



# nextdoor

July 2021



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## Forward-Looking Statements

Certain statements in this Presentation 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 with respect to the Business Combination. Forward-looking statements herein generally relate to future events or the future financial or operating performance of Khosla, Nextdoor or the combined company expected to result from the Business Combination (the “Combined Company”). For example, projections of future financial performance of Nextdoor and the Combined Company, the Combined Company’s business plan, other projections concerning key performance metrics, the proceeds of the Business Combination and the Combined Company’s expected cash runway, and the potential effects of the Business Combination on Khosla and the Combined Company, are forward-looking statements. 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. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Khosla, Nextdoor and its management, as the case may be, are inherently uncertain and subject to material change. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risk and uncertainties. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, various factors beyond management’s control, including general economic conditions and other risks, uncertainties and factors set forth in the section entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in Khosla’s final prospectus relating to its initial public offering, dated March 23, 2021, other filings with the Securities and Exchange Commission (“SEC”), as well as factors associated with companies, such as Nextdoor, including anticipated trends, growth rates, and challenges in those businesses and in the markets in which they operate. Nothing in this Presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements in this Presentation, which speak only as of the date they are made and are qualified in their entirety by reference to the cautionary statements herein.

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## Use of Projections

This Presentation contains projected financial information with respect to Nextdoor. Such projected financial information constitutes forward-looking information, is for illustrative purposes only and should not be relied upon as being predictive of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in such prospective financial information, including without limitation, assumptions regarding Khosla’s and Nextdoor’s ability to consummate the Business Combination, the failure of which to materialize could cause actual results to differ materially from those contained in the prospective financial information. Khosla and Nextdoor caution that their assumptions may not materialize and that current economic conditions render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty. See the section above titled “Forward-Looking Statements”. The inclusion of financial forecast information in this Presentation should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved. Neither Khosla’s nor Nextdoor’s independent auditors have audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation or any other purpose, and accordingly, none of such independent auditors has expressed any opinion or provided any other form of assurance with respect to such projections.

## Financial Information and Use of Non-GAAP Financial Measures

The financial information contained in this Presentation has been taken from or prepared based on the historical financial statements of Nextdoor for the periods presented. An audit of these financial statements is in process. Accordingly, such financial information and data may not be included in, may be adjusted in or may be presented differently in any registration statement on Form S-4 to be filed with the SEC by Khosla in connection with the Business Combination. Nextdoor has not yet completed its closing procedures for the fiscal year ended December 31, 2020 or the three months ended March 31, 2021. This Presentation contains certain estimated preliminary financial results and key operating metrics for the fiscal year ended December 31, 2020 and the three months ended March 31, 2021. This information is preliminary and subject to change. As such, our actual results may differ from the estimated preliminary results presented here and will not be finalized until we complete of our year-end accounting procedures.

This presentation includes certain non-GAAP financial measures (including on a forward-looking basis). These non-GAAP measures are an addition, 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 Presentation to their nearest GAAP equivalent is included in the appendix to this Presentation. 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.

## Additional Information

In connection with the proposed Business Combination, Khosla intends to file with the SEC a registration statement on Form S-4 containing a preliminary proxy statement/prospectus of Khosla and consent solicitation statement of Nextdoor, and after the registration statement is declared effective, Khosla and Nextdoor will mail a definitive proxy statement/prospectus/consent solicitation statement relating to the proposed Business Combination to their respective stockholders. This Presentation does not contain any information that should be considered by Khosla's or Nextdoor's stockholders and other interested persons concerning the proposed Business Combination and is not intended to constitute the basis of any voting or investment decision in respect of the Business Combination or the securities of Khosla. Khosla's and Nextdoor's stockholders and other interested persons are advised to read, when available, the preliminary proxy statement/prospectus/consent solicitation statement and the amendments thereto and the definitive proxy statement/prospectus/consent solicitation statement and other documents filed in connection with the proposed Business Combination, as these materials will contain important information about Khosla, Nextdoor and the Business Combination. When available, the definitive proxy statement/prospectus/consent solicitation statement and other relevant materials for the proposed Business Combination will be mailed to stockholders of Khosla and Nextdoor as of a record date to be established for voting on the proposed Business Combination. Stockholders will also be able to obtain copies of the preliminary proxy statement/prospectus/consent solicitation statement, the definitive proxy statement/ prospectus/consent solicitation statement and other documents filed with the SEC, without charge, once available, at the SEC's website at [www.sec.gov](http://www.sec.gov), or by directing a request to: Khosla Ventures Acquisition Co. II, 2128 Sand Hill Road, Menlo Park, CA 94025.

## Participants in the Solicitation

Khosla, Nextdoor and their respective directors and executive officers may be deemed participants in the solicitation of proxies from Khosla's stockholders with respect to the proposed Business Combination. A list of the names of Khosla's directors and executive officers and a description of their interests in Khosla is contained in Khosla's final prospectus relating to its initial public offering, dated March 23, 2021, which was filed with the SEC and is available free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov), or by directing a request to Khosla Ventures Acquisition Co. II, 2128 Sand Hill Road, Menlo Park, CA 94025. To the extent that holdings of Khosla's securities have changed since the amounts printed in Khosla's final prospectus relating to its initial public offering, dated March 23, 2021, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Additional information regarding the interests of the participants in the solicitation of proxies from Khosla's stockholders with respect to the proposed Business Combination will be contained in the proxy statement/prospectus for the proposed Business Combination when available. You may obtain free copies of these documents as described in the preceding paragraph.

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**Welcome to the  
Neighborhood**

## **Nextdoor**



**Sarah Friar**

Chief Executive Officer



**Mike Doyle**

Chief Financial Officer

## **Khosla Ventures Acquisition Co. II**



**Vinod Khosla**

Founder



**David Weiden**

Founding Partner and  
Managing Director



A large, diverse group of people, mostly wearing face masks, are gathered on a green lawn in front of a brick house. The crowd is spread out, with some people standing in small groups and others looking towards the foreground. In the immediate foreground, two people are seen from behind, looking towards the crowd. One person is holding a small object in their hand. The scene appears to be a community gathering or a presentation. The text "Connecting neighborhoods one neighbor at a time" is overlaid in the center of the image.

***Connecting neighborhoods  
one neighbor at a time***







# ***Nextdoor is the neighborhood network***

***~1 in 3***

***U.S. Households***

***60M+***

***Verified Neighbors***

***27M+***

***Weekly Active Neighbors  
(WAUs)***

U.S. household and Verified Neighbor data as of 3/31/21. WAUs reflect the average for the quarter ended 3/31/21.

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***Network effects with online & offline connection is unique***

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***Each social link is highly valuable because most commerce is local***

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***Robust current digital advertising market, future new revenue models***

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***Many vectors for sustained revenue growth***

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***High barrier to entry: network difficult & time consuming to build***

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***Only digital neighborhood network: purpose-driven & authentic***

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***Proven team: set up for acceleration & execution***

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# ***Building back community***

**73%** say neighbors are one of the most important communities in their lives<sup>(1)</sup>

Knowing at least **6 neighbors** can reduce loneliness<sup>(2)</sup>

75% plan to shop more locally<sup>(3)</sup>

80% expect to work from home at least 3x per week<sup>(4)</sup>

2x expected growth of sharing economy<sup>(5)</sup>

(1) [Open Mind Strategy](#) 2020; (2) Nextdoor [Global Loneliness Study](#) (3) [Brightpearl](#), 2021; (4) [Owl Labs October, 2020](#); (5) [Statista](#), 2021.





***Our purpose***

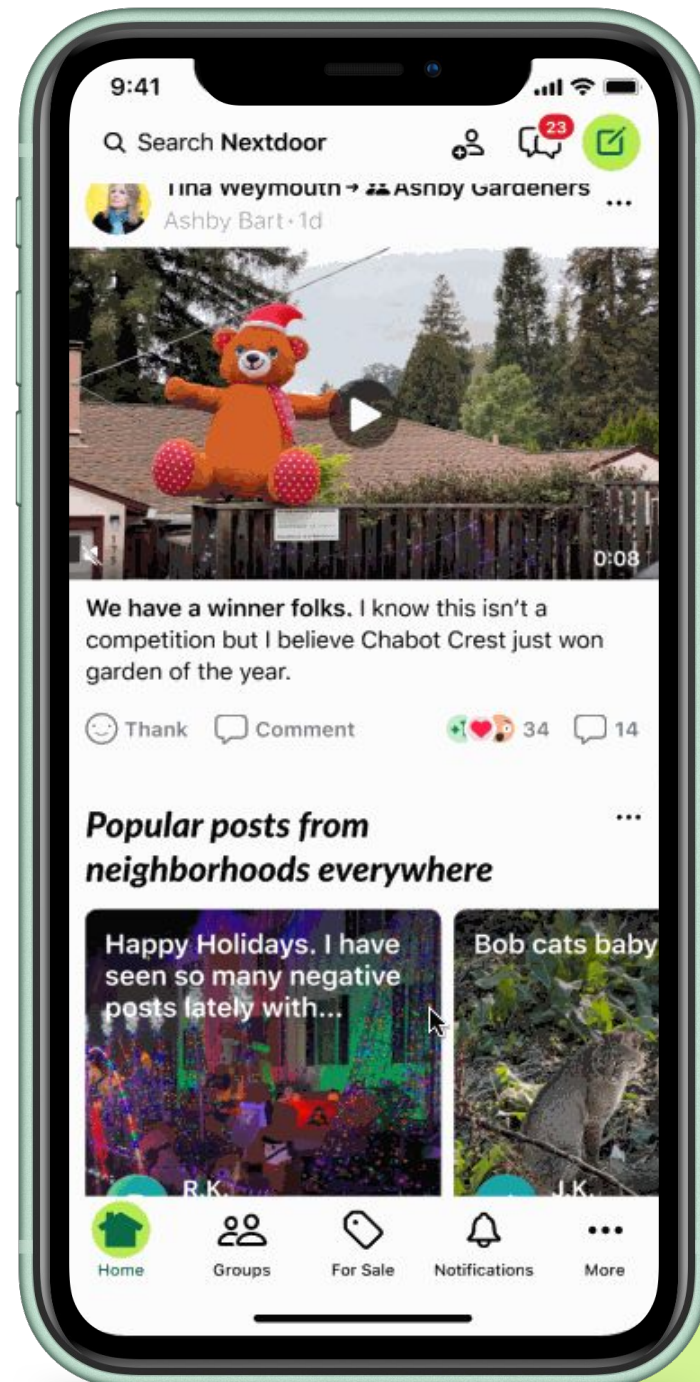
***To cultivate a kinder  
world where everyone  
has a **neighborhood**  
they can rely on***

