

Nextdoor Investor Update

Q4 2025



Nirav Tolia

CEO



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 first quarter of 2026 and full-year 2026, trends and expectations regarding our business and operating results, including the implementation and potential impact of our new Nextdoor initiative, our expectations on Platform WAU growth, our business strategy and plans, and our objectives and future operations.

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 Annual Report on Form 10-K for the period ended December 31, 2025, filed on February 18, 2026, 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



Q4'25 Performance Update

Users

21.0M Platform
WAU

(5%) y/y

Continued to moderate notification and email levels in Q4, which led to (3%) sequential decline, roughly in-line with our expectations.

Revenue

\$69M

+7% y/y

Self-serve +32% y/y on strong advertiser demand as our investments drove real performance improvements.

Profitability

\$4M Net Loss;
(6%) margin,
+13 ppt y/y

\$8M Adj. EBITDA;
11% margin,
+6 ppt y/y

Positive Q4 and full-year 2025 Adjusted EBITDA driven by revenue scale and continued operating leverage.



Indrajit Ponnambalam

CFO



Platform Weekly Active Users (WAU)



Platform WAU is our primary user metric.

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

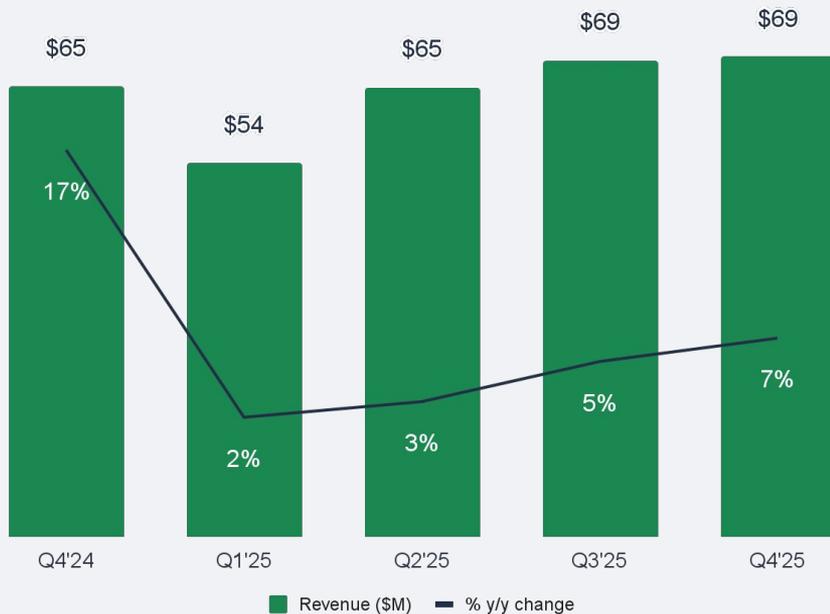
The 3% sequential decline in Q4 was in-line with our expectations, reflecting our focus on engagement quality via lower notification and email volumes.

We expect Platform WAU will take time to turn around and may continue to fluctuate in the near-term.



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.

Revenue



Strongest Q4 revenue in company history.

Q4 revenue was \$69M, +7% year-over-year, reflecting strong self-serve advertiser demand and better yields.

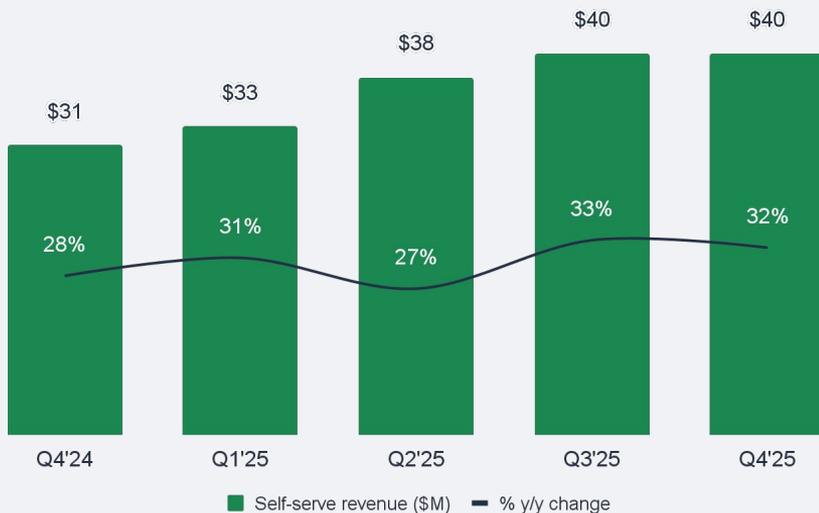
Self-serve channel revenue grew 32% year-over-year in Q4 and was again nearly 60% of total revenue.

