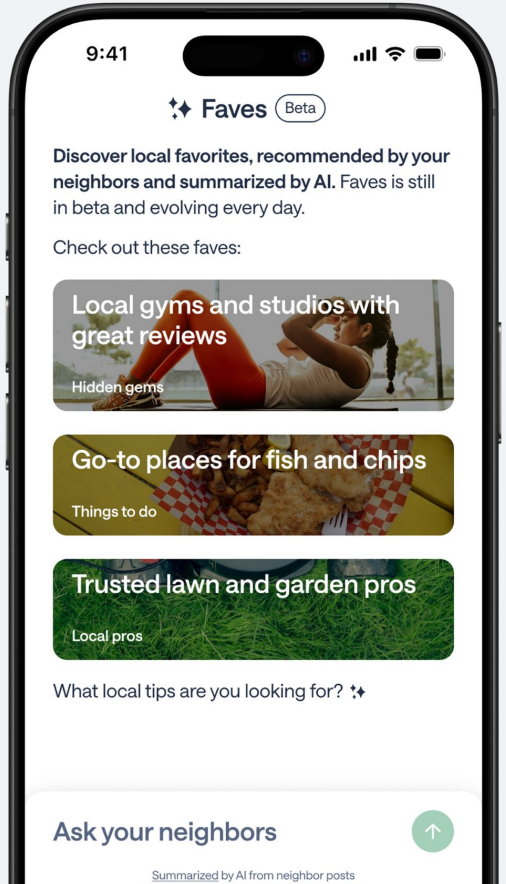

9:41
BizTimes Milwaukee
Local publisher · 5h
105 reactions
Comments (84)
All
What do you think about the Weill Center's plans for the rooftop patio and lounge? (Generated by Nextdoor)
Reply
Carlos Boozer 2h · End Park
I think it'll be a lovely place to spend time with friends.
5
Reply
5
Lindsey Kidman 4h · King Park
I'm excited to see the view!
Like
Reply
Donny Lyon 4h · Vollrath Park
It'll bring more people downtown,

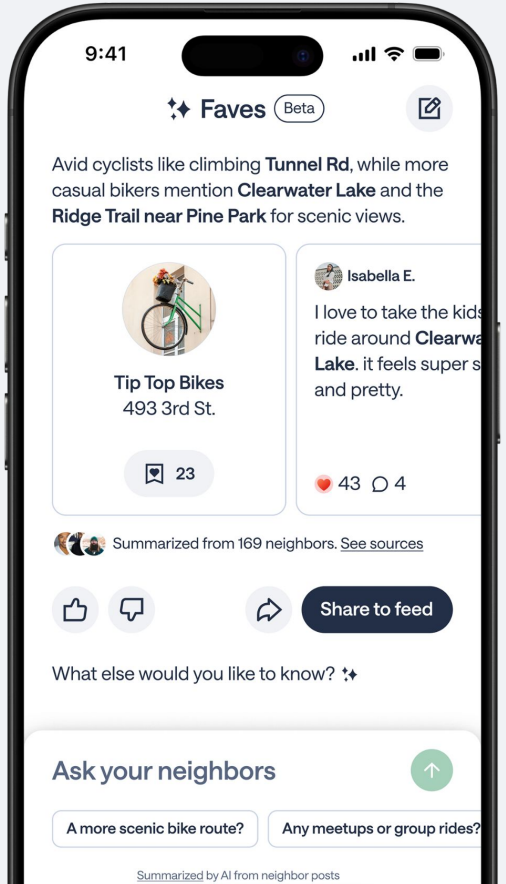
Alerts


9:41
Oakridge
Car accident updated 12 minutes ago
mapbox
© Mapbox, © OpenStreetMap
There is a major car accident reported on Beacon St. One lane is closed and there is heavy traffic surrounding the area.
Powered by waze
3 neighbors are discussing
Liam Peterson
Westbury · 2h
Hi neighbors, we've had a few packages that were marked delivered go missing recently. Has anyone else experienced package theft?
12
13
Olivia Carter
Oakridge · 2h


9:41
Oakridge
Emergency alert updated 2 minutes ago
Oakridge Fire Updates
Now
Summit County Fire is assuming Incident Management as of 9:39PM today.
1h
302 acres and growing, Mandatory Evacuation Zone has expanded east and south
3h
Approximately 200 acres burning in north Oakridge with homes under immediate threat
0.2 mi from home
25 neighbors are discussing
Sophia Martinez
Oakridge · 1h
I'm safe at Lincoln High School and they're

