



# Nextdoor Investor Update - Q1 2025

[investors.nextdoor.com](https://investors.nextdoor.com)



John T. Williams, Head of IR

# 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 second quarter of 2025 and the first half of 2025, trends and expectations regarding our business and operating results, including the implementation and potential impact of our NEXT 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 March 31, 2025, filed on May 7, 2025, and our other SEC filings, which are available on the Investor Relations page of our website at [investors.nextdoor.com](https://investors.nextdoor.com) and on the SEC’s website at [www.sec.gov](https://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

# Q1 2025 Performance Update

<b>Users</b>	+6% y/y	46M WAU	Organic user acquisition again strong in Q1, with nearly 3M new verified neighbors
<b>Revenue</b>	+2% y/y	\$54M	All channels other than large advertisers showed double digit year-over-year growth in Q1
<b>Expenses</b>	Net Margin +13 ppt y/y	Adj. EBITDA margin +9 ppt y/y	Focus drove margin improvement, with operating expenses down 8% y/y amid increasing product velocity

Metrics as of 3/31/2025. 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.



The NEXT Nextdoor

# Goals of NEXT Version 1.0



**Deliver timely and relevant local content**



**Deepen engagement and frequency of usage**



**Drive increased and new revenue**

# Content on Nextdoor Was Not Good Enough



**Focus was not  
hyperlocal enough**

*Addressed by better ML and  
geospatial targeting*



**Content was not  
high-value enough**

*Addressed by new content  
that is utility-centric*



**Notifications were  
not timely enough**

*Addressed by fewer emails and  
more timely notifications*

# A Transformed Product Experience

## **Nextdoor today**

Timely but reactive

Serendipitous

Neighbor-created content

Feed-based UI

Separate conversations

## **The NEXT Nextdoor**

Real-time and proactive

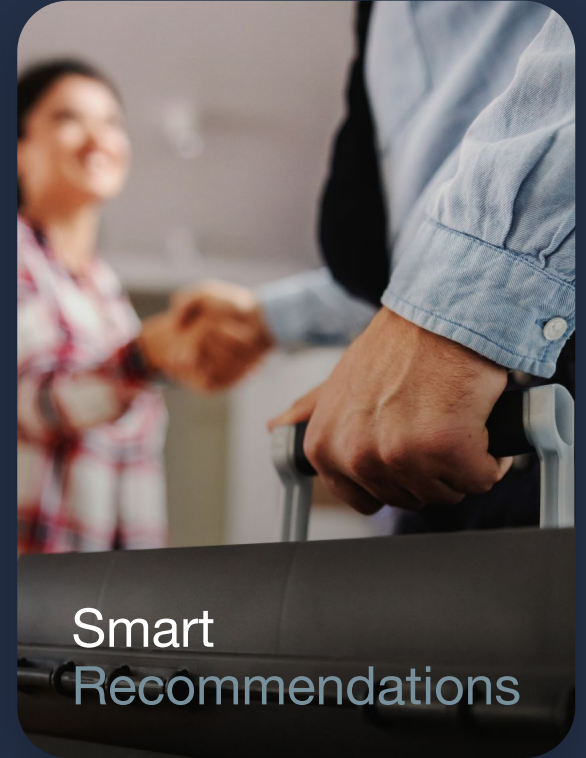
Structured + predictable

Neighbors + authoritative sources

Structure and improved search

AI-generated summaries

# Three Key Pillars of NEXT Version 1.0

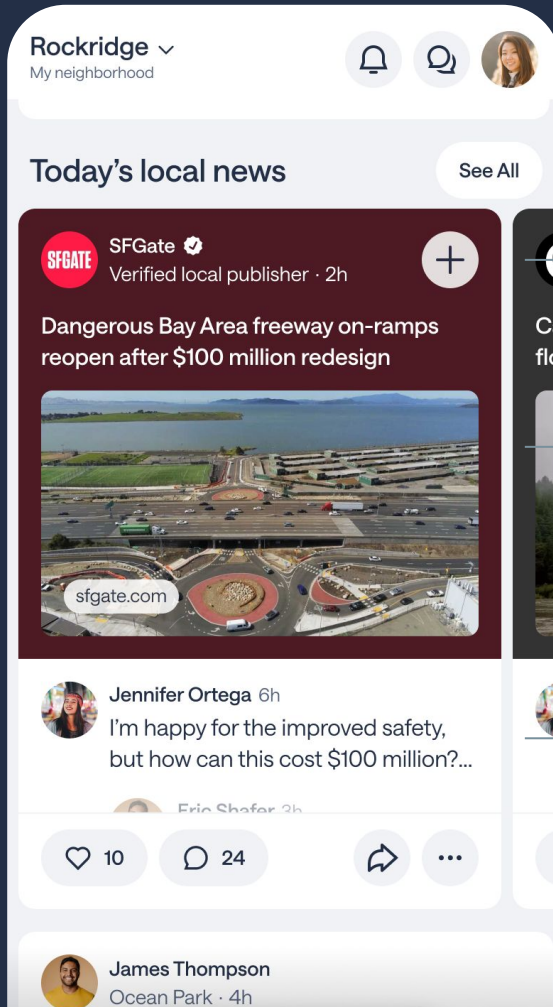


# Informed

The vast majority of Americans (85%) say local news outlets are important to the well-being of their local community.

Pew Research Center 2024

# News



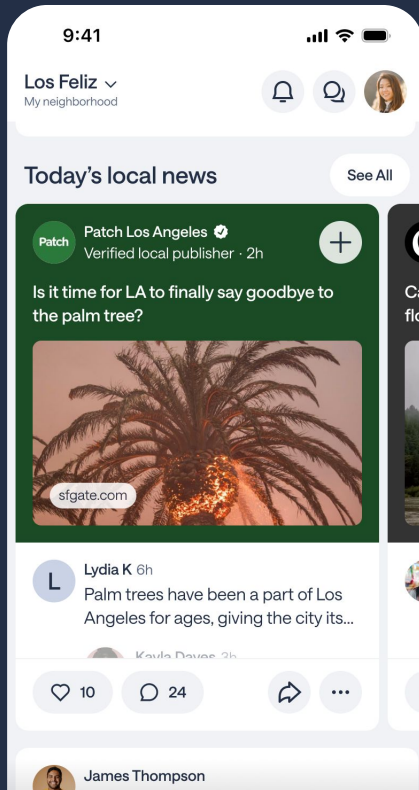
3,000 local publishers  
already on board