ARPU improved by 13% year-over-year in Q4 even amidst reduced ad load.



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.

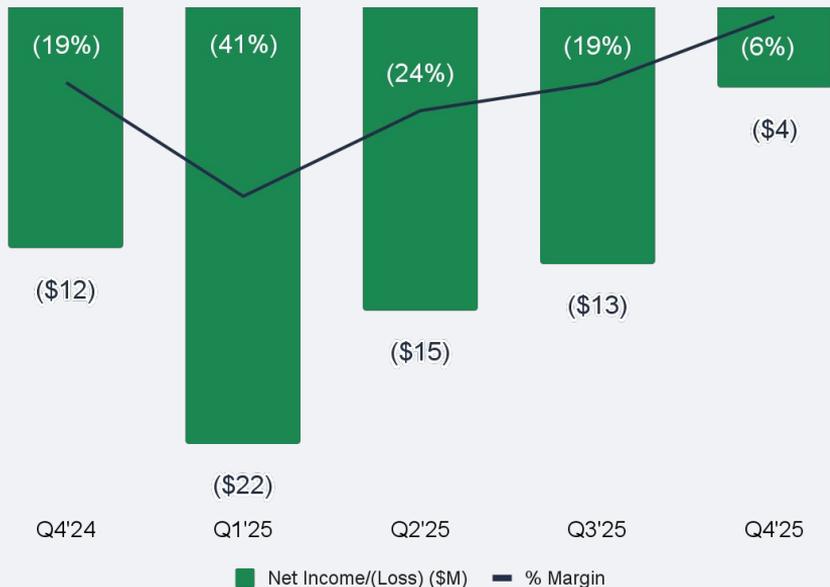
Automated click and conversion optimization make it easier for buyers using our self-serve platform to achieve stronger performance outcomes.

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



Some figures may not tie due to rounding.

Net Income (Loss)



Operating leverage improved year-over-year.

Net loss and margin were (\$4M) and (6%), respectively.

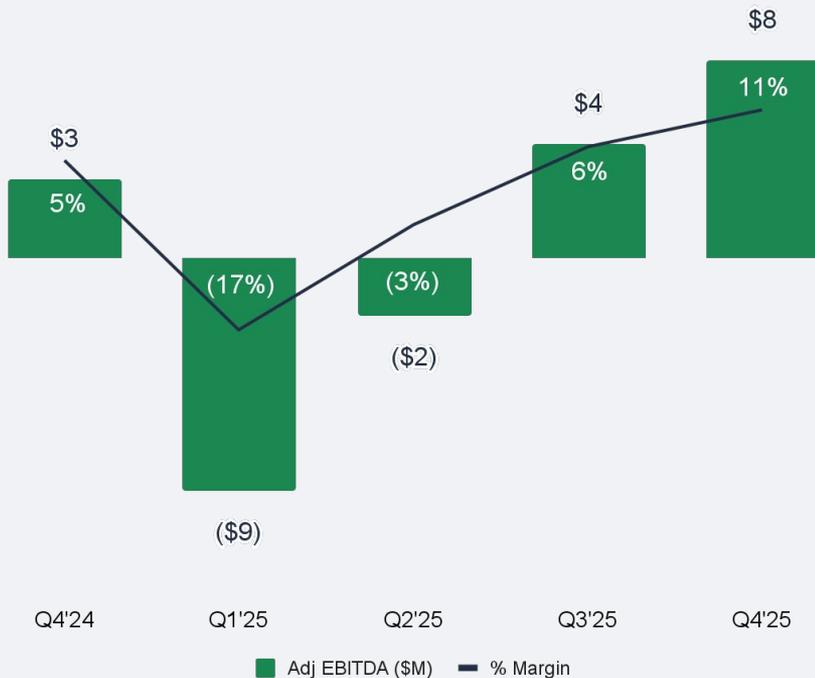
Net margin improved by 13 ppt year-over-year.

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



Some figures may not tie due to rounding.

Adjusted EBITDA



Margin gains reflect ongoing discipline and better execution.