Faves


9:41
Faves
Beta
Discover local favorites, recommended by your neighbors and summarized by AI. Faves is still in beta and evolving every day.
Check out these faves:
Local gyms and studios with great reviews
Hidden gems
Go-to places for fish and chips
Things to do
Trusted lawn and garden pros
Local pros
What local tips are you looking for?
Ask your neighbors
Summarized by AI from neighbor posts


9:41
Faves
Beta
Avid cyclists like climbing Tunnel Rd, while more casual bikers mention Clearwater Lake and the Ridge Trail near Pine Park for scenic views.
Tip Top Bikes
493 3rd St.
23
Isabella E.
I love to take the kids
ride around Clearwa
Lake. it feels super s
and pretty.
43
4
Summarized from 169 neighbors. See sources
Share to feed
What else would you like to know?
Ask your neighbors
A more scenic bike route?
Any meetups or group rides?
Summarized by AI from neighbor posts

A transformed value proposition

Legacy Nextdoor	The New Nextdoor
Timely but reactive	Real-time and proactive
Serendipitous	Structured + predictable
Neighbor-created content	Neighbors + authoritative sources
Feed-based UI	Structure and improved search
Separate conservations	AI-generated summaries

How our product strategy comes to life

	Past	Present	Future
Information	Utility-focused, lower content relevance	News content increases feed relevance	Broad 1P and 3P Content
Alerts	Basic alerts, limited structure	Real-time, high-value Alerts focused on critical events	Dynamic, personalized Alerts tied to user interests and commercial signals
Recommendations	Functional but not commerce-ready	AI-powered Faves surface relevant content	AI-driven Faves evolve, additional utility for users and businesses

Tracking key signals from a stronger ecosystem

Indicator	Why does it matter?	Initial focus areas
Content quality and quantity	More relevant feed drives usage, impacts NPS, signals ecosystem vibrancy	Improve distribution (news ~5% of content) Increase repeat visits
Platform WAU	Validates platform value and utility	Retain active users Drive growth in new audience segments

Q2 Performance Update

Users	+1% y/y	22M Platform WAU	Users grew modestly y/y ahead of our product launch
Revenue	+3% y/y	$65M	Self-serve grew 27% y/y, was 58% of Q2 revenue; large advertiser spend improved quarter-over-quarter
Profitability[1]	Net Margin +4 ppt y/y	Adj. EBITDA margin +6 ppt y/y	Sustained efficiency efforts drove productivity gains and margin improvement

Metrics as of 6/30/2025. 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..

[1] Net margin and operating expenses for prior year period exclude $26M in restructuring charges

Restructuring plan accelerates our focus and efficiency

Product

Redoubles commitment to exceptional, local community-focused product.

Business

Accelerates path to Adjusted EBITDA breakeven in Q4 2025 and full-year 2026.

Culture

Resets cost structure to support a more focused and efficient workforce.

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.

Nirav Tolia

CEO

Matt Anderson

CFO

Self-serve growth reflects better advertiser outcomes

Our product investments have driven durable self-serve momentum.

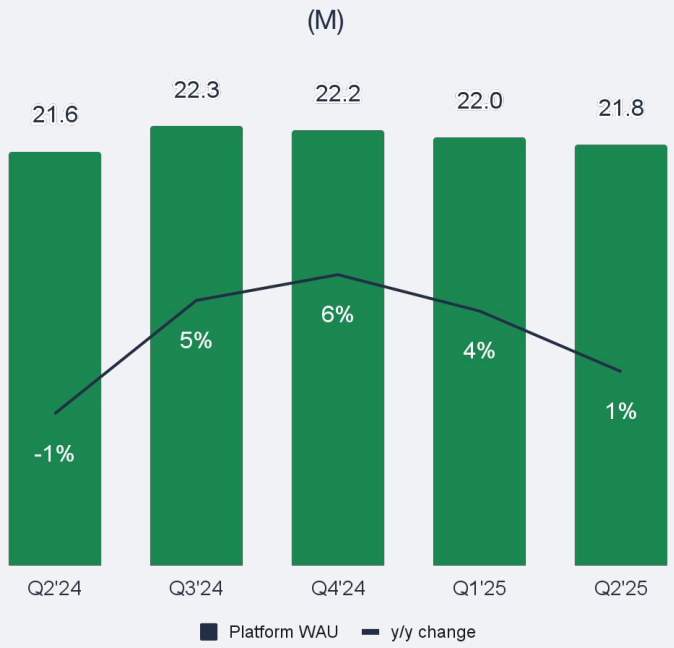
Investments in self-serve make campaign creation/management easier for small/mid-sized customers.

Automated click optimization makes it easier for self-serve buyers to achieve stronger performance outcomes.