News carousel allows users to  
quickly read multiple stories

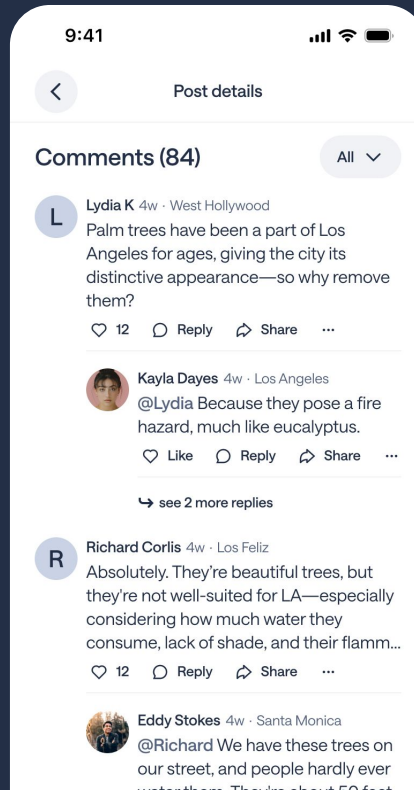
Conversations with verified  
neighbors is a key differentiator

# News User Journey

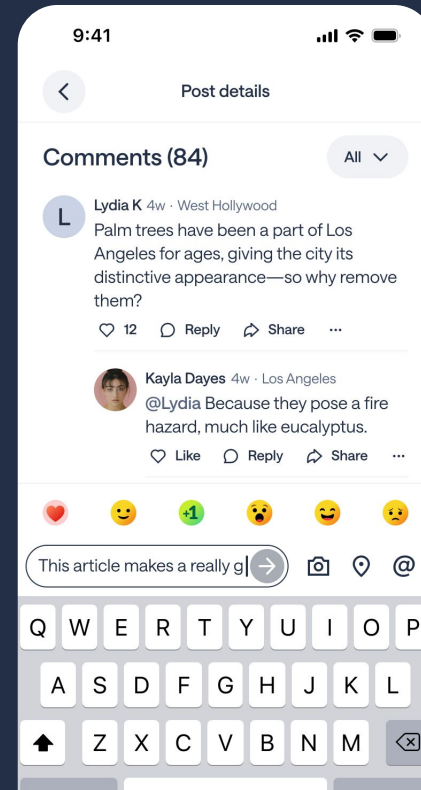
## DISCOVER NEWS IN FEED



## HEAR THE LOCAL PERSPECTIVES



## JOIN THE CONVERSATION



# Most Popular News Categories


## POLITICS

9:41

Back Bay ▾  
My neighborhood

Boston.com  
Verified local publisher · 6 Apr

Wu outlined the progress she has made during her term on issues from safety to education.



boston.com

**Boston Mayor Michelle Wu launches reelection campaign**

57 80

Olivia Carter


## SAFETY

9:41

Pasadena ▾  
My neighborhood

KTLA 5 News  
Verified local publisher · 4 Apr

Residents in a Pasadena neighborhood are concerned after they say aggressive coyotes are roaming the streets and clashing with neighbors and their dogs.



ktla.com

**Residents concerned over aggressive coyote encounters in Pasadena neighborhood**

46 59

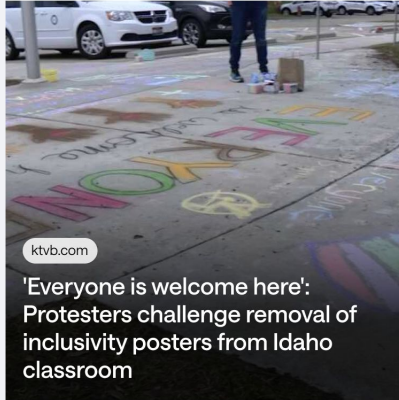
## LIFESTYLE

9:41

East End ▾  
My neighborhood

KTVB  
Verified local publisher · 23 Mar

Protesters chalked sidewalks outside district offices with messages supporting West Ada teacher Sarah Inama and the inclusivity poster she's refusing to take down.



ktvb.com

**'Everyone is welcome here': Protesters challenge removal of inclusivity posters from Idaho classroom**

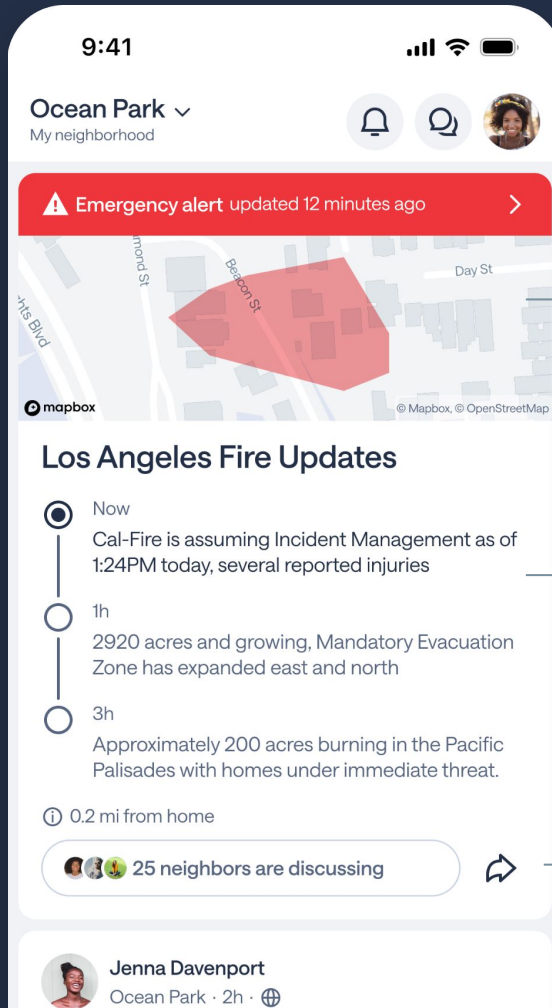
73 95

# Safe

The U.S. experienced 27 “billion dollar” weather and climate disasters in 2024, impacting tens of millions of Americans and causing over \$200 billion in damage.