**nextdoor**

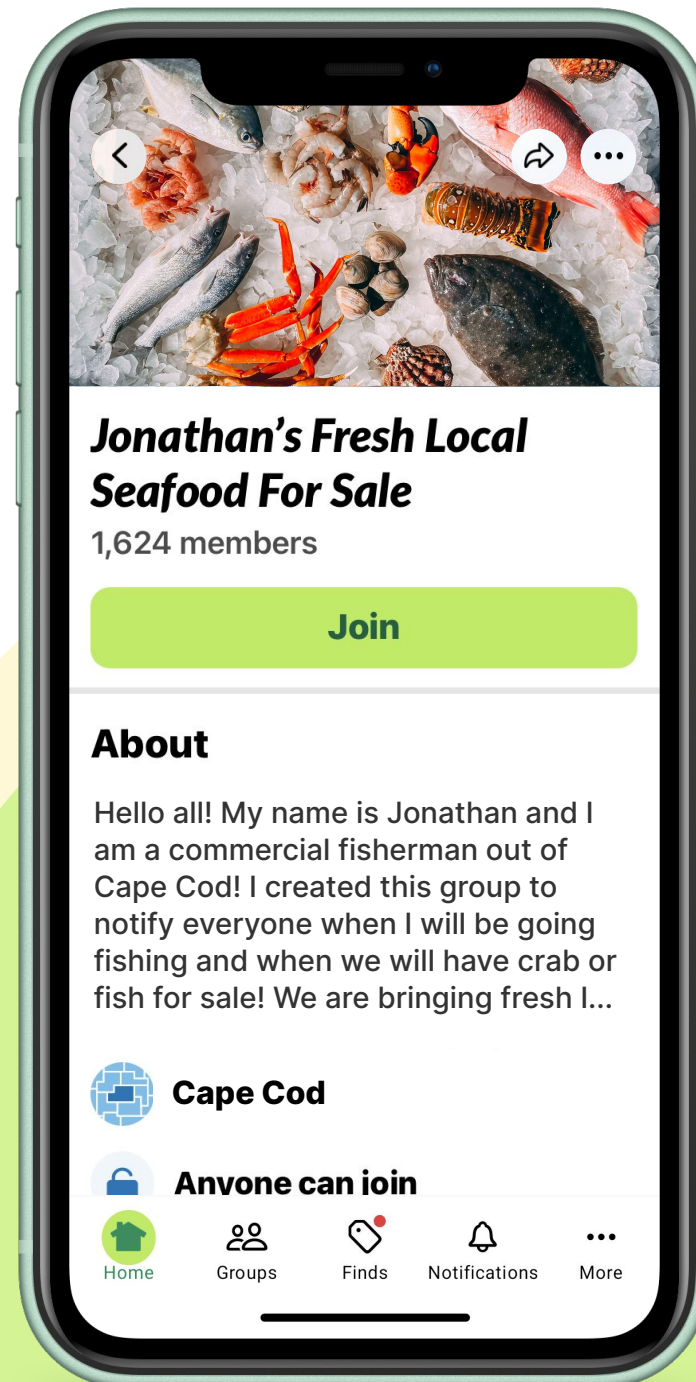


# People interact with and rely on their neighborhoods every day..

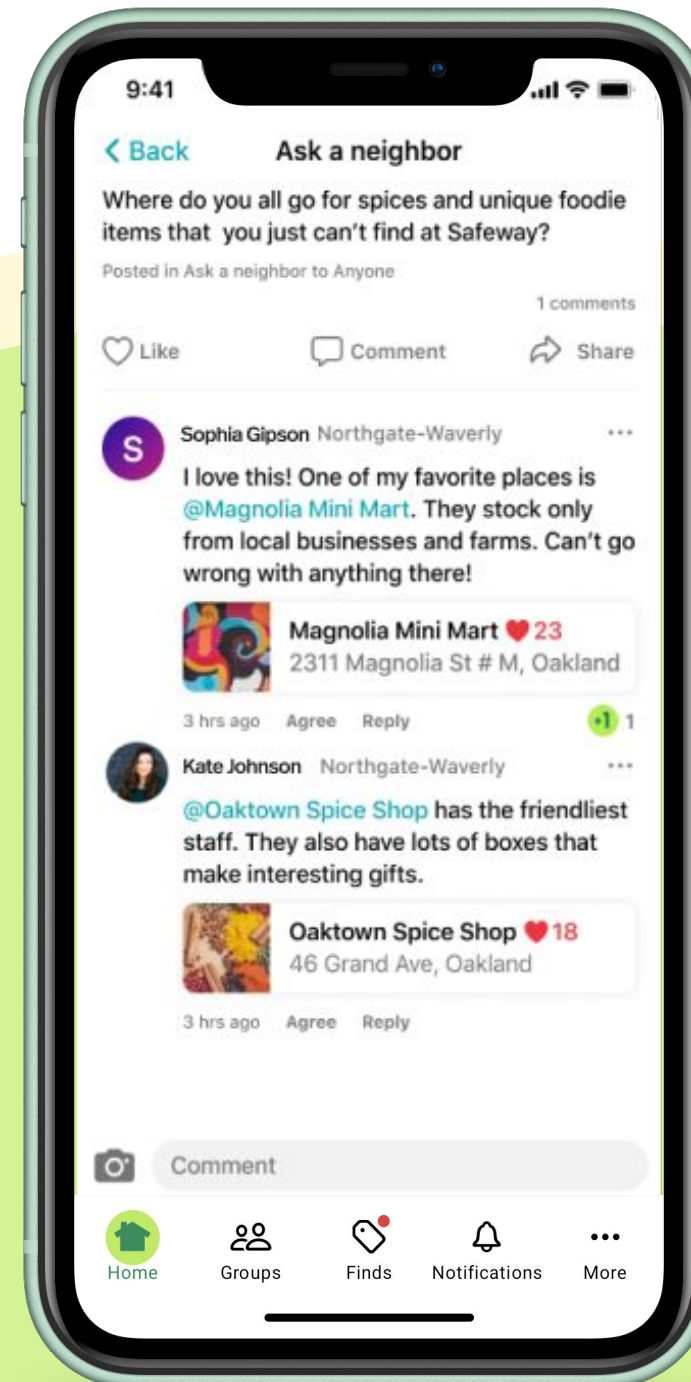
## Local Perspectives



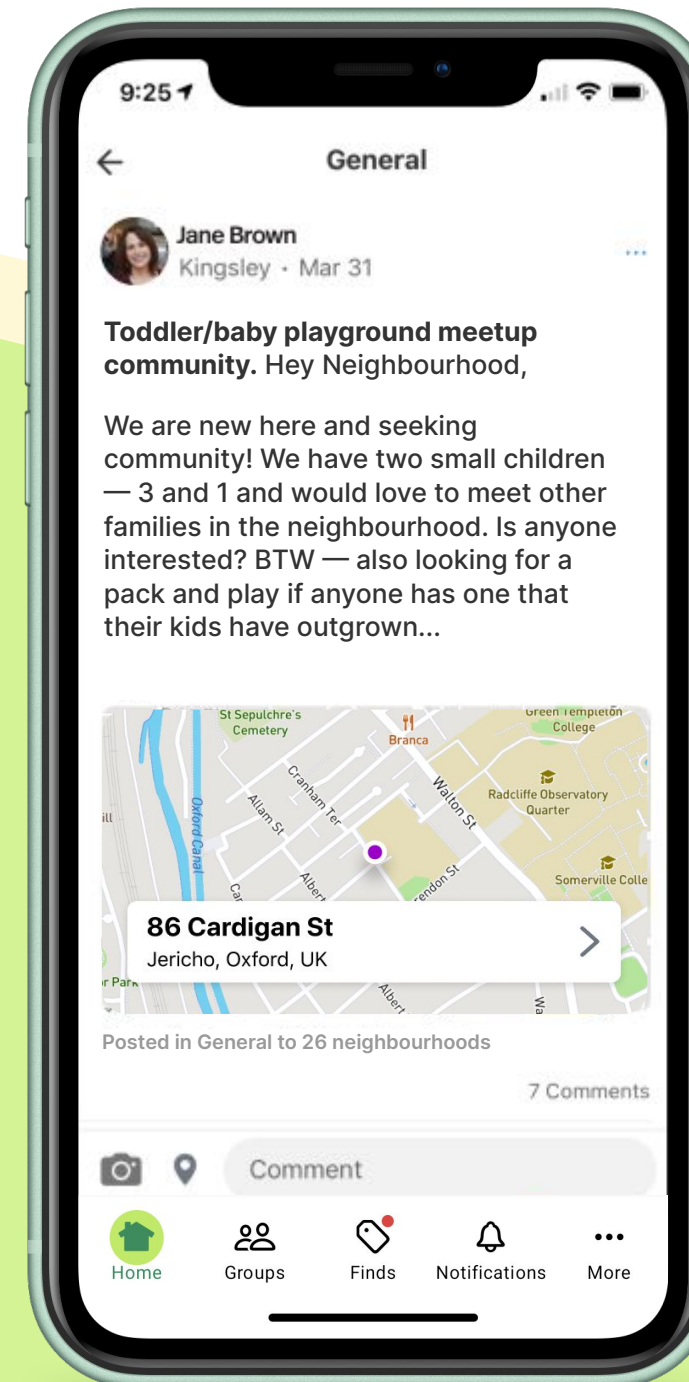
## Groups



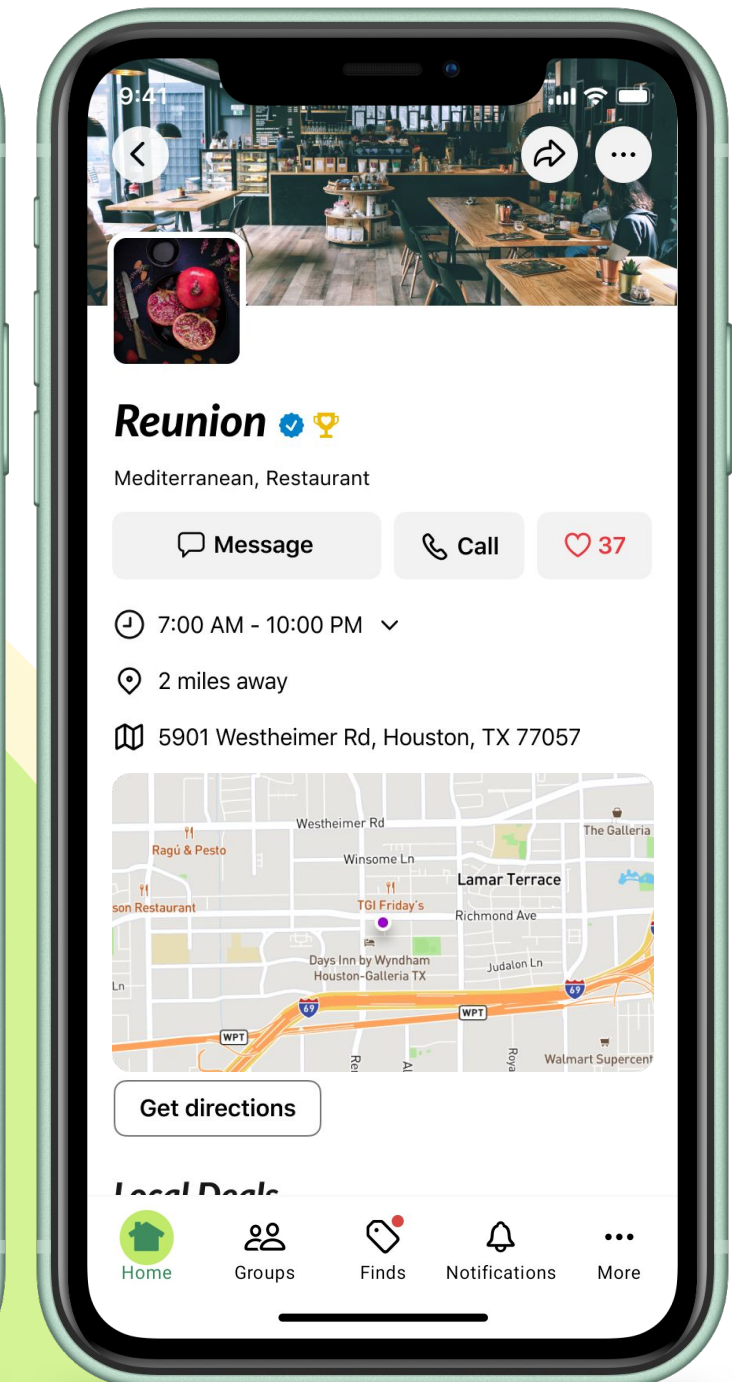
## Recommendations



## Connections



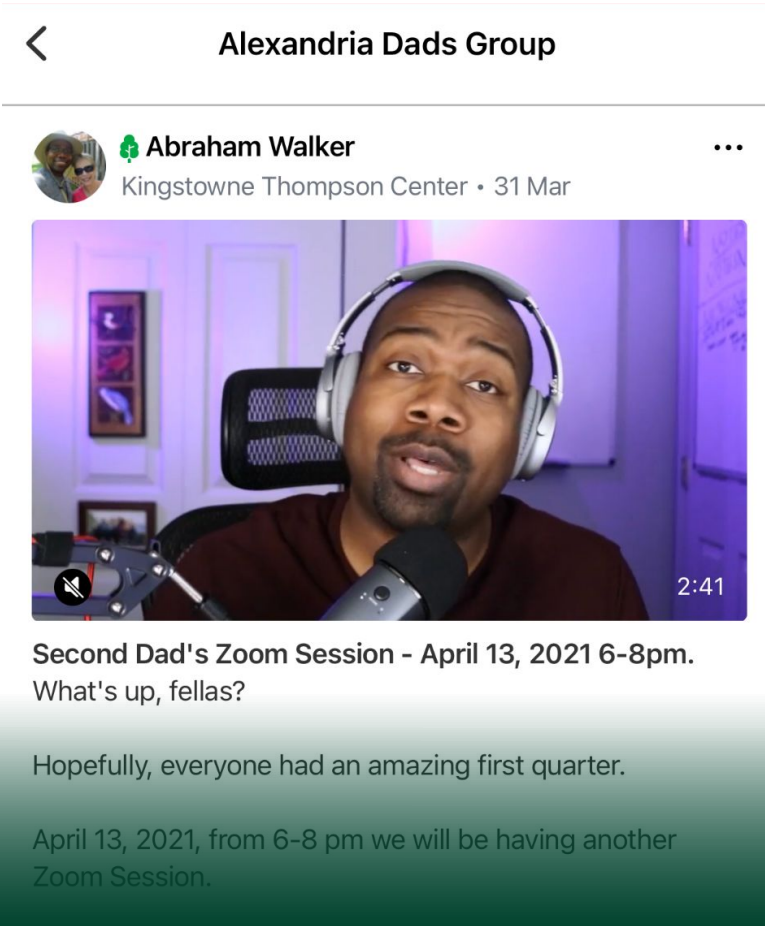
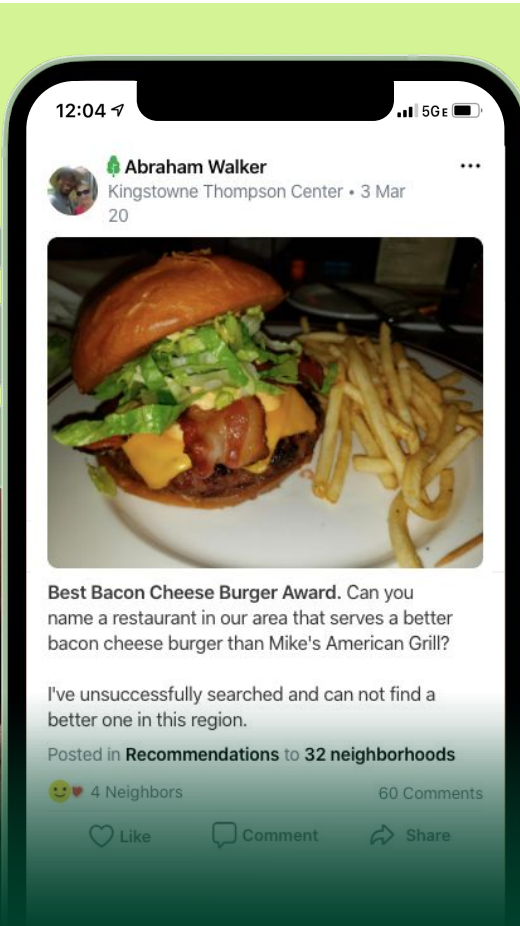
## Businesses