Adjusted EBITDA was \$8M, representing an 11% margin.

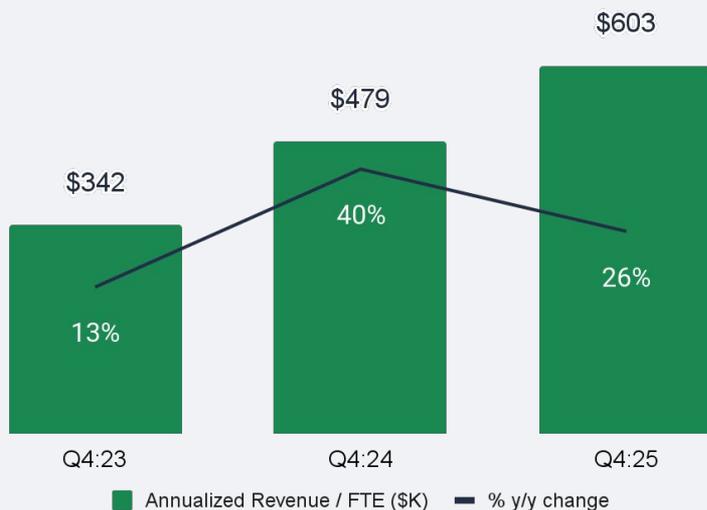
Adjusted EBITDA margin improved by 6 ppt year-over-year and 36 pts since Q4 2023.

Revenue growth and operating expense efficiency were the main drivers of our year-over-year improvement.



Productivity and Capital Allocation

Annualized Revenue / FTE (\$K)¹



Productivity remains a key priority.

Revenue / FTE improved 26% in Q4, and 76% over the last two years.

Repurchased 2.5M shares at an average price of \$1.77 in Q4 2025.

Strong balance sheet a key differentiator: \$405M in cash, cash equivalents, and marketable securities at Year-End 2025.



1. Annualized revenue / FTE = Quarterly revenue x 4 / average # of full-time employees in quarter. Some figures may not tie due to rounding.

Financial Outlook

	Q1'26 Outlook	y/y change (midpoint of range)	Additional details
Revenue	\$57M - \$59M	+7% y/y	Q1 guidance reflects normal revenue seasonality. We expect full-year 2026 revenue will continue to grow.
Adj. EBITDA	(\$6M) - (\$4M)	NM	Q1 2026 focus on user experience: limiting new user acquisition efforts and do not plan to increase ad load.
Adj. EBITDA Margin	(11%) - (7%)	+8 ppt y/y	We expect full-year 2026 Adj. EBITDA margin in the mid-single digit range.



Some figures may not tie due to rounding. Outlook as of 2/18/2026.

Nirav Tolia

CEO



Investment Thesis



The Neighborhood Graph

A unique verified, address-based graph built on identity, location, and trust.



Intent-Driven Engagement

High-intent usage driven by real-world decisions and action.



Multiple Monetization Pathways

Multiple monetization tools to match high-intent engagement with businesses.



Validated Business Model

Improving ROI and operating leverage demonstrate disciplined execution.



Founder's Mentality

Long-term focus, disciplined capital allocation, and commitment to network health.



Questions

investors.nextdoor.com

Appendix



Condensed Consolidated Balance Sheets

in thousands, except per share data

	As of December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 63,341	\$ 45,550
Marketable securities	341,429	381,429
Accounts receivable, net of allowance of \$491 and \$451 as of December 31, 2025 and 2024, respectively	34,385	31,173
Prepaid expenses and other current assets	9,084	8,540
Total current assets	<u>448,239</u>	<u>466,692</u>
Restricted cash, non-current	8,379	11,171
Property and equipment, net	1,639	2,748
Operating lease right-of-use assets	11,575	14,447
Goodwill	1,211	1,211
Other assets	15,760	17,684
Total assets	<u>\$ 486,803</u>	<u>\$ 513,953</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,498	\$ 249
Operating lease liabilities, current	8,900	8,495
Accrued expenses and other current liabilities	20,550	19,200
Total current liabilities	<u>31,948</u>	<u>27,944</u>
Operating lease liabilities, non-current	23,351	32,251
Other liabilities, non-current	221	270
Total liabilities	<u>55,520</u>	<u>60,465</u>
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 50,000 shares authorized; no shares issued or outstanding as of December 31, 2025 and 2024	—	—
Class A common stock, \$0.0001 par value; 2,500,000 shares authorized; 262,446 and 224,488 shares issued and outstanding as of December 31, 2025 and 2024, respectively	26	22
Class B common stock, \$0.0001 par value; 500,000 shares authorized; 127,681 and 158,134 shares issued and outstanding as of December 31, 2025 and 2024, respectively	13	16
Additional paid-in capital	1,347,968	1,316,616
Accumulated other comprehensive income	1,563	917
Accumulated deficit	<u>(918,287)</u>	<u>(864,083)</u>
Total stockholders' equity	<u>431,283</u>	<u>453,488</u>
Total liabilities and stockholders' equity	<u>\$ 486,803</u>	<u>\$ 513,953</u>