National Centers for Environmental Information

# Alerts



Content creation and engagement metrics improve during crisis events

Shift from reactive to proactive

Neighborhood discussion

# Three Urgency Levels of Alerts

## GREEN

9:41

Upper Noe Valley ▾  
My neighborhood

🔔 🗨️ 👤

✔️ Your Alerts 12min ago >

Hi Chanel, It's partly cloudy and 55°F 🌤️  
There are 6 alerts near you. 📍 6

Olivia Carter  
2h · Ocean Park · 2.1 miles

Has anyone seen a black and white cat around?  
My kitty, Whiskers, went missing this morning  
and I'm really worried. Please DM if you spot her!

😊 🗨️ ⋮ Add a comment

👍 🗨️ 15 reactions · 2 comments

Ethan I saw a cat like that near Ocean Drive this mor...

Mia Hope you find her soon! I'll check my yard in cas...

Lowe's  
Sponsored

**First Responders Giveaway**  
For joining us in celebrating First Responder this  
Fire Safety month we're giving away... see more

## YELLOW

9:41

Upper Noe Valley ▾  
My neighborhood

🔔 🗨️ 👤

⚠️ Power outage updated 12 minutes ago >

mapbox OpenStreetMap

There is an outage reported on 24th St. 306  
customers are reported to be affected.

📍 0.2 mi from home · Expected duration: until 3pm

Olivia Carter  
2h · Ocean Park · 2.1 miles

Has anyone seen a black and white cat around?  
My kitty, Whiskers, went missing this morning  
and I'm really worried. Please DM if you spot her!

😊 🗨️ ⋮ Add a comment

👍 🗨️ 15 reactions · 2 comments

Ethan I saw a cat like that near Ocean Drive this mor...

Mia Hope you find her soon! I'll check my yard in cas...

Lowe's

## RED

9:41

Upper Noe Valley ▾  
My neighborhood

🔔 🗨️ 👤

⚠️ Emergency alert updated 12 minutes ago >

mapbox OpenStreetMap

**Los Angeles Fire Updates**

- Now  
Cal-Fire is assuming Incident Management as of  
1:24PM today, several reported injuries
- 1h  
2920 acres and growing, Mandatory Evacuation  
Zone has expanded east and north
- 3h  
Approximately 200 acres burning in the Pacific  
Palisades with homes under immediate threat.

📍 0.2 mi from home

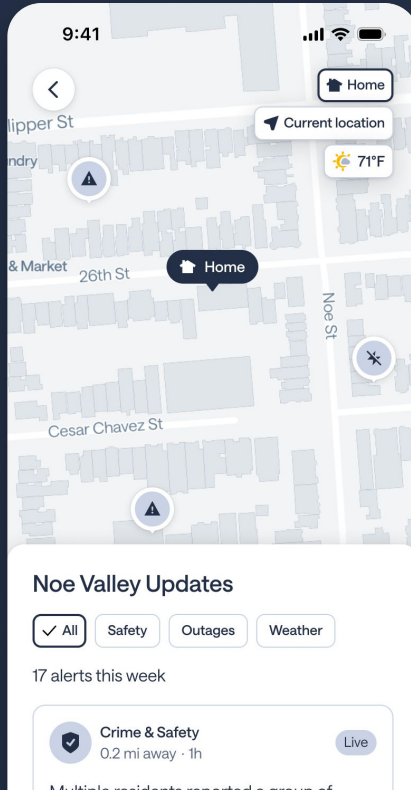
Write about this alert 🗨️

Jenna Davenport  
Ocean Park · 2h · 🌐

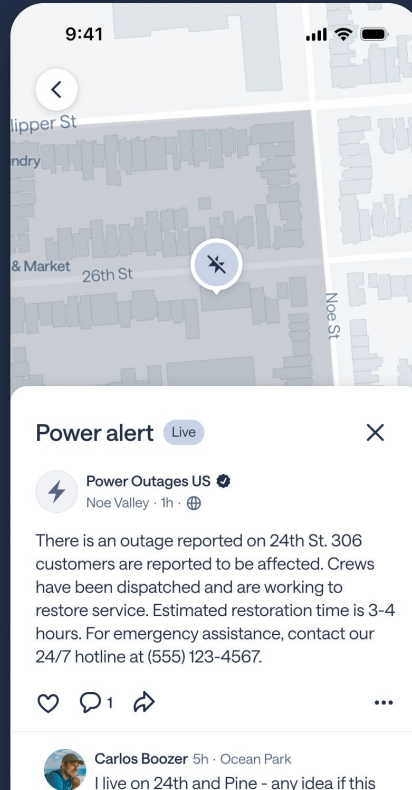
Elderly couple on Marquez Ave needs  
emergency assistance: please help!