Self-serve mix shift unlocks operating leverage, productivity improvements.

Some figures may not tie due to rounding.

Platform WAU



Platform WAU is our primary user metric.

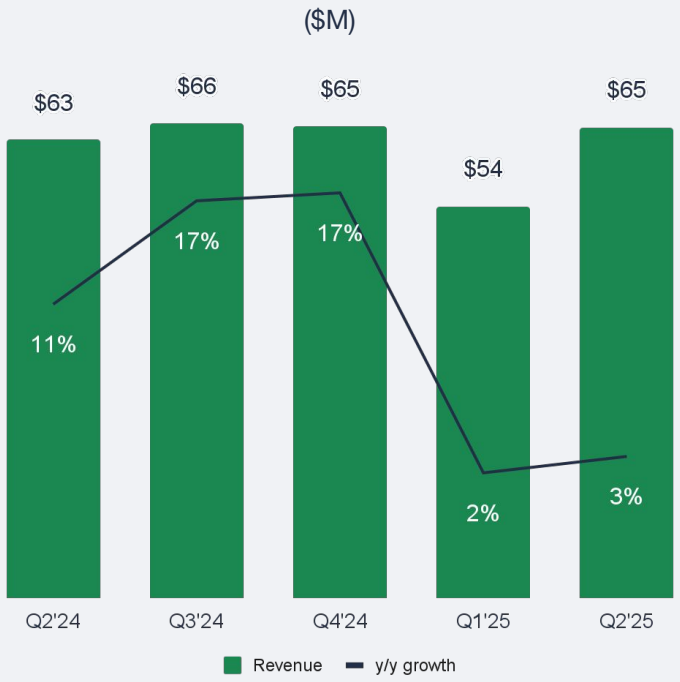
It includes users who engage directly on the Nextdoor app or website.

Platform WAU reflected steady user acquisition and experimentation ahead of our new Nextdoor launch.

Ahead of that launch, we temporarily scaled back user acquisition initiatives.

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

Revenue



Self-serve growth continues to stand out.

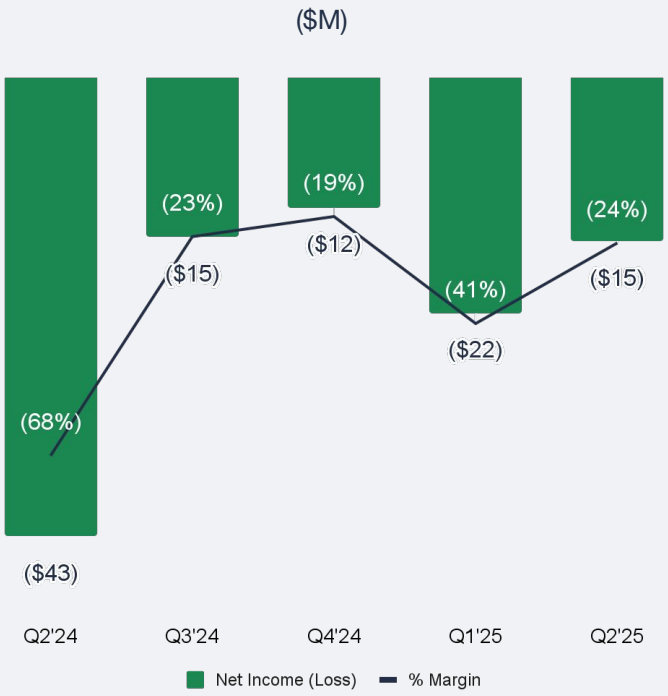
Q2 revenue was $65M, +3% year-over-year as advertiser performance improvements offset ad supply reductions tied to product transition.

Self-serve revenue grew 27% year-over-year in Q2 and represented nearly 60% of total revenue.

Large advertiser improved quarter-over-quarter, and we have made significant progress towards unlocking programmatic budgets later this year.

Some figures may not tie due to rounding.

Net Income (Loss)



Operating leverage improved year-over-year.