# A day in the life of a parent: meet Abraham

Kingstowne Thompson Center, VA



7AM

## Searches for school tutor

Drops kids off at school, remembers to search for an after-school tutor

Hosts 30 coffees in 30 days to meet people nearby

## Meets neighbors for coffee

10AM

12PM

## Recommends a local restaurant

Gives rave review for the local burger place where he had lunch

4PM

## Borrows neighbor's pasta machine

Reaches out to neighbors for a pasta machine, to make his favorite chef's 24-layer lasagna

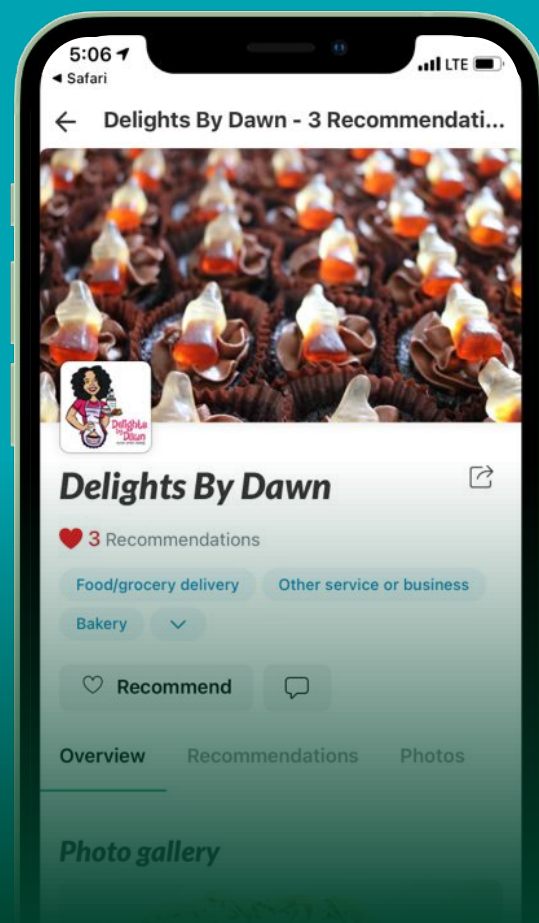
6PM

## Hosts Dads group

Schedules Zoom Session to connect with local parents



# A week in the life of a small business owner: meet Dawn Grant Park, GA



MON

## Updates her business page

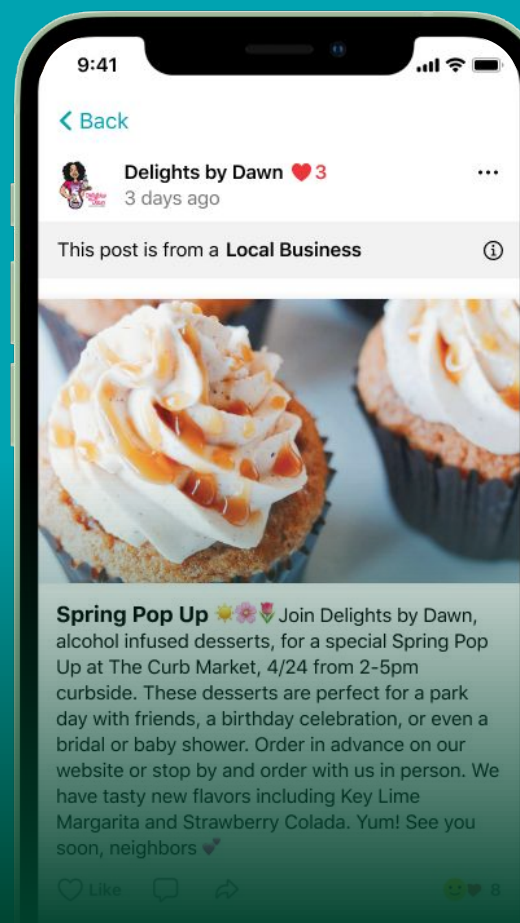
Updates with new spring time hours, and adds a few new photos



Checks her Local Deal dashboard to see how its performing and re-ups for another month

## Checks her dashboard

TUE



THU

## Responds to neighbors

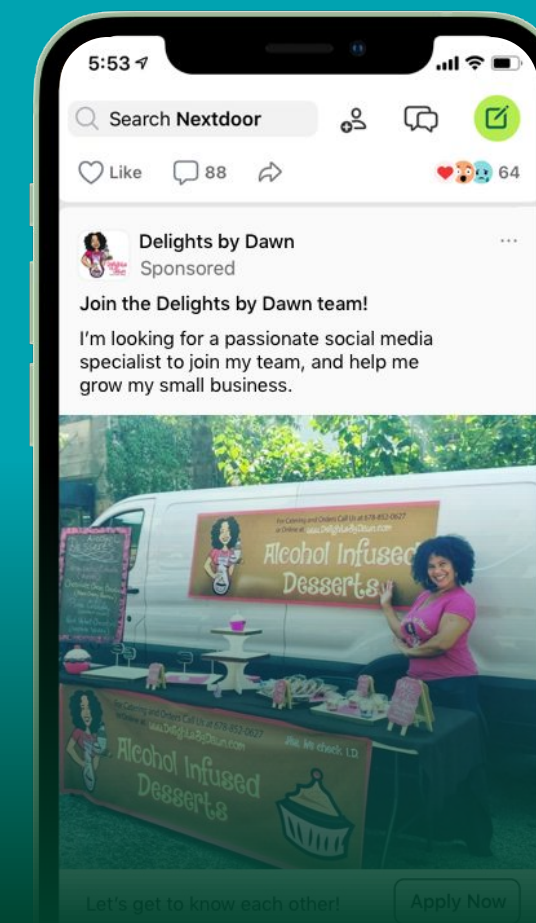
Notices new recommendations from neighbors and quickly replies to thank them for their support



Responds to a question about payroll software from her local small business owner group

## Checks in with her business group

FRI



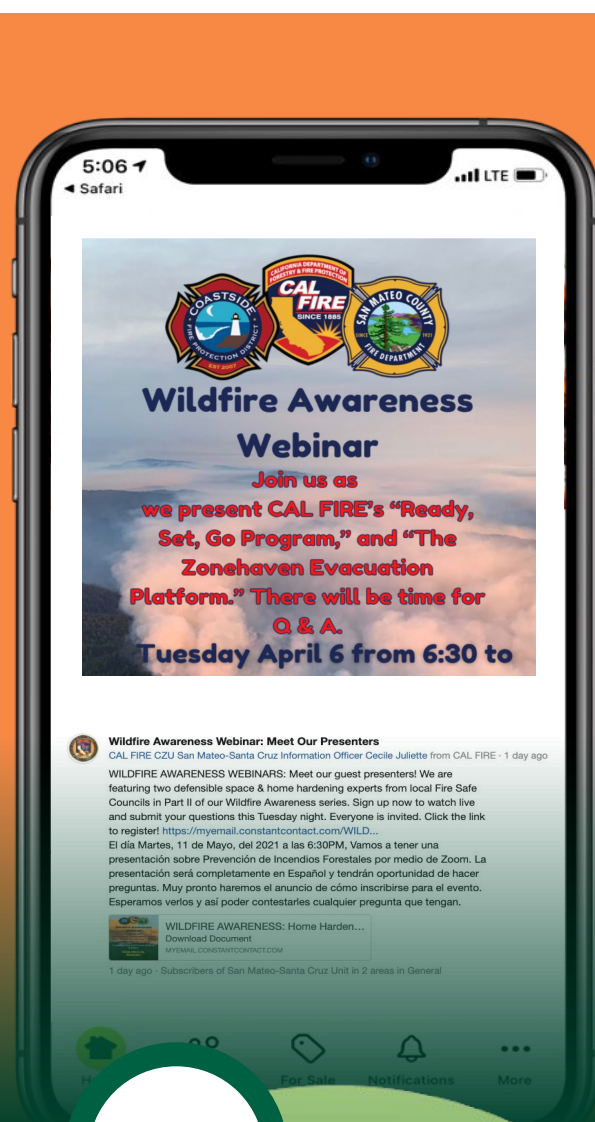
SAT

## Promotes new job listing

Looks to hire a new social media expert and creates an ad for the job



# A week in the life of fire information mgr: meet Cecile San Mateo-Santa Cruz, CA



MON

## Sets up wildfire webinar

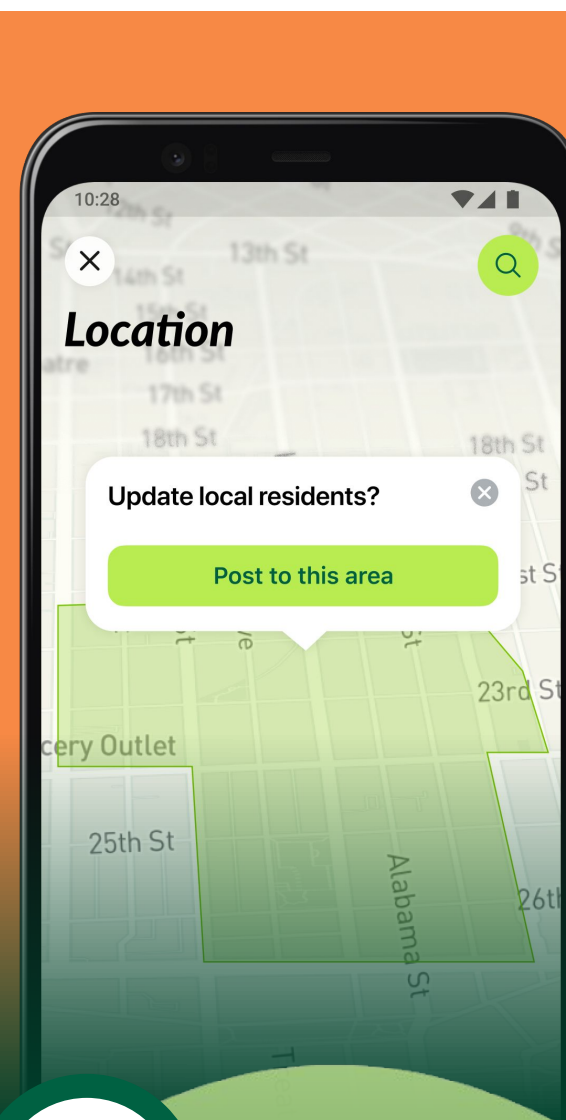
Organizes and promotes wildfire awareness webinar ahead of fire season