# A Dynamic Map Lets Neighbors Explore Nearby Alerts

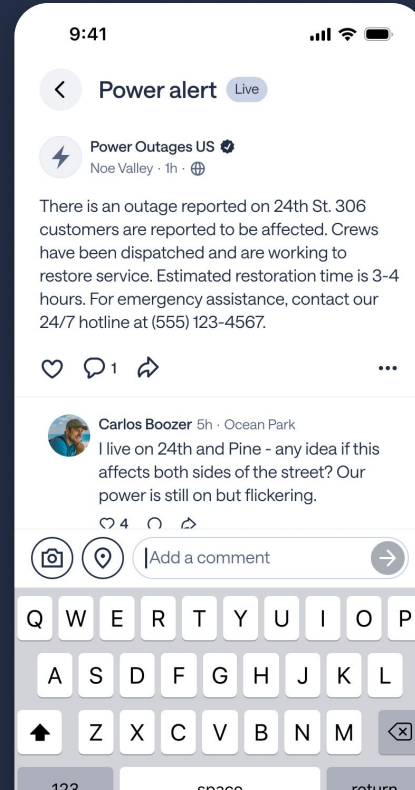
## EXPLORE WHAT IS NEAR YOU



## READ NEIGHBORHOOD DISCUSSION



## ABILITY TO JOIN THE CONVERSATION

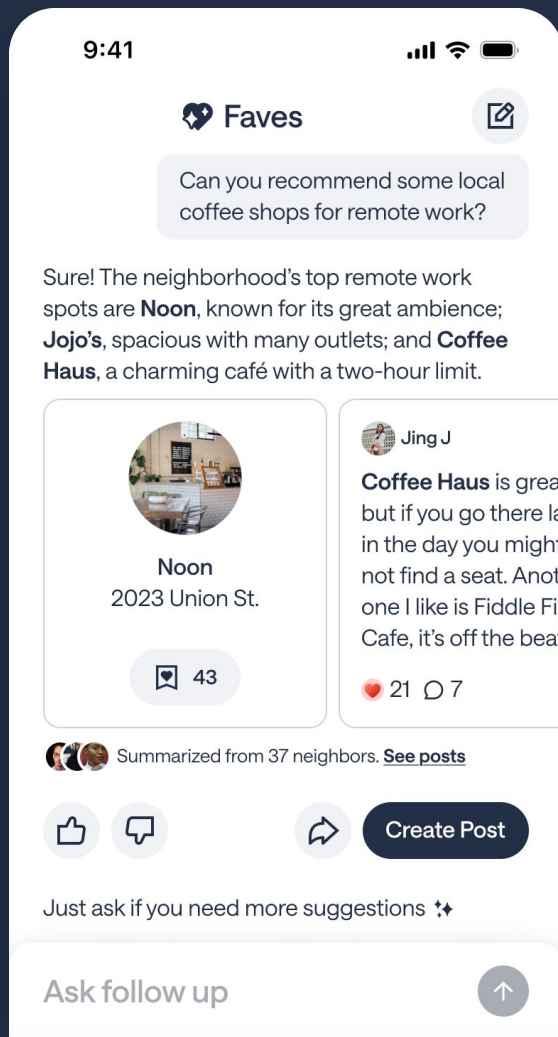


# Smart

68% of U.S. adults trust people in their local community.

Lifeway Research, 2021

# AI Recommendations



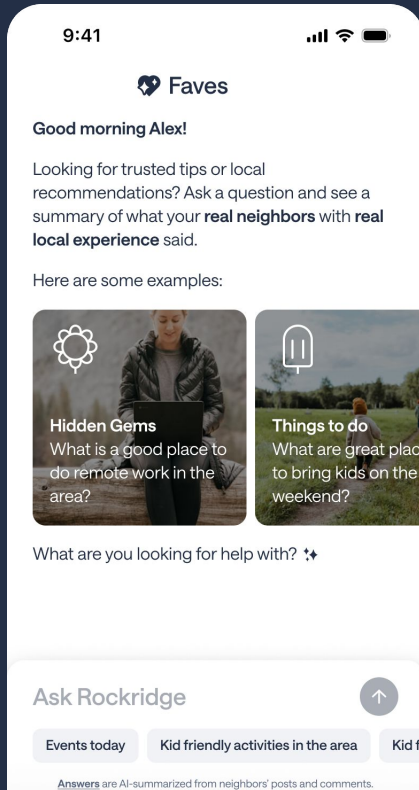
About 30% of the content on Nextdoor is recommendations

Incorporates top feature "Neighborhood Faves"

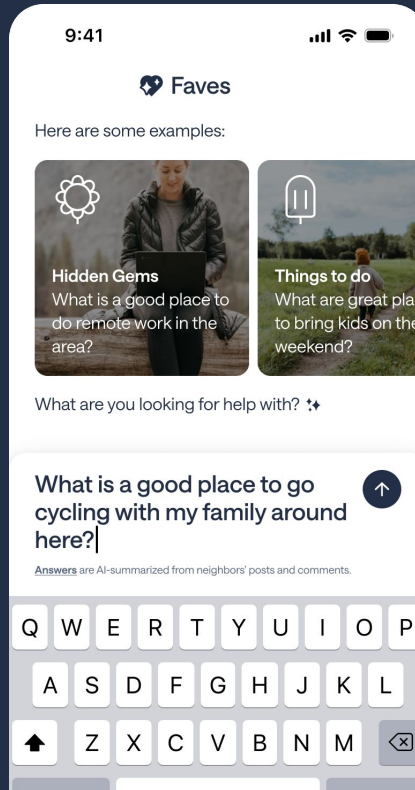
Leverages Neighborhood Intelligence (AI and ML)

# Ask a Neighbor AI User Journey

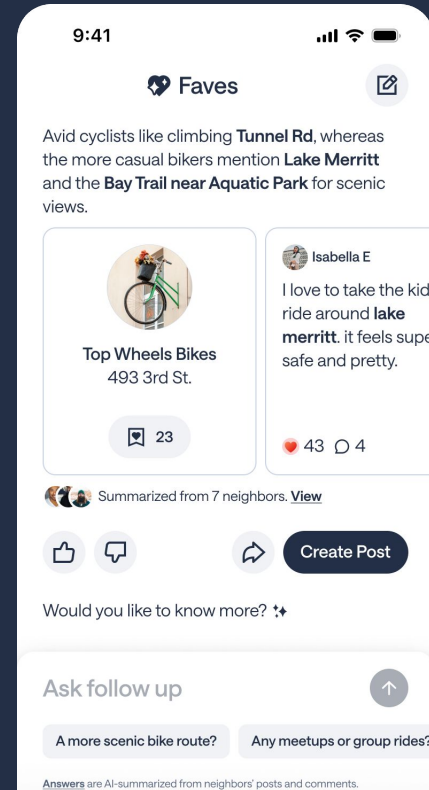
## NAVIGATE TO FAVES TAB




## ASK FOR RECOMMENDATIONS





## SEE SUMMARY PLUS NEIGHBORHOOD FAVES





# Examples of “Ask a Neighbor” AI Questions



What are some fun, active options for a first date?





What are some upcoming pop up events?





Where's the best cappuccino spot?

What's the best off-leash dog park?





What's the best sushi place around here?





Are there any reliable plumbers in the area?

Who should I call to get my car of repaired?



Where can I take some friends to go dancing?