Some figures may not tie due to rounding.

Condensed Consolidated Statements of Operations

in thousands, except per share data

	<i>Three Months Ended December 31,</i>		<i>Year Ended December 31,</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Revenue	\$ 69,479	\$ 65,228	\$ 257,646	\$ 247,276
Costs and expenses:				
Cost of revenue	10,460	10,463	40,987	41,850
Research and development	31,415	33,621	135,205	127,939
Sales and marketing	20,817	20,509	91,029	106,977
General and administrative	14,211	17,732	62,367	92,149
Total costs and expenses	<u>76,903</u>	<u>82,325</u>	<u>329,588</u>	<u>368,915</u>
Loss from operations	(7,424)	(17,097)	(71,942)	(121,639)
Interest income	4,378	5,322	18,758	24,381
Other income (expense), net	98	(325)	605	(99)
Loss before income taxes	<u>(2,948)</u>	<u>(12,100)</u>	<u>(52,579)</u>	<u>(97,357)</u>
Provision for income taxes	1,085	23	1,625	706
Net loss	<u>\$ (4,033)</u>	<u>\$ (12,123)</u>	<u>\$ (54,204)</u>	<u>\$ (98,063)</u>
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	\$ (0.01)	\$ (0.03)	\$ (0.14)	\$ (0.25)
Weighted average shares used in computing net loss per share attributable to Class A and Class B common stockholders, basic and diluted	390,886	381,817	386,327	385,113

Condensed Consolidated Statements of Cash Flows

in thousands

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (54,204)	\$ (98,063)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,935	3,898
Stock-based compensation	65,343	74,055
Non-cash impairment charges related to lease abandonment	—	22,760
Accretion of investments	(2,307)	(5,458)
Other	(145)	622
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,212)	(5,149)
Prepaid expenses and other assets	1,164	30
Operating lease right-of-use assets	2,872	3,729
Accounts payable	2,219	(1,646)
Operating lease liabilities	(8,495)	(6,925)
Accrued expenses and other liabilities	1,301	(8,055)
Net cash provided by (used in) operating activities	<u>6,471</u>	<u>(20,202)</u>
Cash flows from investing activities		
Purchases of property and equipment	(580)	(404)
Purchases of marketable securities	(292,164)	(289,794)
Sales of marketable securities	141,944	185,604
Maturities of marketable securities	193,371	198,520
Loan to Opportunity Finance Network	—	(7,500)
Net cash provided by investing activities	<u>42,571</u>	<u>86,426</u>
Cash flows from financing activities		
Proceeds from issuance of common stock upon exercise of stock options	2,641	13,336
Proceeds from issuance of common stock under employee stock purchase plan	1,325	1,075
Tax withholdings on release of restricted stock units	(19,065)	(19,916)
Repurchase of common stock	(18,891)	(75,530)
Net cash used in financing activities	<u>(33,990)</u>	<u>(81,035)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(53)</u>	<u>128</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	14,999	(14,683)
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>\$ 71,720</u>	<u>\$ 56,721</u>

 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 2026 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

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net loss	\$ (4,033)	\$ (12,123)	\$ (54,204)	\$ (98,063)
% Margin	(6%)	(19%)	(21%)	(40%)
Depreciation and amortization	\$ 402	\$ 591	\$ 1,935	\$ 3,898
Stock-based compensation	14,545	19,874	65,343	74,055
Interest income	(4,378)	(5,322)	(18,758)	(24,381)
Provision for income taxes	1,085	23	1,625	706
Restructuring charges	—	—	4,660	25,578
Adjusted EBITDA	\$ 7,621	\$ 3,043	\$ 601	\$ (18,207)
% Margin	11%	5%	—%	(7%)



Some figures may not tie due to rounding.



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