Posts real time update on evacuation procedures for the immediate area

## Updates Evacuation Order

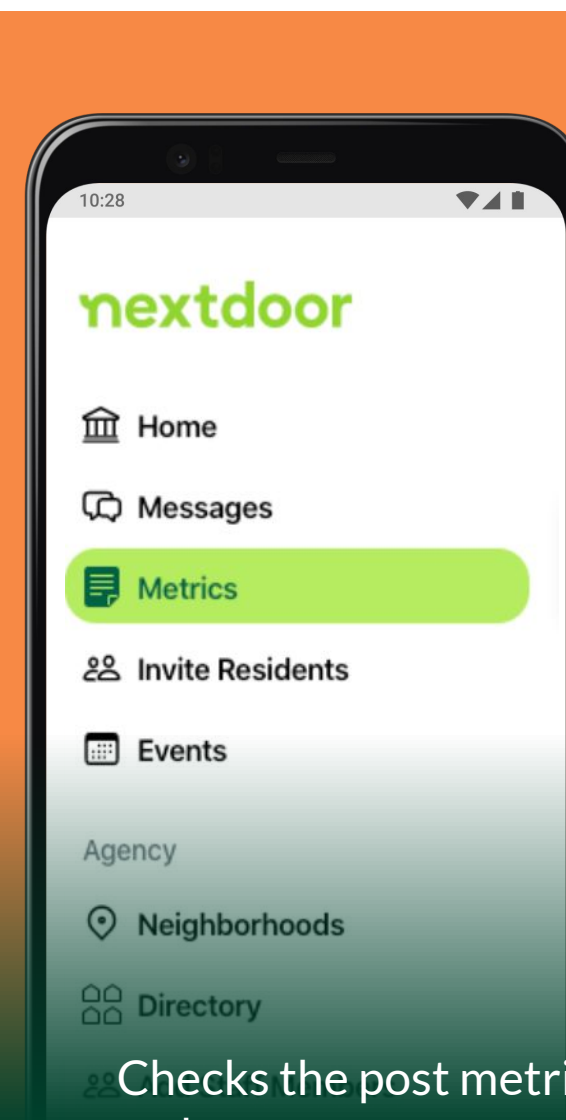
TUE



WED

## Alerts neighbors to local wildfire

Pushes out a geo-targeted urgent alert about a fire to affected residents



THU

## Monitors metrics

FRI

## Responds to questions

Answers residents' questions about the urgent alert



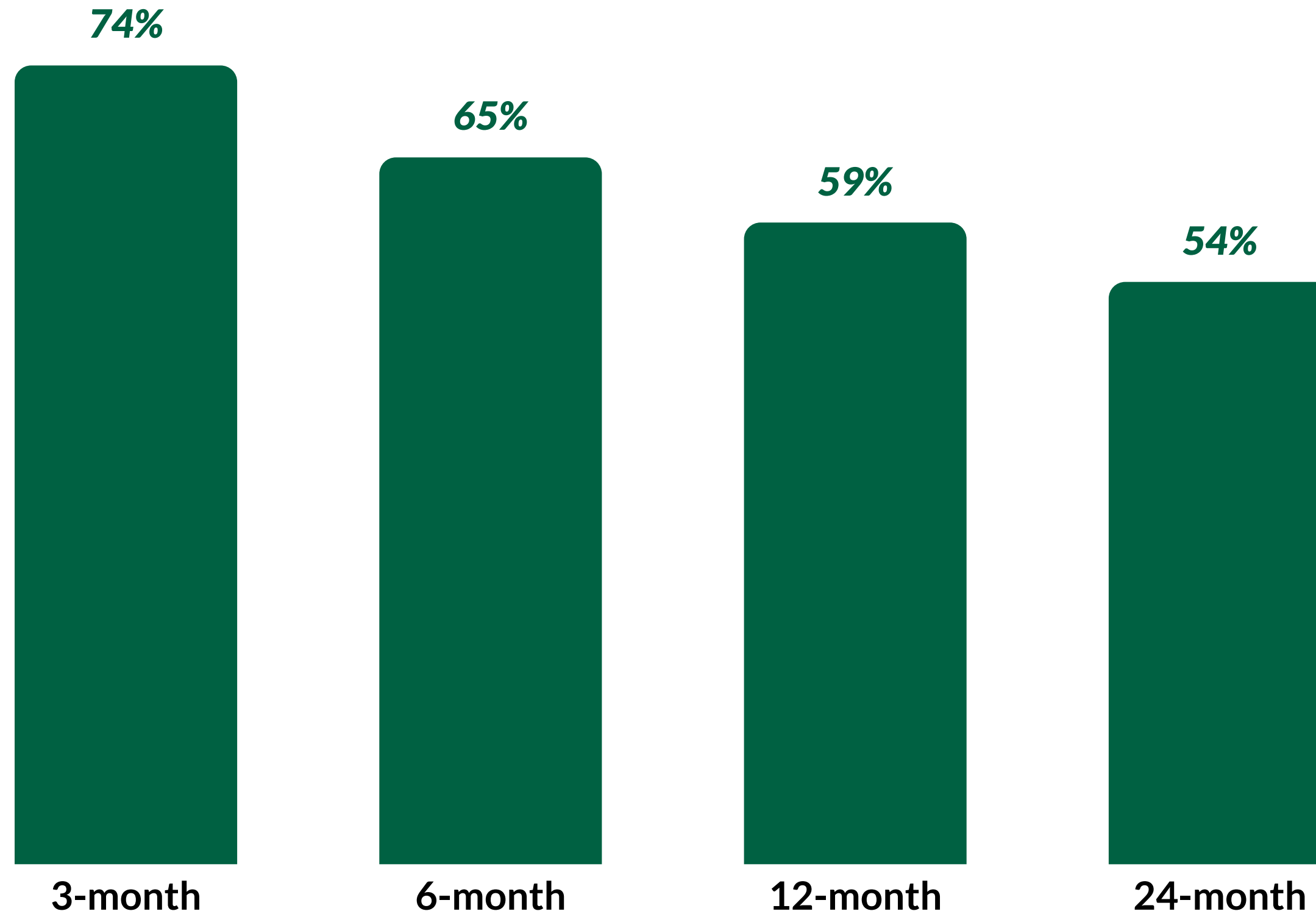


# Strong competitive moat with viral growth loops built in





# *Established product-market fit: Enduring neighbor retention...*

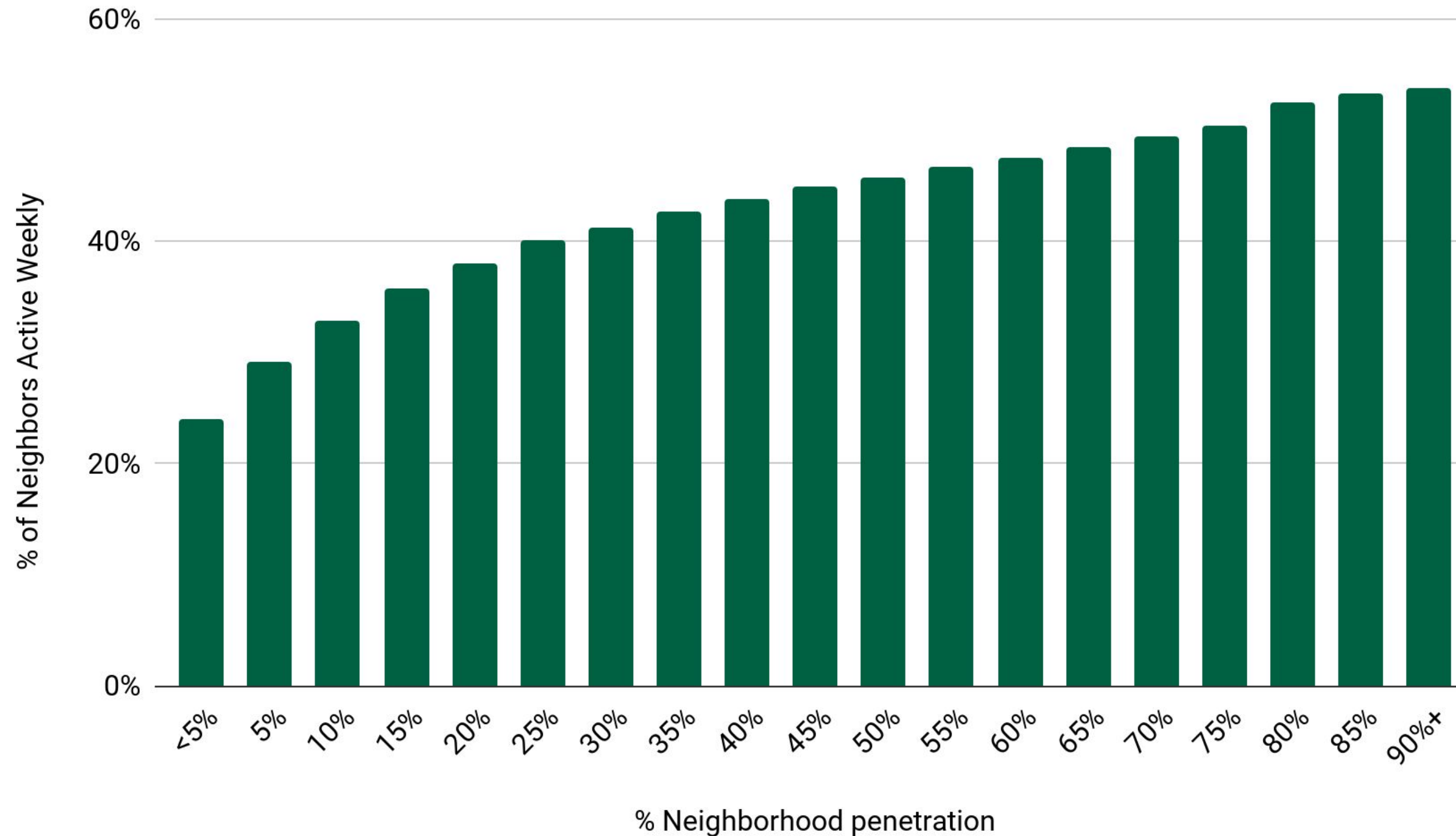


**After two years >50% of  
our audience remains  
engaged**

Monthly active users (MAU) defined as count of unique members who have started a session or opened a content email over the trailing 30 days. 3 month MAU is defined as active in the 30 days preceding day 90, 6 month is active in the 30 days preceding day 180, 12 month is active in the 30 days preceding day 360, and 24 month is active in the 30 days preceding day 720. 3-, 6- and 12-month data based on users who joined in 2020; 24-month data based on users who joined in 2019.



# ...Combined with strong network effects...



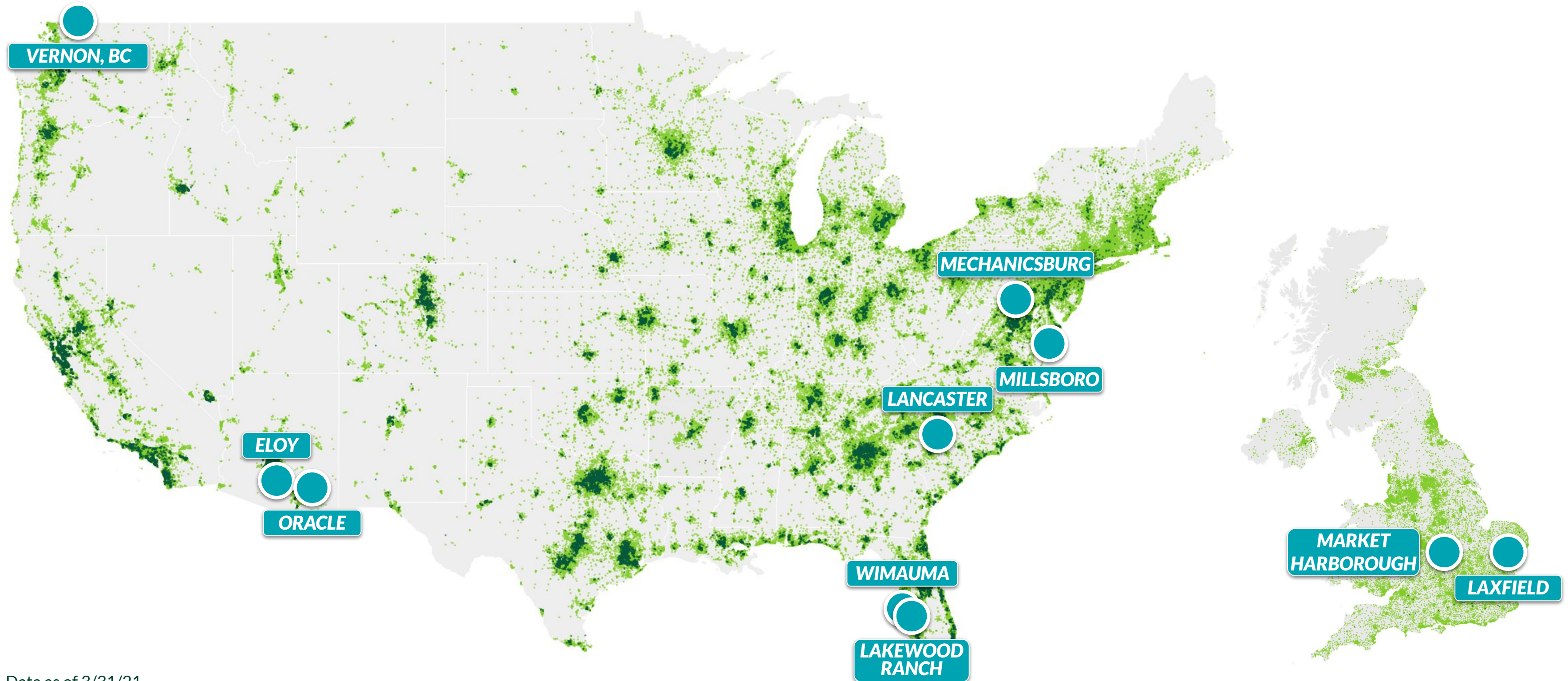
**Our path to engagement growth is proven**