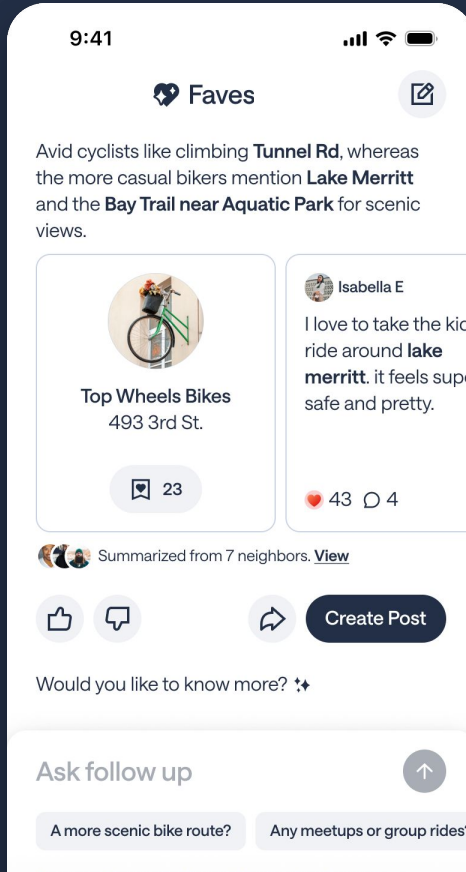
Where's the best pizza in the city?

# Users Are Enthusiastic About Local AI

Integrating AI into Nextdoor is a "great enhancement."

"Whoa, I like the whole AI thing. Oh my..."

AI recommendations generated within the Nextdoor community are "more trustworthy."



It's "a great resource for a lot of things."

Recommendations are helpful for quickly finding things like places to get flowers or cycling routes.

Potential for quicker responses versus waiting for individual comments.

# NEXT Launches This Summer

## NEWS


9:41

Rockridge ▾  
My neighborhood

Today's local news See All

**SFGATE** SFGate ✓  
Verified local publisher · 2h

**Dangerous Bay Area freeway on-ramps reopen after \$100 million redesign**



sfgate.com

**Jennifer Ortega** 6h  
I'm happy for the improved safety, but how can this cost \$100 million?...

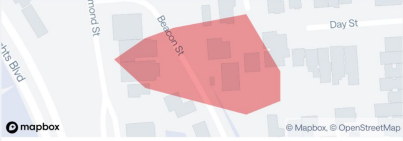
**James Thompson**

## ALERTS

9:41

Ocean Park ▾  
My neighborhood

**Emergency alert** updated 12 minutes ago



**Los Angeles Fire Updates**

- Now**  
Cal-Fire is assuming Incident Management as of 1:24PM today, several reported injuries
- 1h**  
2920 acres and growing, Mandatory Evacuation Zone has expanded east and north
- 3h**  
Approximately 200 acres burning in the Pacific Palisades with homes under immediate threat.

0.2 mi from home

25 neighbors are discussing

**Jenna Davenport**  
Ocean Park · 2h · 🌐


Anyone able to help out?

## AI RECOMMENDATIONS

9:41

**Faves**


Avid cyclists like climbing **Tunnel Rd**, whereas the more casual bikers mention **Lake Merritt** and the **Bay Trail near Aquatic Park** for scenic views.



**Isabella E**

I love to take the kids ride around **lake merritt**. it feels super safe and pretty.

43 ❤️ 4



**Top Wheels Bikes**  
493 3rd St.

23 📍

Summarized from 7 neighbors. [View](#)

**Create Post**

Would you like to know more? ↕

**Ask follow up**

A more scenic bike route? Any meetups or group rides?

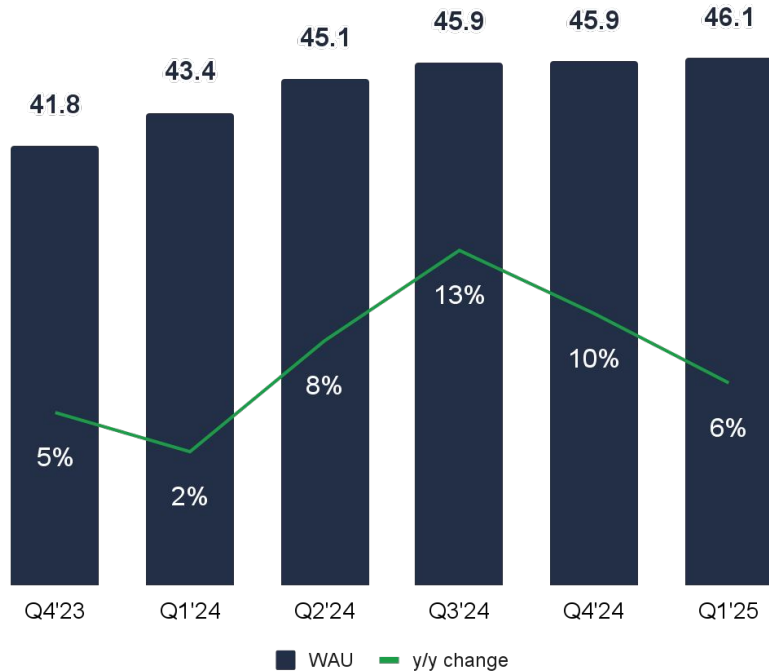
Answers are AI-summarized from neighbors' posts and comments.



Matt Anderson, CFO

# Weekly Active Users (WAU)

WAU (M)



## Growth continued as NEXT comes into focus:

Q1 WAU was 46.1M, +6% year-over-year, due to:

- Steady organic growth in new users;
- Increased usage and utility during extreme weather events.

NEXT focus: increase platform stickiness, starting with Local News, Alerts and Recommendations.

Some figures may not tie due to rounding.

WAU reflects users who open our application, log on to our website, or engage with an email with monetizable content at least once during a defined 7-day period.

# Platform WAU Aligns With Strategic and Operational Focus



## **Consumer expectations**

Consumers are shifting toward seamless in-app experiences and moving away from email.



## **Strategic focus**

Our strategy centers on delivering richer, more engaging content across all surfaces.



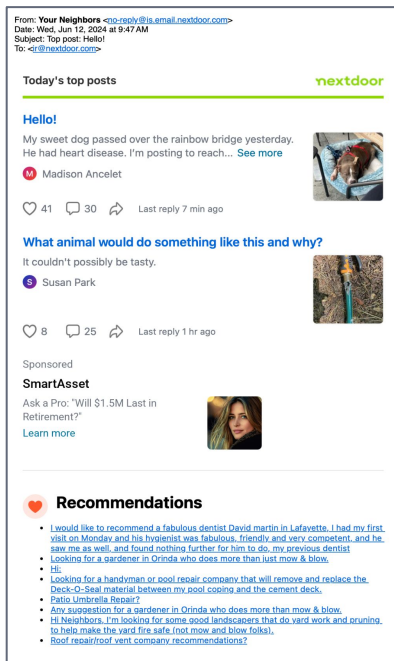
## **Delivering platform value**

NEXT aims to create meaningful on-platform interactions that drive utility and engagement.