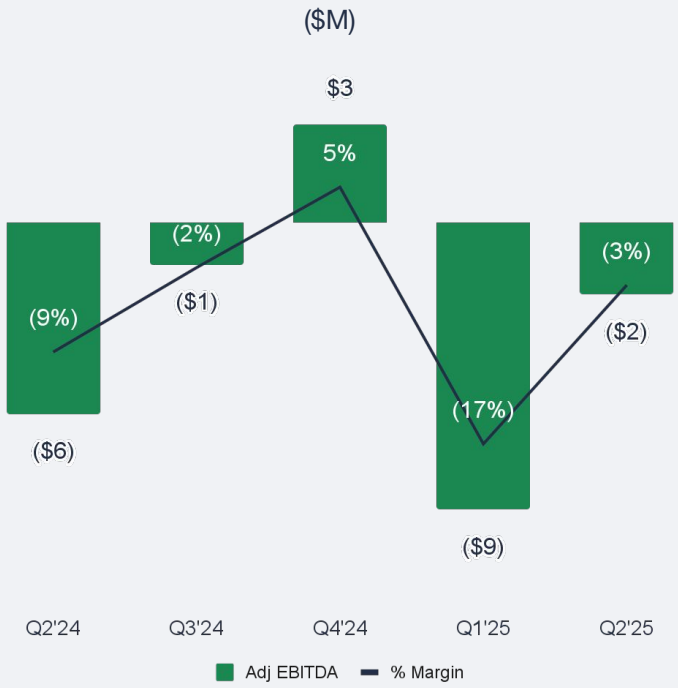
Net loss and margin were ($15M) and (24%), respectively.

Net margin improved by 44 ppt year-over-year.

Margin improvement was driven by a 24% year-over-year decline in GAAP operating expenses.

Some figures may not tie due to rounding. Net loss includes restructuring costs of $26M in Q2'24.

Adjusted EBITDA



Margin gains reflect improved efficiency, spending discipline, and stronger execution.

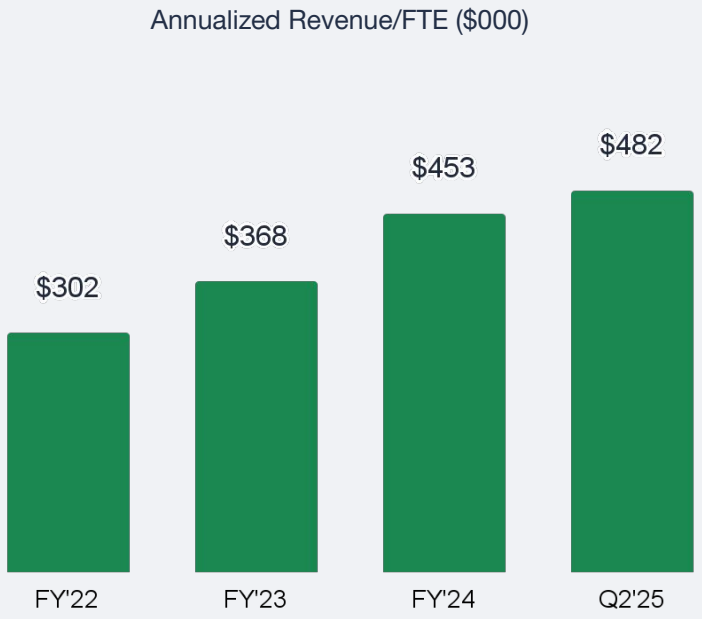
Adjusted EBITDA was ($2M), representing a (3%) margin.

Adjusted EBITDA margin improved by 6 percentage points year-over-year, and we generated positive Operating Cash Flow for the third consecutive quarter.

Sales and marketing 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 has improved, and product investment remains our focus.

Revenue/FTE has improved 58% over the last two years.

Resource allocation toward product further contributed to a nearly 30 percentage point improvement in adjusted EBITDA margin over the last two years.

Strong balance sheet provides flexibility: $413M in cash, cash equivalents, and marketable securities at Q2-end.

We repurchased 3.7M shares in Q2.

Some figures may not tie due to rounding.

Financial Outlook

	Q3’25 outlook	y/y change
Revenue	$66M	0% y/y
Adj. EBITDA	($5M)	(6%) y/y
Adj. EBITDA Margin	(8%)	(6) ppt y/y

Additional details:

Changes related to the new Nextdoor, including the updated UX and continued experimentation will limit ad impression growth in Q3.

We expect large advertiser spending will continue to be down year-over-year, offsetting continued growth in other channels.

We expect to achieve quarterly adjusted EBITDA breakeven in Q4 2025 and full-year adjusted EBITDA breakeven in fiscal year 2026.

Some figures may not tie due to rounding. Outlook as of 8/7/2025.