**2.3x increase in weekly engagement as more neighbors join**



# Increasing penetration globally, with top neighborhoods exceeding 60% daily engagement

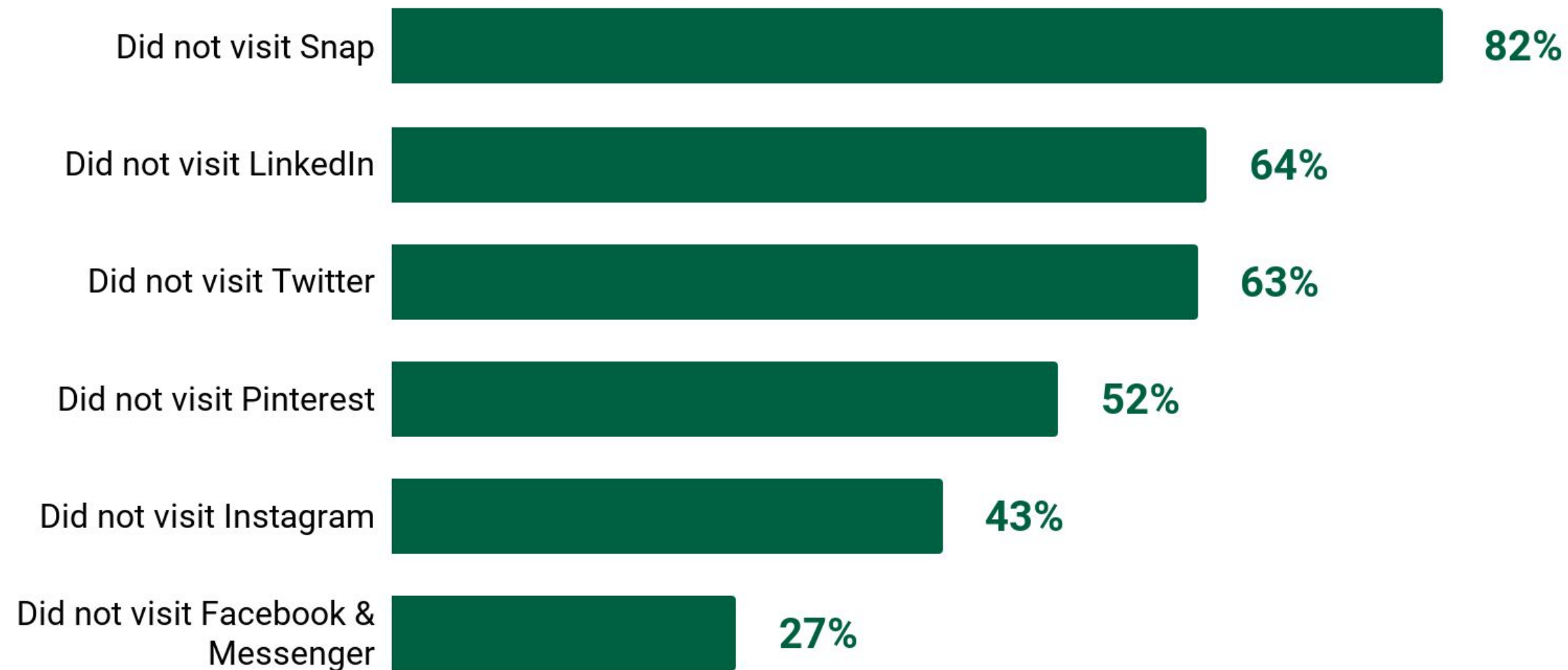
- Neighborhoods with top-quartile (>65%) penetration
- Top 10 engaged neighborhoods (>60% daily engagement)





# ...With an audience that finds distinct value on Nextdoor

*% of people who visit Nextdoor at least once per month but do not visit this social media platform at least once per month*

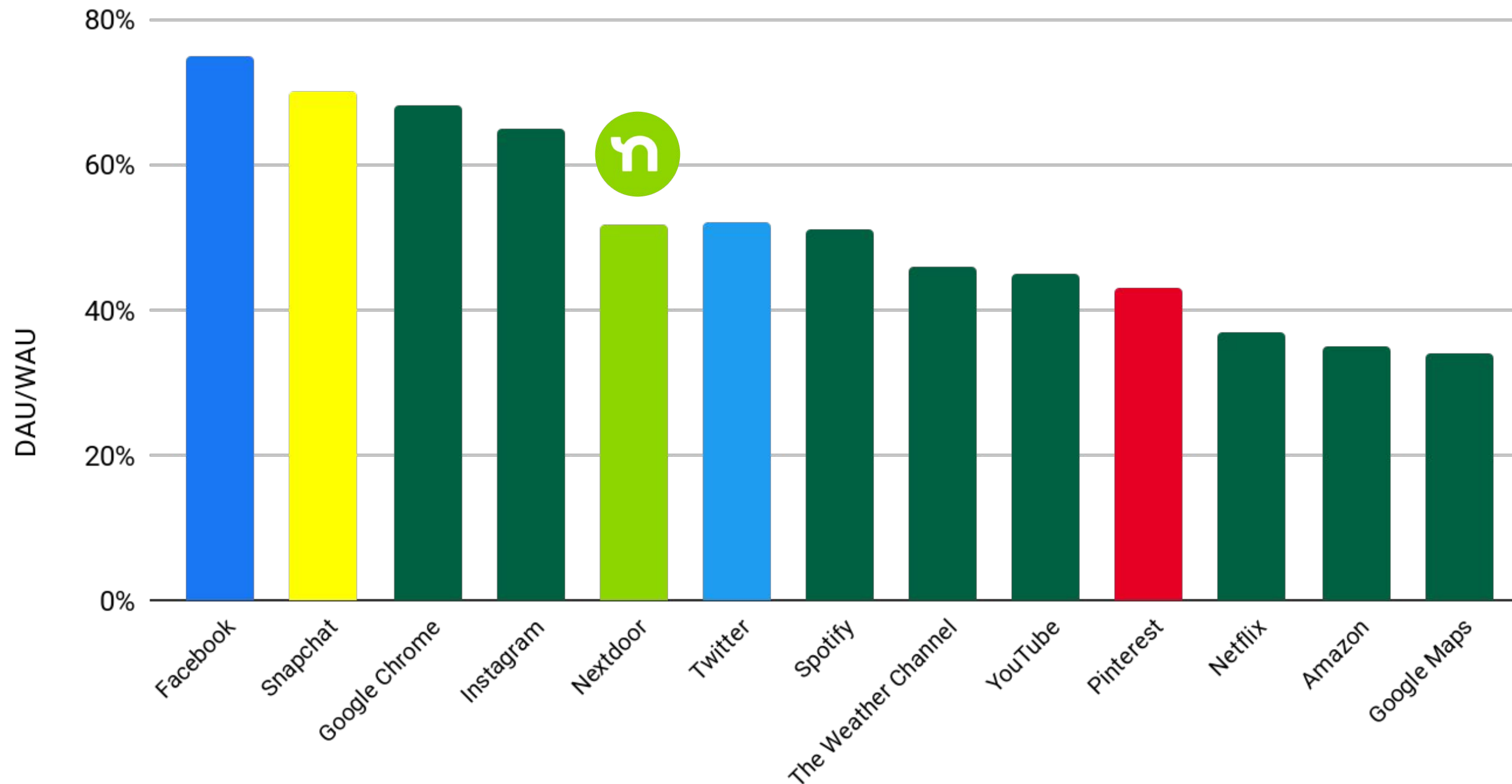


**>\$1T**

**Aggregate market cap of  
these other platforms**



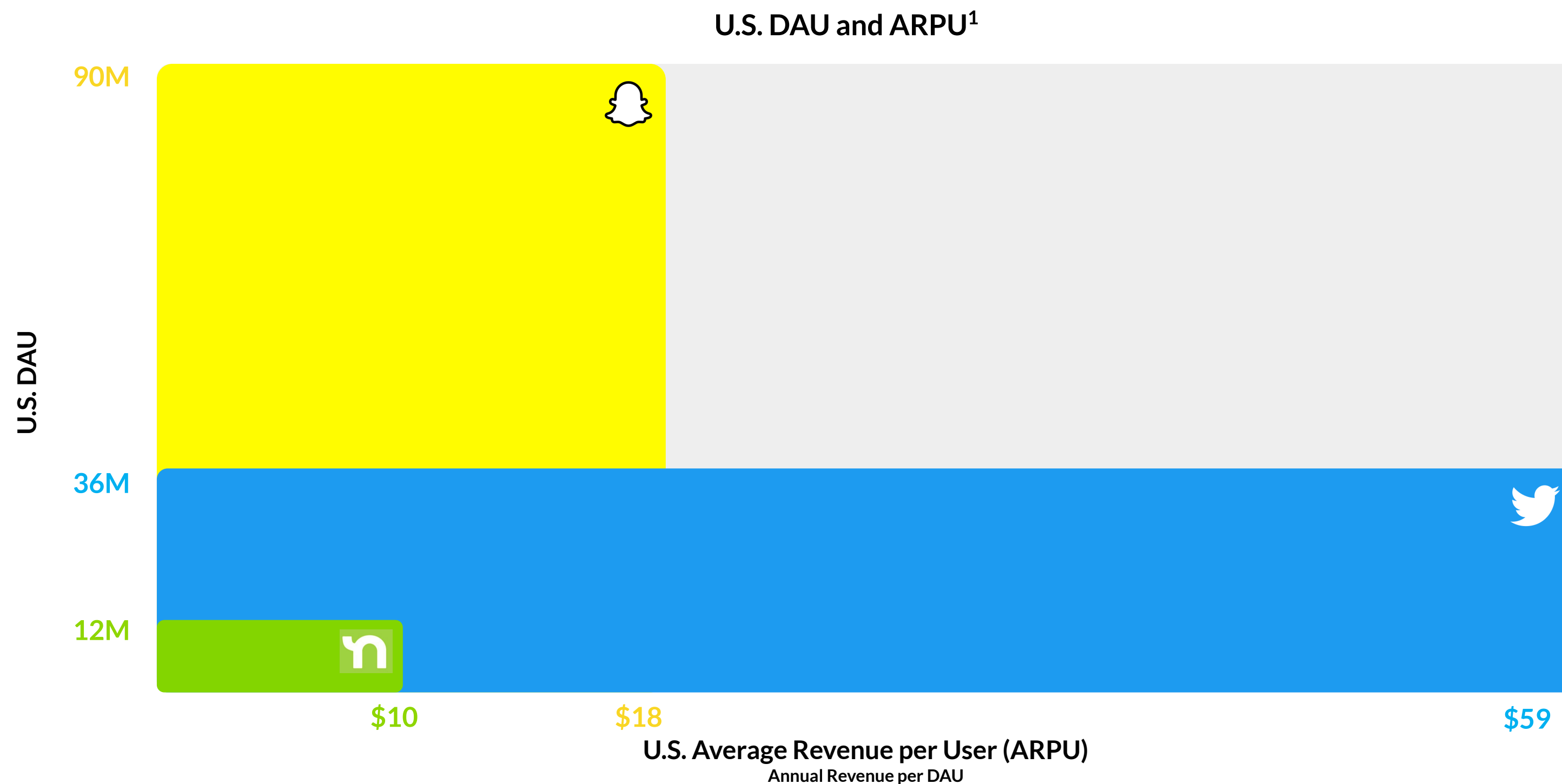
# Nextdoor is one of the most frequently used consumer products



**Weekly Active Users (WAU) engage nearly 4 times a week**



# A verified daily audience with significant monetization potential



Source: Company filings and internal data for 2020. Comparison is illustrative as each company calculates daily active users differently. Snap includes U.S., Canada, Mexico, the Caribbean and Central America. Twitter and Nextdoor include the U.S. only.

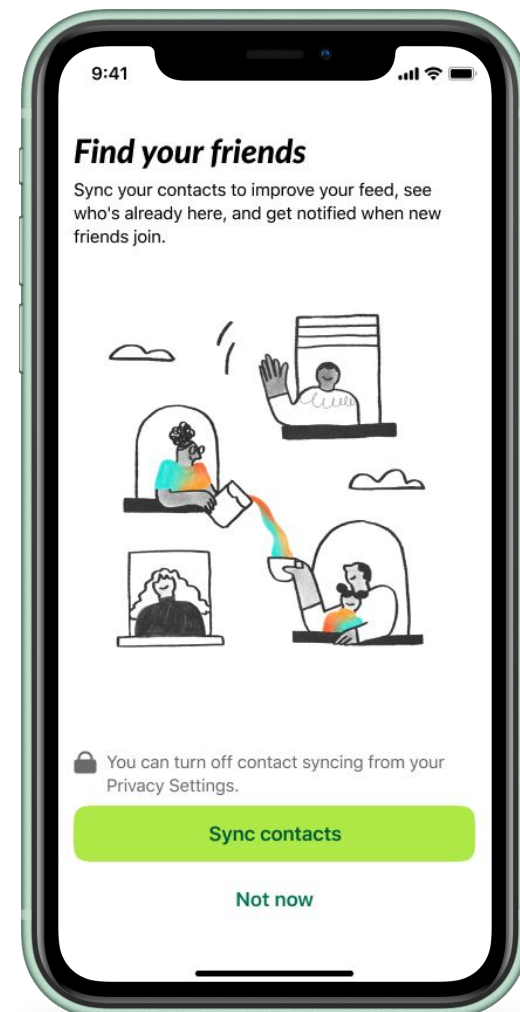
1. Snap and Twitter DAU and ARPU figures reflect data provided in their 2020 10-Ks.