# This Focus Is On Building a Better User Experience

## Before: Total WAU

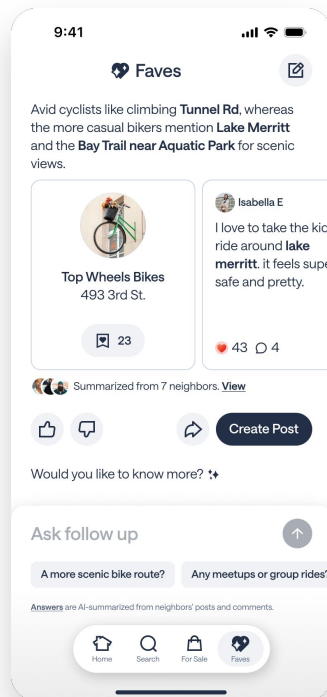
Includes on- and off-platform users, with the latter engaging only with monetizable email content.



Email digest

## Now: Platform WAU

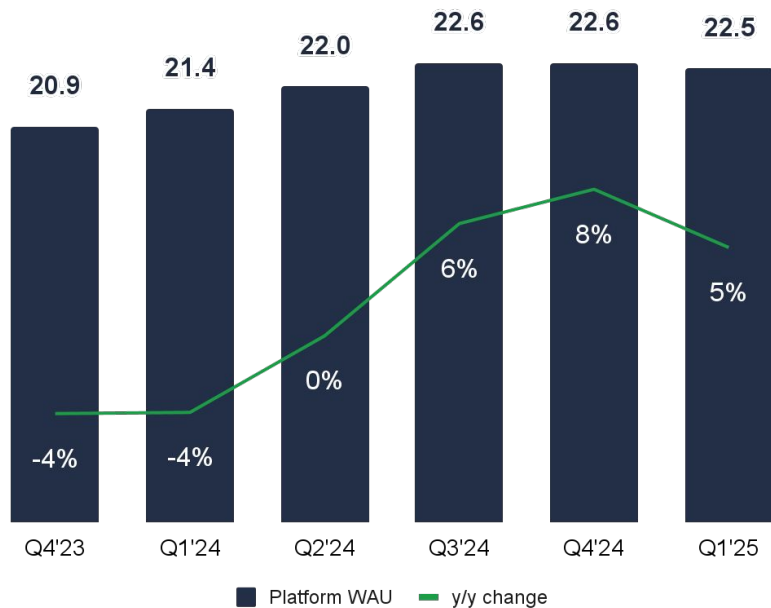
Focuses on users accessing features and functionality only available in the app and web experience.



Recommendations

# Platform WAU

## Platform WAU (M)



## Platform WAU will be our key user metric:

Q1 Platform WAU was 22.5M, +5% year-over-year.

Includes users who open our app or website at least once during a defined 7-day period.

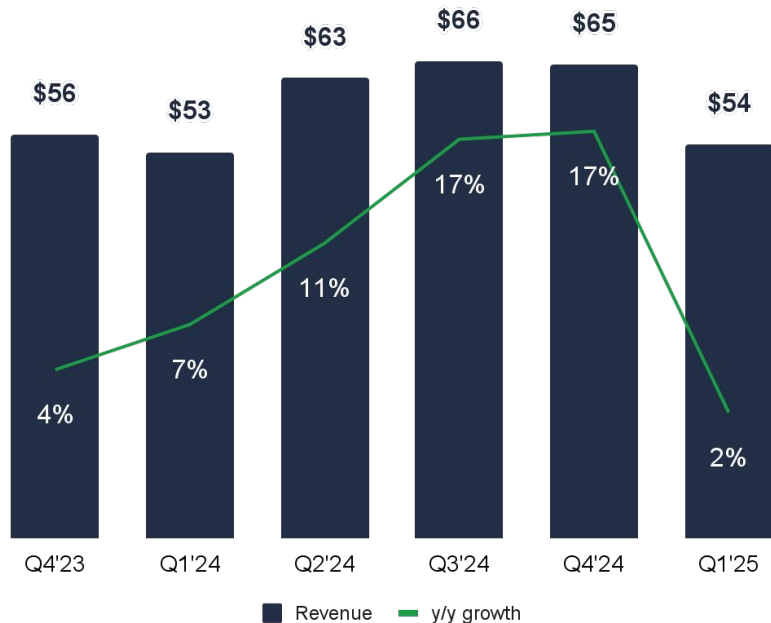
In Q1, we are providing historical data for both WAU and Platform WAU. Beginning with Q2, we will report only Platform WAU.

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

Revenue (\$M)



## Large advertisers spent less, other channels continue to show growth:

Q1 revenue was \$54M, +2% year-over-year.

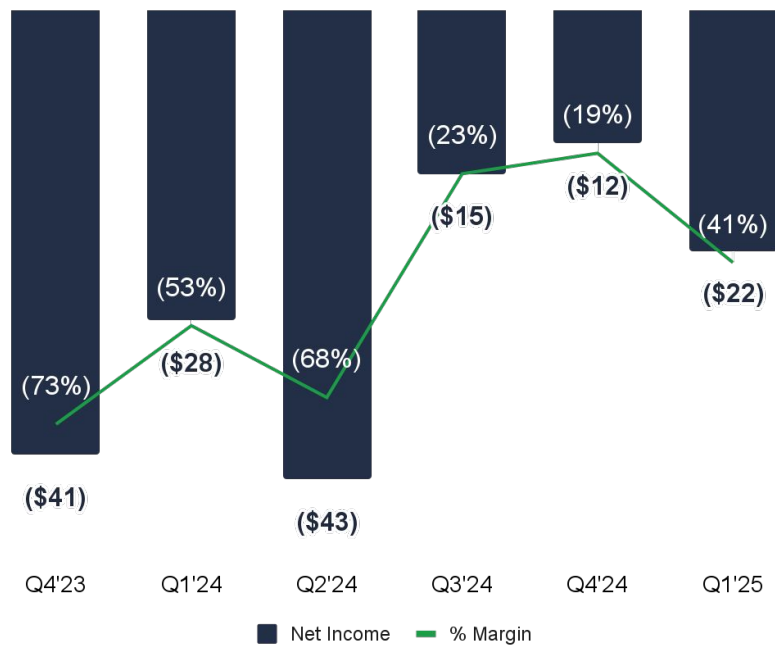
Large advertiser spend down year-over-year as we prepare to unlock programmatic budgets.