Nextdoor

Appendix

Condensed Consolidated Balance Sheets

in thousands, except per share data (unaudited)

	June 30, 2025	December 31 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 62,050	$ 45,550
Marketable securities	351,299	381,429
Accounts receivable, net of allowance of $377 and $451 as of June 30, 2025 and December 31, 2024, respectively	27,050	31,173
Prepaid expenses and other current assets	7,825	8,540
Total current assets	448,224	466,692
Restricted cash, non-current	8,379	11,171
Property and equipment, net	2,213	2,748
Operating lease right-of-use assets	13,043	14,447
Intangible assets, net	151	257
Goodwill	1,211	1,211
Other assets	17,134	17,427
Total assets	$ 490,355	$ 513,953
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,220	$ 249
Operating lease liabilities, current	8,957	8,495
Accrued expenses and other current liabilities	19,646	19,200
Total current liabilities	32,823	27,944
Operating lease liabilities, non-current	27,696	32,251
Other liabilities, non-current	303	270
Total liabilities	60,822	60,465
Stockholders' equity:		
Class A common stock, $0.0001 par value; 2,500,000 shares authorized, 235,515 and 224,488 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	24	22
Class B common stock, $0.0001 par value; 500,000 shares authorized, 147,869 and 158,134 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	15	16
Additional paid-in capital	1,329,582	1,316,616
Accumulated other comprehensive income	1,309	917
Accumulated deficit	(901,397)	(864,083)
Total stockholders' equity	429,533	453,488
Total liabilities and stockholders' equity	$ 490,355	$ 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 June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenue	$ 65,093	$ 63,292	$ 119,269	$ 116,438
Costs and expenses:				
Cost of revenue	10,643	10,280	20,090	20,258
Research and development	34,622	31,102	68,116	62,421
Sales and marketing	24,334	30,438	46,446	60,310
General and administrative	15,770	40,488	31,906	57,214
Total costs and expenses	85,369	112,308	166,558	200,203
Loss from operations	(20,276)	(49,016)	(47,289)	(83,765)
Interest income	4,774	6,409	9,756	13,255
Other income (expense), net	408	142	628	(17)
Loss before income taxes	(15,094)	(42,465)	(36,905)	(70,527)
Provision for income taxes	268	316	409	515
Net loss	$ (15,362)	$ (42,781)	$ (37,314)	$ (71,042)
Net loss per share attributable to Class A and Class B common stockholders, basic and	$ (0.04)	$ (0.11)	$ (0.10)	$ (0.18)
Weighted average shares used in computing net loss per share attributable to Class A and	382,709	388,090	383,517	390,154

Some figures may not tie due to rounding.

Condensed Consolidated Statements of Cash Flows

in thousands (unaudited)

	Six Months Ended June 30, 2025	2024
Cash flows from operating activities		
Net loss	$ (37,314)	$ (71,042)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,058	2,530
Stock-based compensation	34,198	35,741
Accretion of investments	(1,378)	(3,318)
Other	(175)	342
Changes in operating assets and liabilities:		
Accounts receivable, net	4,236	(1,888)
Prepaid expenses and other assets	1,008	848
Operating lease right-of-use assets	1,404	2,387
Accounts payable	3,892	899
Operating lease liabilities	(4,093)	(2,970)
Accrued expenses and other liabilities	478	(5,276)
Net cash provided by (used in) operating activities	3,314	(18,987)
Cash flows from investing activities		
Purchases of property and equipment	(337)	(121)
Purchases of marketable securities	(155,010)	(128,278)
Sales of marketable securities	88,484	91,229
Maturities of marketable securities	98,516	106,069
Loan to Opportunity Finance Network	—	(7,500)
Net cash provided by investing activities	31,653	61,399
Cash flows from financing activities		
Proceeds from exercise of stock options	1,759	8,835
Proceeds from issuance of common stock under employee stock purchase	713	606
Tax withholdings on release of restricted stock units	(9,175)	(5,700)
Repurchase of common stock	(14,528)	(53,484)
Net cash used in financing activities	(21,231)	(49,743)
Effect of exchange rate changes on cash and cash equivalents	(28)	58
Net increase (decrease) in cash, cash equivalents, and restricted cash	13,708	(7,273)
Cash, cash equivalents, and restricted cash at beginning of period	56,721	71,404
Cash, cash equivalents, and restricted cash at end of period	$ 70,429	$ 64,131

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				
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Net loss	$ (42,781)	$ (14,898)	$ (12,123)	$ (21,952)	$ (15,362)
Depreciation and Amortization	1,143	777	591	544	514
Stock Based Compensation	16,235	18,440	19,874	17,091	17,107
Interest Expense (Income)	(6,409)	(5,804)	(5,322)	(4,982)	(4,774)
Taxes	316	168	23	141	268
Restructuring Charges	25,517	-	-	-	-
Adjusted EBITDA	$ (5,979)	$ (1,317)	$ 3,043	$ (9,158)	$ (2,247)
Net loss % Margin	-68%	-23%	-19%	-41%	-24%
Adjusted EBITDA % Margin	-9%	-2%	5%	-17%	-3%

Some figures may not tie due to rounding.