# We have an increasing number of ways to drive acquisition and engagement

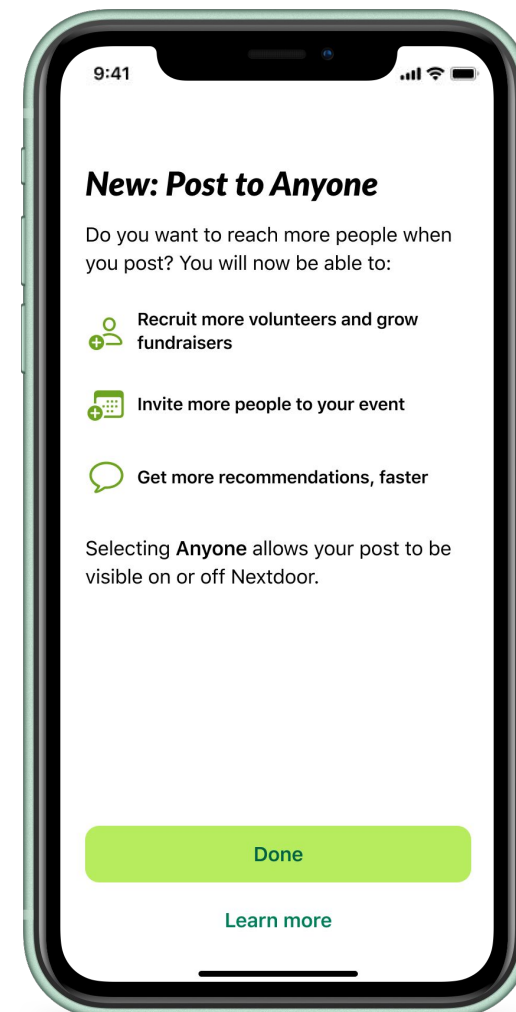
## Contact sync

Multiplying friend networks



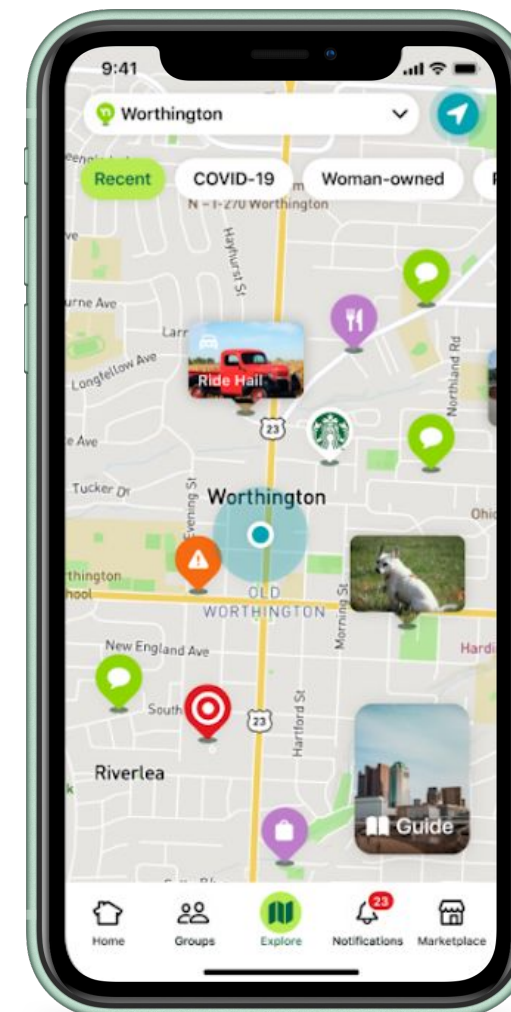
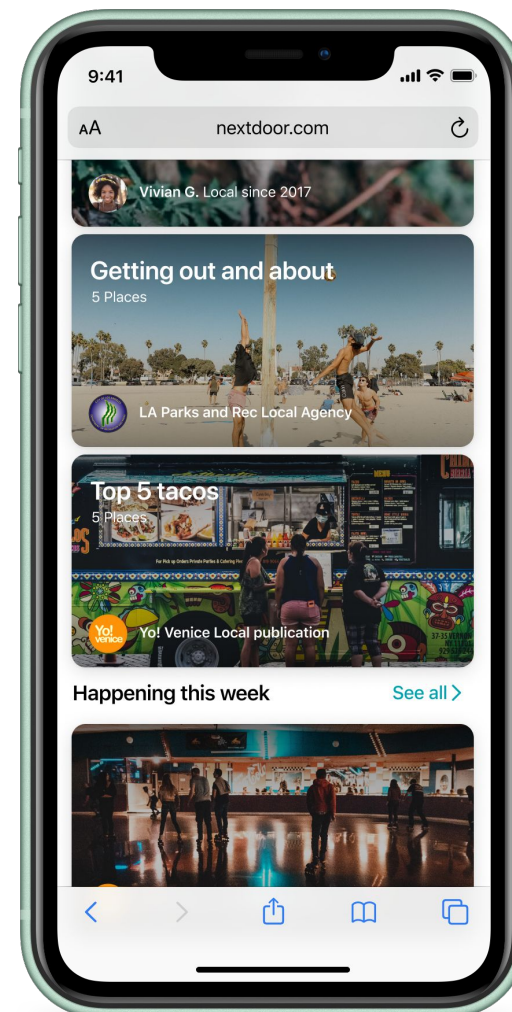
## Sharing

Sharing more content with more people



## Neighborhood Guides

Discovering more in more neighborhoods



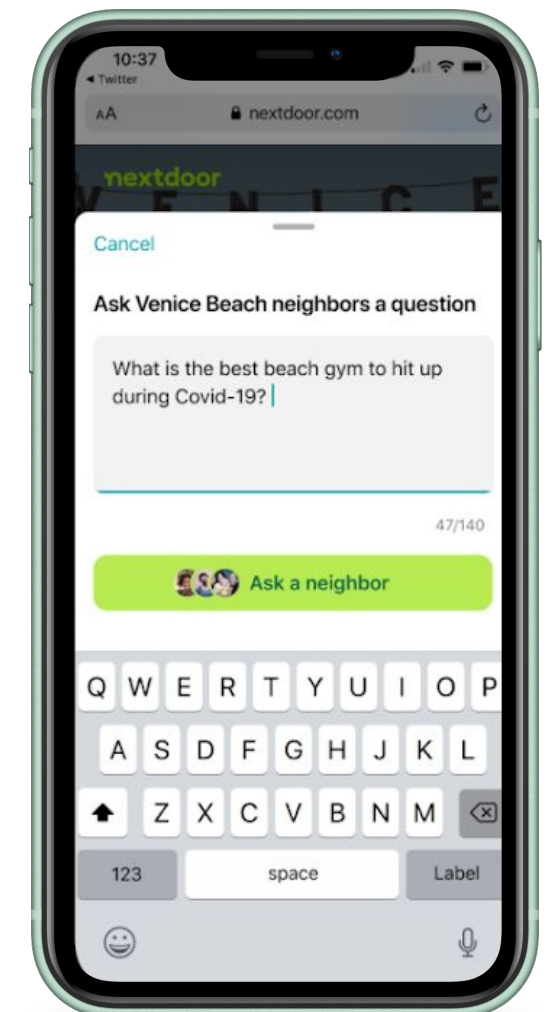
## Video tools

Making moments more shareable



## Ask a Neighbor

Engaging real local insiders



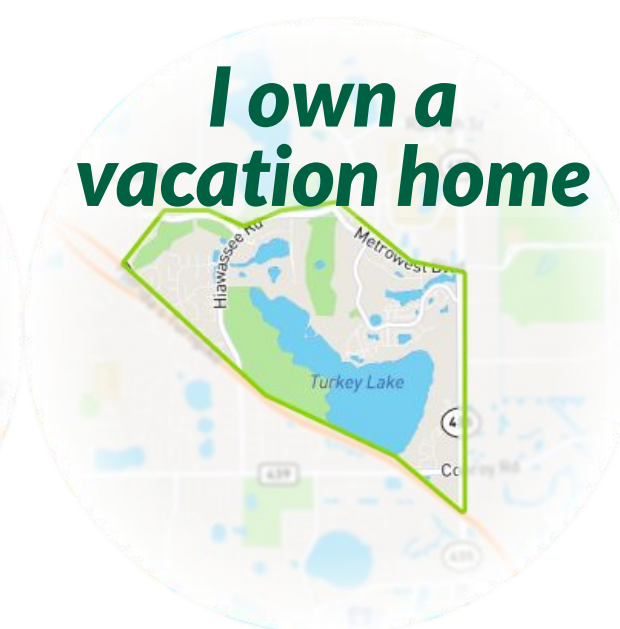
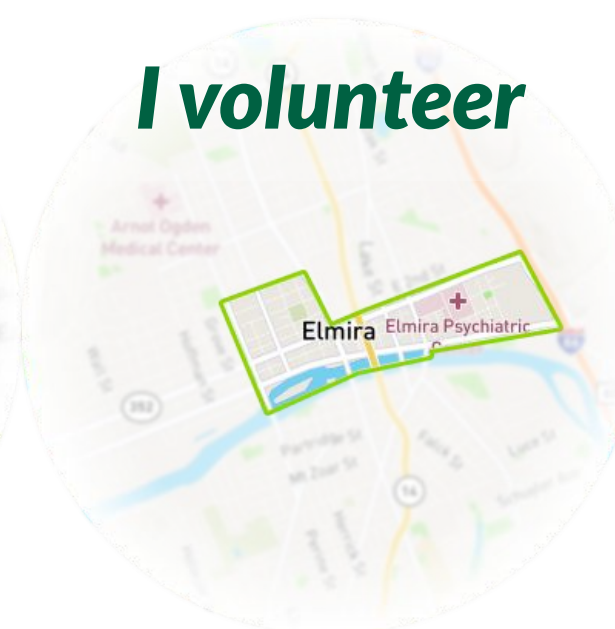
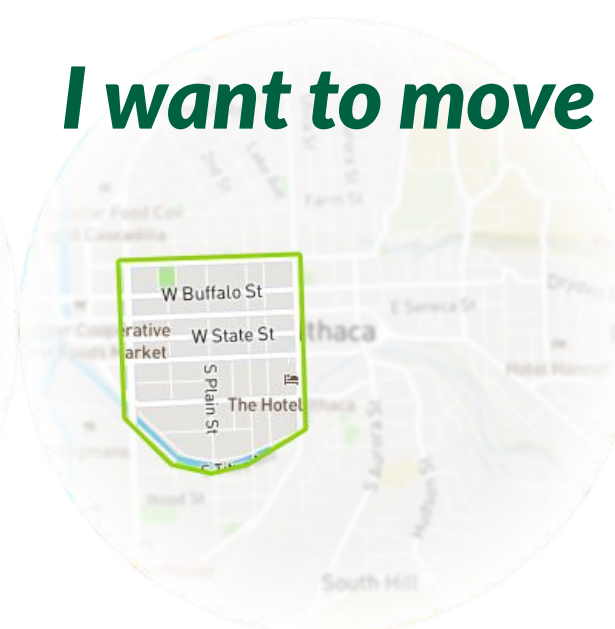
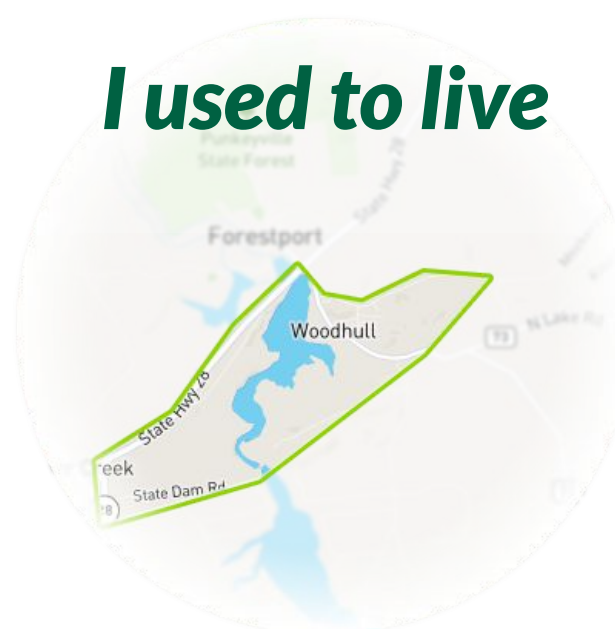
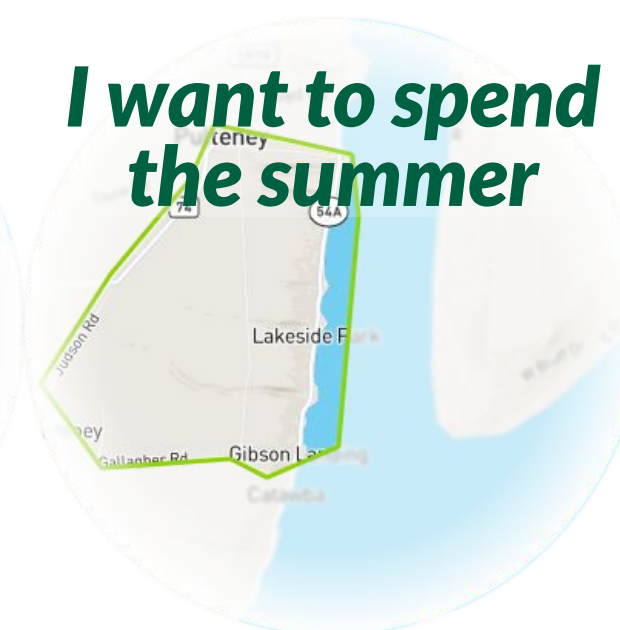
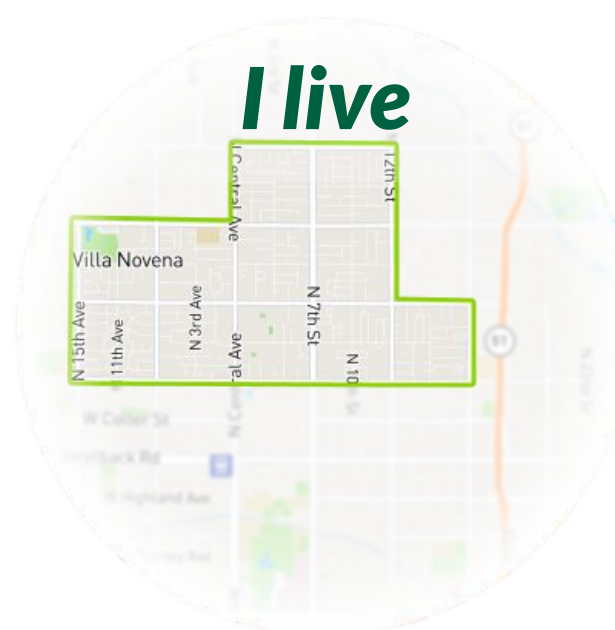
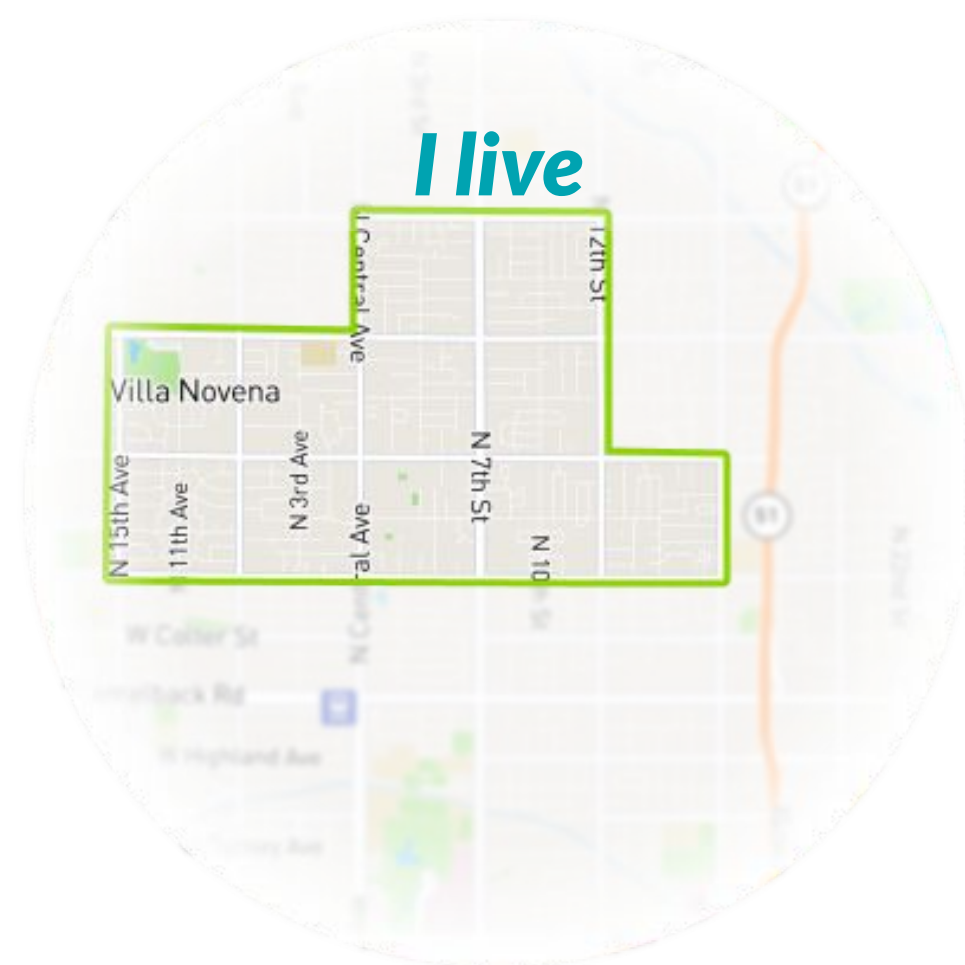