Together, all other channels showed double digit year-over-year growth in Q1.

Performance optimization features continue to drive impact.

# Net Income (Loss)

Net Income (Loss) (\$M)



**Operating leverage improved year-over-year, following normal seasonal trends:**

Net loss and margin were \$(22M) and (41%), respectively.

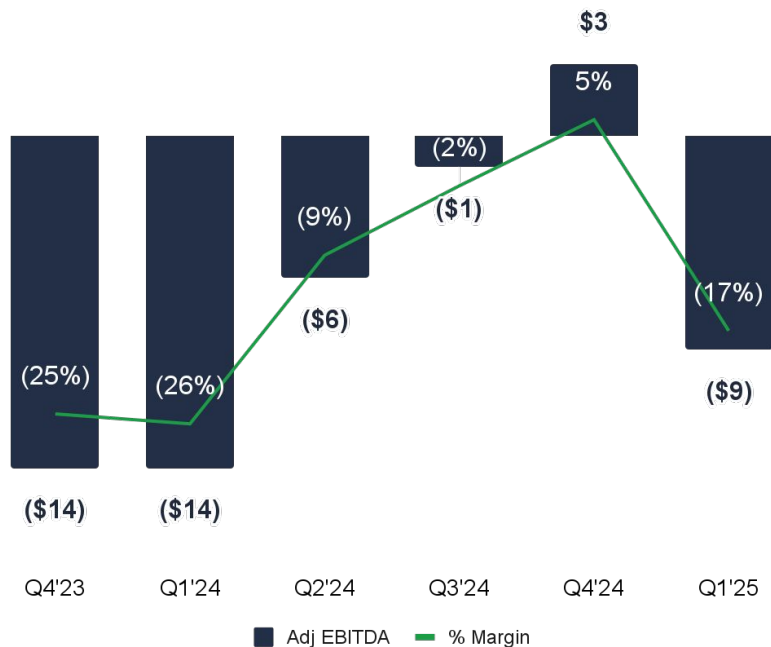
Net margin improved by 13 ppt year-over-year.

5 pts of the margin improvement driven by a -12% year-over-year decline in stock-based compensation expense.

Net loss includes restructuring costs of \$11M in Q4'23 and \$26M in Q2'24.  
Some figures may not tie due to rounding.

# Adjusted EBITDA

## Adjusted EBITDA (\$M)



### We maintained cost and cash flow discipline:

Adjusted EBITDA was \$(9M), representing a (17)% margin.

Adjusted EBITDA margin improved by 9 ppt year-over-year.

We generated positive Operating Cash Flow for the second consecutive quarter.

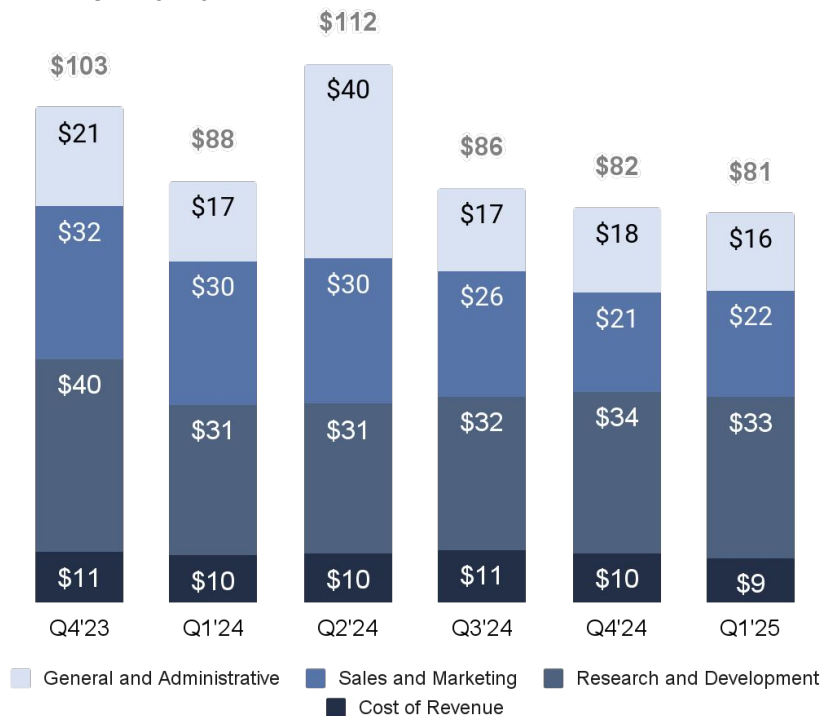
Team productivity, sales and marketing efficiency, and data platform costs improved year-over-year.

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.

Some figures may not tie due to rounding.

# Capital Allocation

## GAAP Opex (\$M)



## We are committed to disciplined capital allocation:

Operating expenses down -8% year-over-year.

We continue to increase our operating expense mix toward R&D (+3 pts year-over-year).

Balance sheet provides strategic and financial flexibility: \$418M in cash, cash equivalents, and marketable securities at quarter-end.

We repurchased 4.7M shares in Q1 2025.

# Financial Outlook

	Q2'25 outlook	y/y change
Revenue	~\$60M	(5)% y/y
Adj. EBITDA	~\$(10)M	\$(4)M y/y
Adj. EBITDA Margin	~(17)%	(7) ppt y/y

**Barring any new changes in advertiser sentiment, we still expect 1H'25 revenue will be approximately flat y/y, reflecting:**

Shifts in large advertiser demand, as expected.

Lower Q2 ad impression supply due to NEXT feed design updates. These changes are deliberate and focus on long-term retention.

We expect Q2 operating expenses will remain approximately flat y/y<sup>1</sup>.