# Expanding engagement by following multiple neighborhoods

**Now: Follow the neighborhood where**

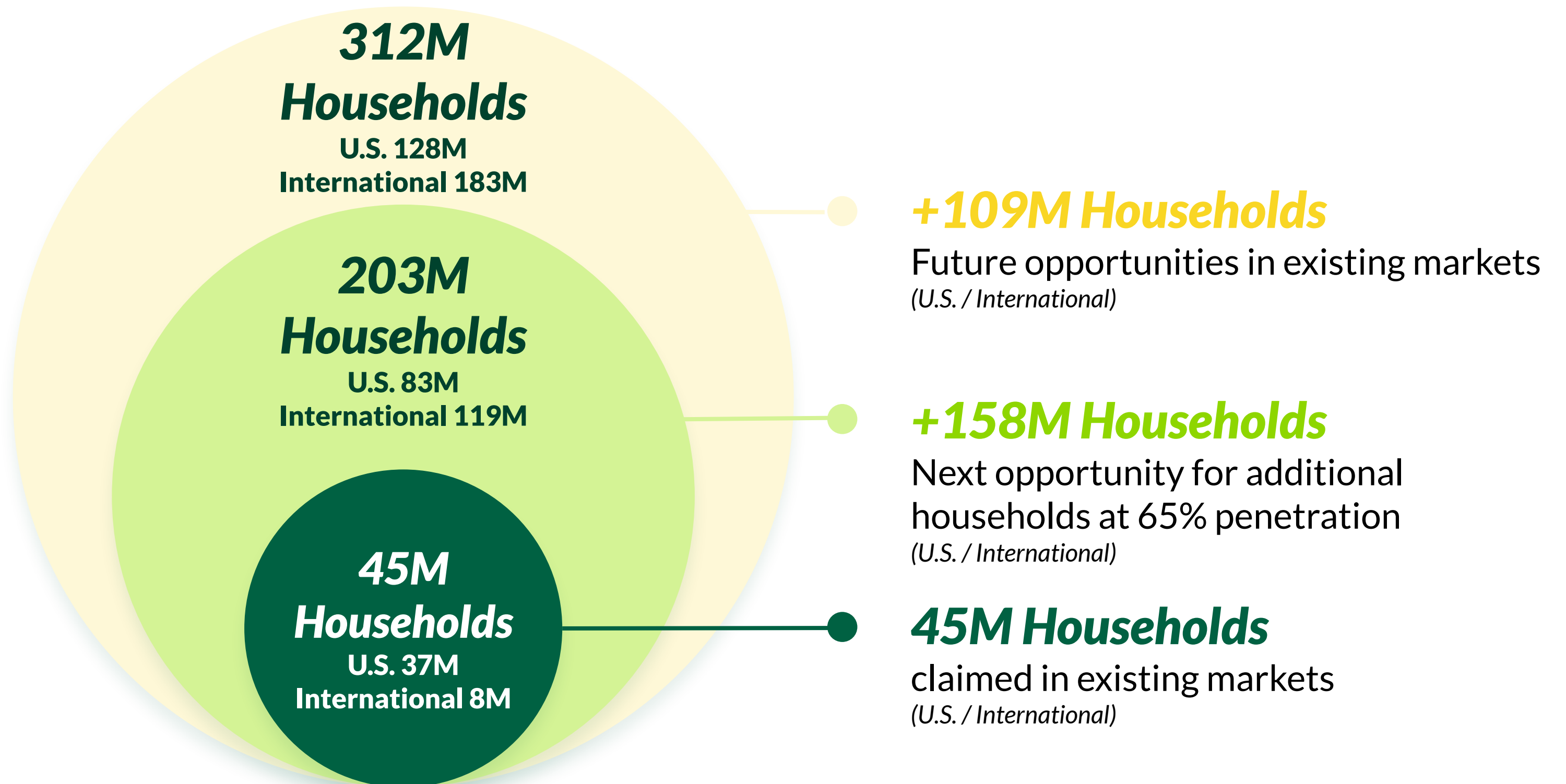


**To come: Follow the neighborhoods where**



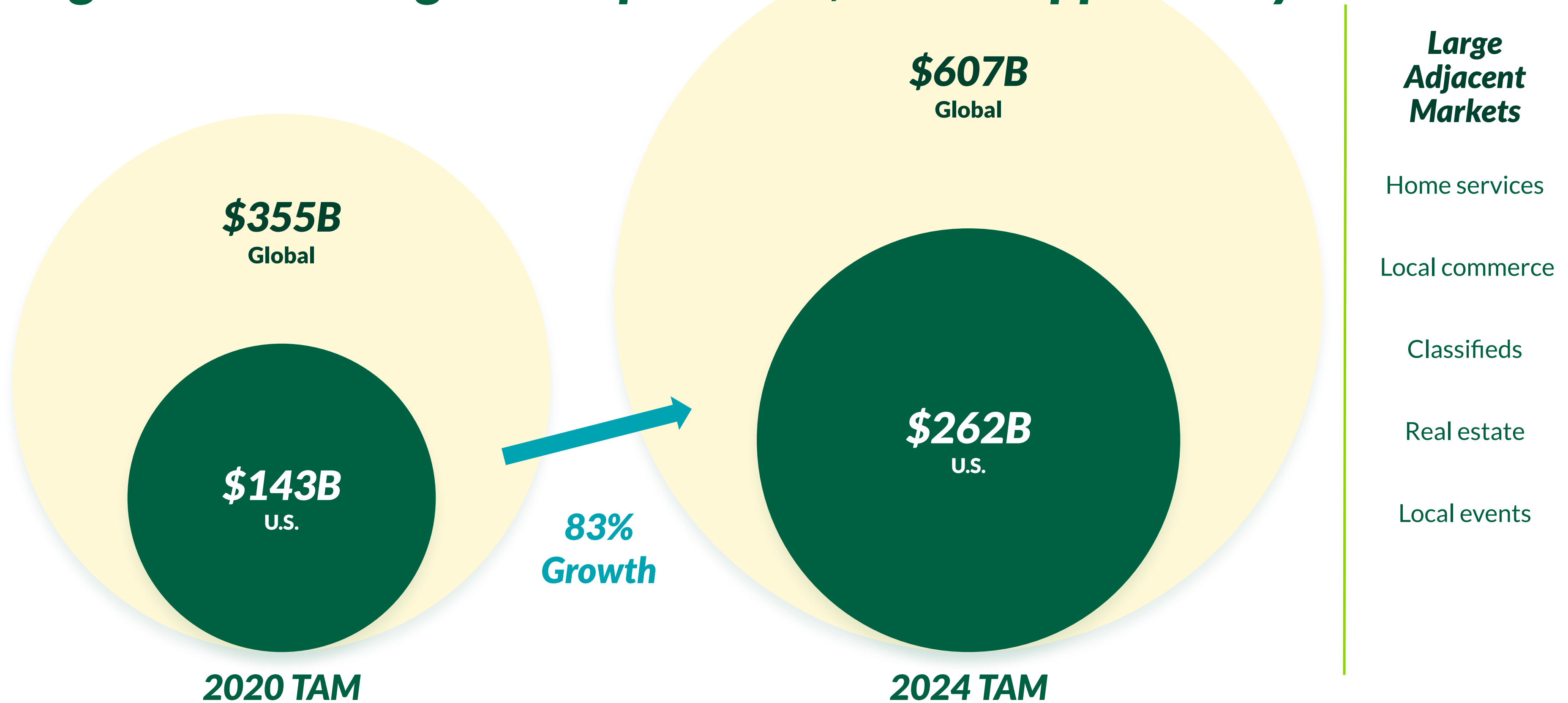


# We can 4.5x our reach just by reaching global penetration in-line with our more mature U.S. neighborhoods





# Digital advertising TAM represents \$600B+ opportunity



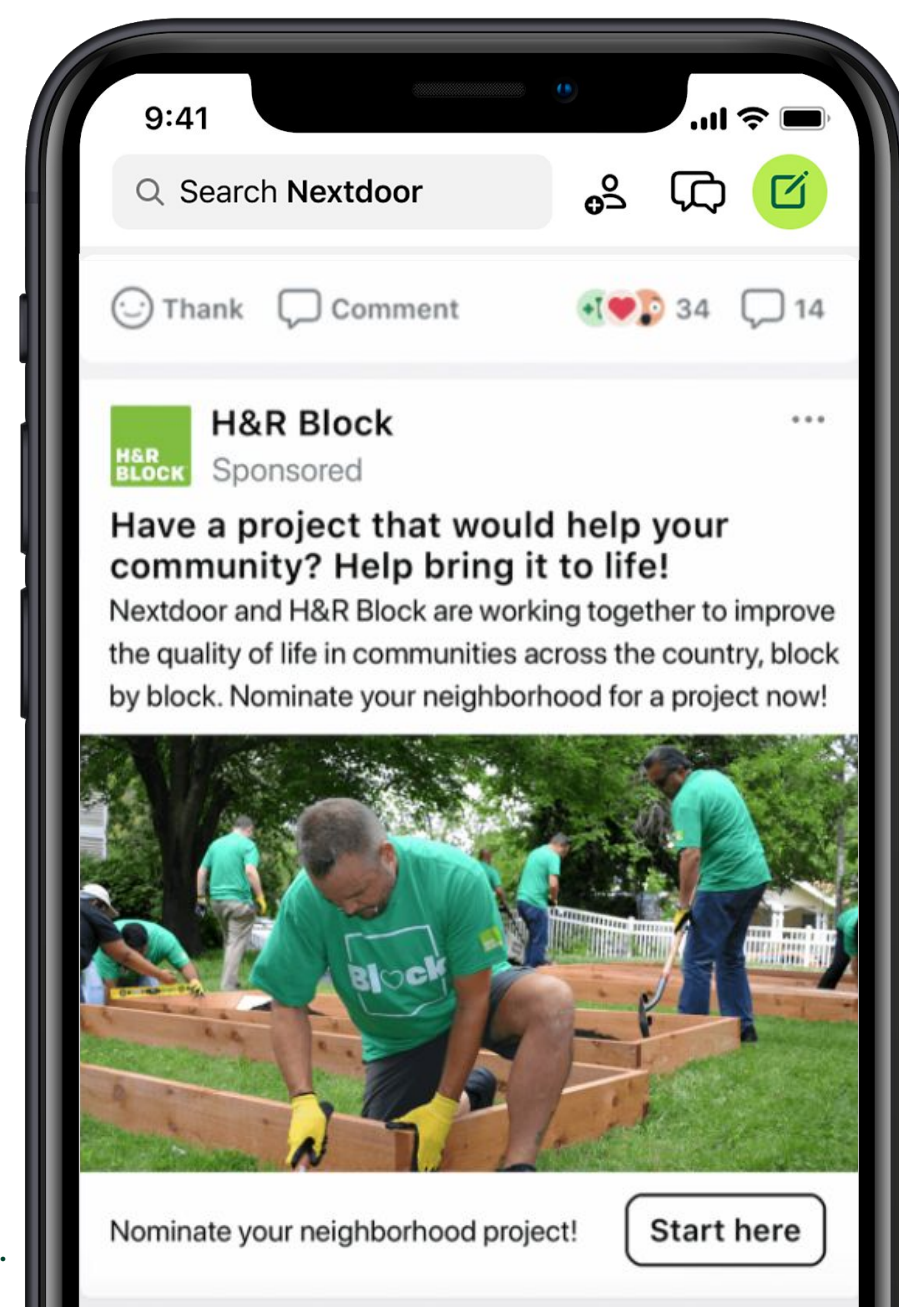
Source: Global and US digital ad markets, [eMarketer March 2021](#)

Note: Digital advertising market is based on eMarketer U.S. ad spend and excluding B2B, which represents 6% of digital ad spend in 2020. Global advertising market includes annual ad spend across all countries world-wide and is not adjusted to Nextdoor's existing 11 markets. For both 2020 and 2024, assumes 6% B2B share across all global markets.

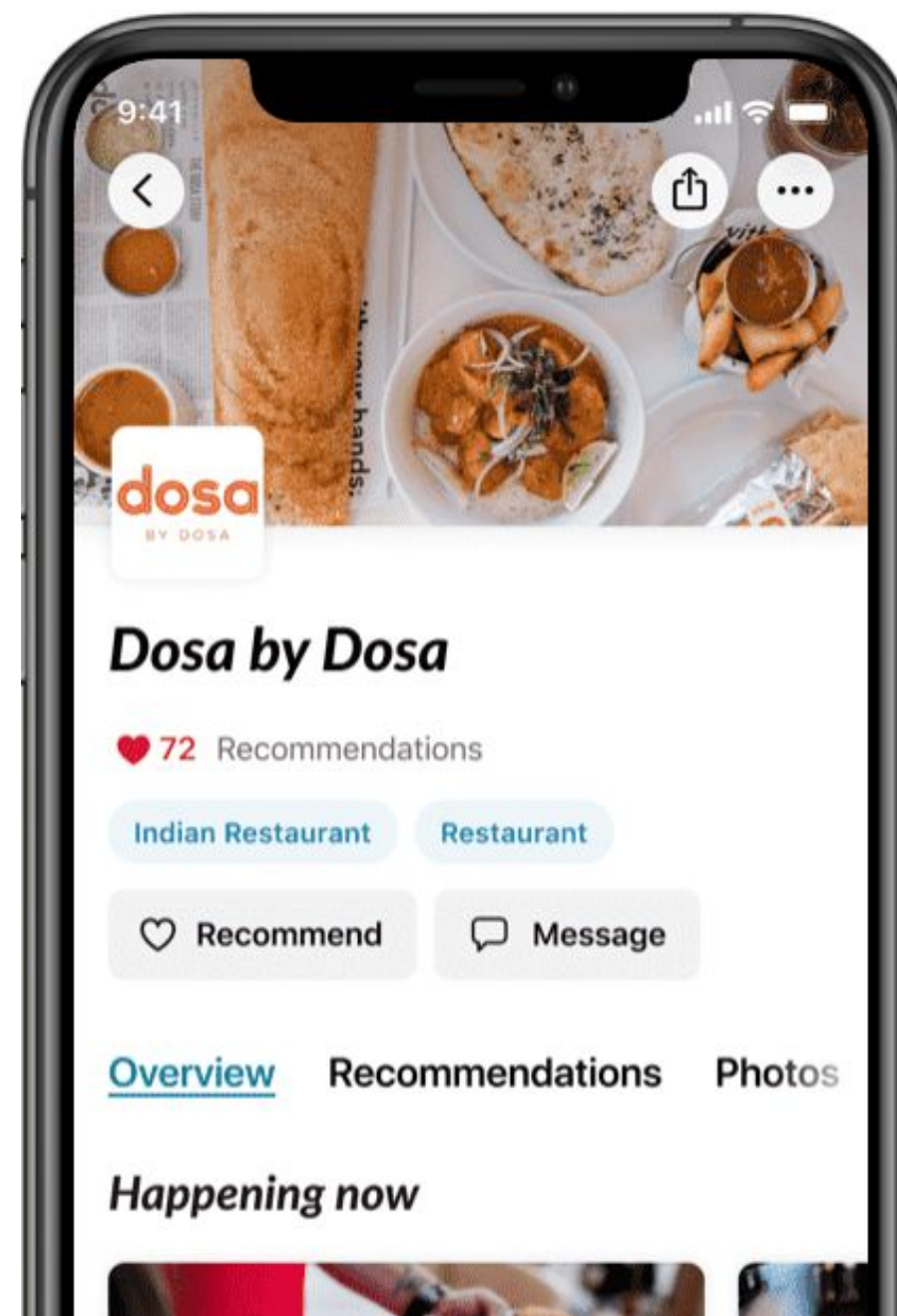