# nextdoor

## Q&A

# Appendix

# Historical Quarterly WAU, Platform WAU, and ARPU

	Three Months Ended					
	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Platform	20.9M	21.4M	22.0M	22.6M	22.6M	22.5M
<u>Off-Platform</u>	<u>20.9M</u>	<u>22.0M</u>	<u>23.1M</u>	<u>23.2M</u>	<u>23.3M</u>	<u>23.6M</u>
Total WAU	41.8M	43.4M	45.1M	45.9M	45.9M	46.1M
<b>% of Total</b>						
Platform	50%	49%	49%	49%	49%	49%
Off-Platform	50%	51%	51%	51%	51%	51%
<b>ARPU (annualized)</b>						
Platform	\$10.64	\$9.94	\$11.52	\$11.59	\$11.53	\$9.64
Total	\$5.32	\$4.90	\$5.62	\$5.72	\$5.68	\$4.70

# Condensed Consolidated Balance Sheets

in thousands, except per share data (unaudited)

	March 31, 2025	December 31 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 57,338	\$ 45,550
Marketable securities	360,547	381,429
Accounts receivable, net of allowance of \$297 and \$451 as of March 31, 2025 and December 31, 2024, respectively	21,556	31,173
Prepaid expenses and other current assets	<u>12,355</u>	<u>8,540</u>
Total current assets	451,796	466,692
Restricted cash, non-current	8,460	11,171
Property and equipment, net	2,285	2,748
Operating lease right-of-use assets	13,753	14,447
Intangible assets, net	205	257
Goodwill	1,211	1,211
Other assets	<u>17,252</u>	<u>17,427</u>
Total assets	<u>\$ 494,962</u>	<u>\$ 513,953</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 1,033	\$ 249
Operating lease liabilities, current	8,724	8,495
Accrued expenses and other current liabilities	<u>18,861</u>	<u>19,200</u>
Total current liabilities	28,618	27,944
Operating lease liabilities, non-current	29,993	32,251
Other liabilities, non-current	<u>282</u>	<u>270</u>
Total liabilities	58,893	60,465
Stockholders' equity:		
Class A common stock, \$0.0001 par value; 2,500,000 shares authorized, 235,007 and 224,488 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	23	22
Class B common stock, \$0.0001 par value; 500,000 shares authorized, 147,882 and 158,134 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	15	16
Additional paid-in capital	1,320,862	1,316,616
Accumulated other comprehensive income	1,204	917
Accumulated deficit	<u>(886,035)</u>	<u>(864,083)</u>
Total stockholders' equity	<u>436,069</u>	<u>453,488</u>
Total liabilities and stockholders' equity	<u>\$ 494,962</u>	<u>\$ 513,953</u>

# Condensed Consolidated Statements of Operations

in thousands, except per share data (unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 54,176	\$ 53,146
Costs and expenses:		
Cost of revenue	9,447	9,978
Research and development	33,494	31,319
Sales and marketing	22,112	29,872
General and administrative	16,136	16,726
Total costs and expenses	<u>81,189</u>	<u>87,895</u>
Loss from operations	(27,013)	(34,749)
Interest income	4,982	6,846
Other income (expense), net	<u>220</u>	<u>(159)</u>
Loss before income taxes	(21,811)	(28,062)
Provision for income taxes	141	199
Net loss	<u>\$ (21,952)</u>	<u>\$ (28,261)</u>
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	\$ (0.06)	\$ (0.07)
Weighted average shares used in computing net loss per share attributable to Class A and Class B common stockholders, basic and diluted	384,335	392,219

# Condensed Consolidated Statements of Cash Flows

in thousands (unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (21,952)	\$ (28,261)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	544	1,387
Stock-based compensation	17,091	19,506
Accretion of investments	(725)	(1,878)
Other	122	347
Changes in operating assets and liabilities:		
Accounts receivable, net	9,807	191
Prepaid expenses and other assets	(3,640)	(1,731)
Operating lease right-of-use assets	694	1,180
Accounts payable	784	226
Operating lease liabilities	(2,029)	(1,472)
Accrued expenses and other liabilities	(328)	(3,122)
Net cash provided by (used in) operating activities	<u>368</u>	<u>(13,627)</u>
Cash flows from investing activities		
Purchases of property and equipment	(28)	(20)
Purchases of marketable securities	(79,381)	(52,637)
Sales of marketable securities	62,454	28,770
Maturities of marketable securities	38,506	67,277
Loan to Opportunity Finance Network	—	(7,500)
Net cash provided by investing activities	<u>21,551</u>	<u>35,890</u>
Cash flows from financing activities		
Proceeds from exercise of stock options	1,591	2,830
Proceeds from issuance of common stock under employee stock purchase	713	606
Tax withholdings on release of restricted stock units	(6,019)	(1,261)
Repurchase of common stock	(9,130)	(9,751)
Net cash used in financing activities	<u>(12,845)</u>	<u>(12,893)</u>
Effect of exchange rate changes on cash and cash equivalents	3	67
Net increase in cash, cash equivalents, and restricted cash	9,077	9,437
Cash, cash equivalents, and restricted cash at beginning of period	56,721	71,404
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 65,798</u>	<u>\$ 80,841</u>

# Non-GAAP Financial Measures

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						Year Ended	
	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	December 31, 2023	December 31, 2024
Net loss	\$ (40,530)	\$ (28,261)	\$ (42,781)	\$ (14,898)	\$ (12,123)	\$ (21,952)	\$ (147,765)	\$ (98,063)
Depreciation and Amortization	1,413	1,387	1,143	777	591	544	5,769	3,898
Stock Based Compensation	22,290	19,506	16,235	18,440	19,874	17,091	83,025	74,055
Interest Expense (Income)	(7,145)	(6,846)	(6,409)	(5,804)	(5,322)	(4,982)	(25,780)	(24,381)
Taxes	42	199	316	168	23	141	756	706
Restructuring Charges	9,888	-	25,517	-	-	-	9,888	25,517
Adjusted EBITDA	<u>\$ (14,042)</u>	<u>\$ (14,015)</u>	<u>\$ (5,979)</u>	<u>\$ (1,317)</u>	<u>\$ 3,043</u>	<u>\$ (9,158)</u>	<u>\$ (74,107)</u>	<u>\$ (18,268)</u>

Some figures may not tie due to rounding.

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