# Connecting neighbors and organizations with highly relevant information

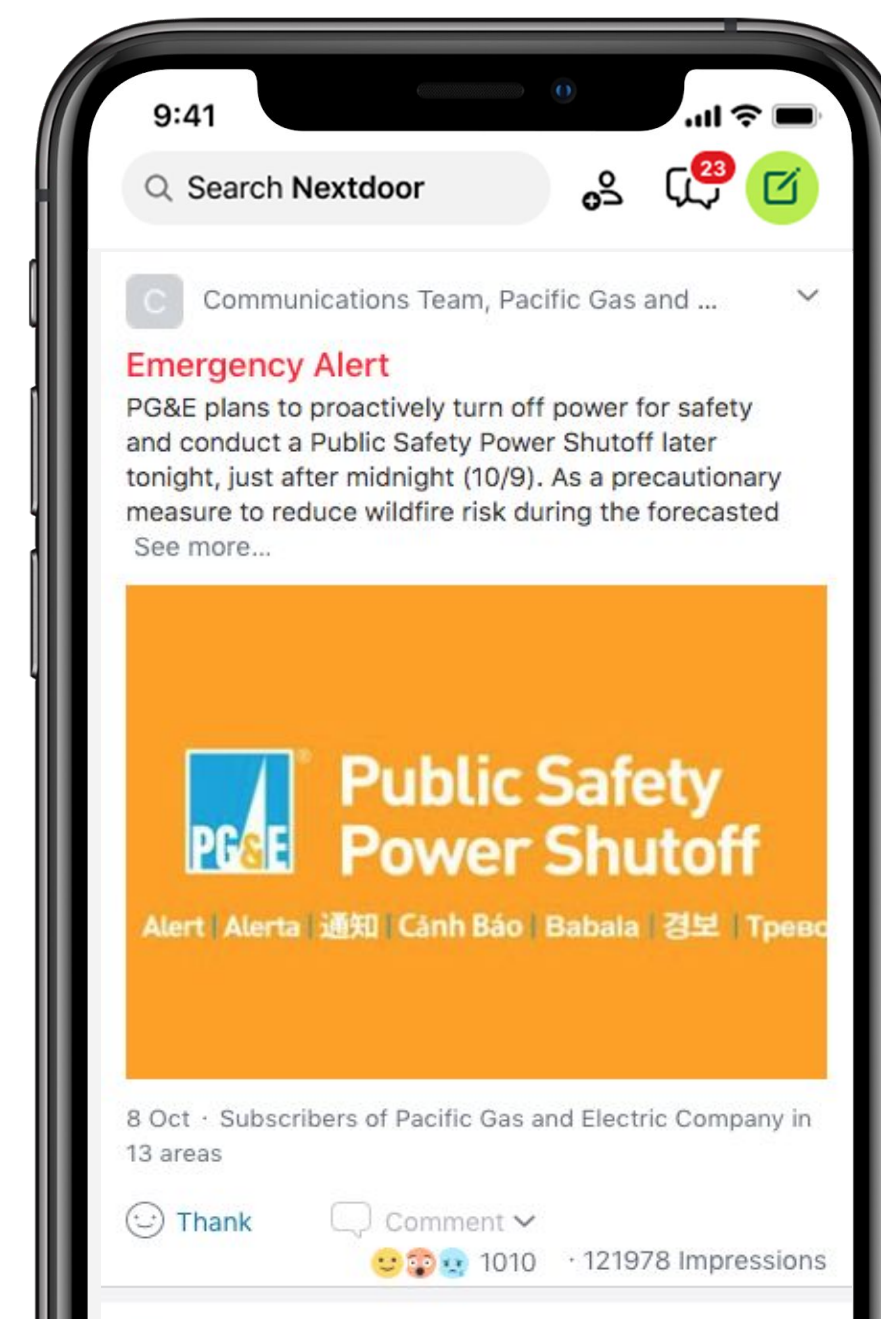
**Global / national brands**  
**Hyperlocal targeting & creative at scale**  
 ~200 enterprise customers



**SMBs / neighbors for hire**  
**Discovery by relevant audiences**  
 >2M local business claimed pages



**Public agencies / utilities**  
**Verified distribution with flexible targeting**  
 >5K public agencies on platform





# Full funnel approach helping neighbors from awareness to action

## Awareness & Discovery

Local context means Nextdoor content is relevant

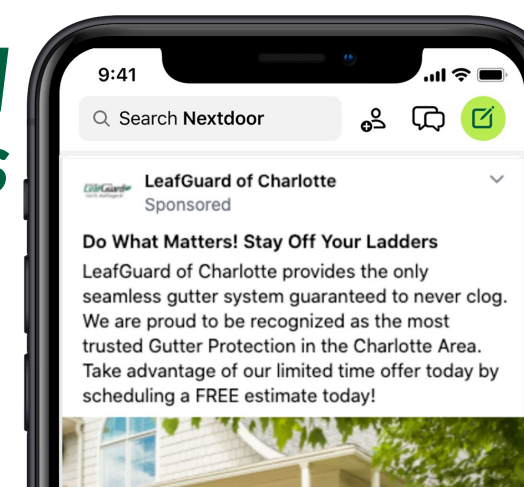
## Intent & Influence

First-party data creates efficient targeting

## Action

Opportunities to purchase and act with ease

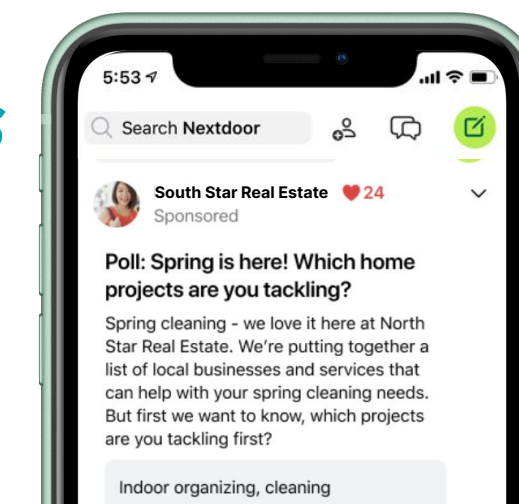
### Sponsored Posts



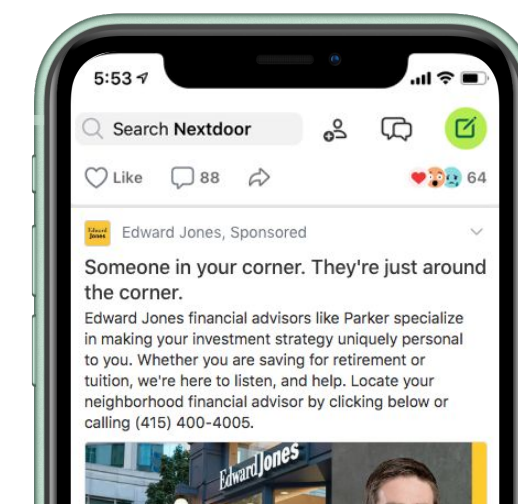
### Maps



### Sponsorships



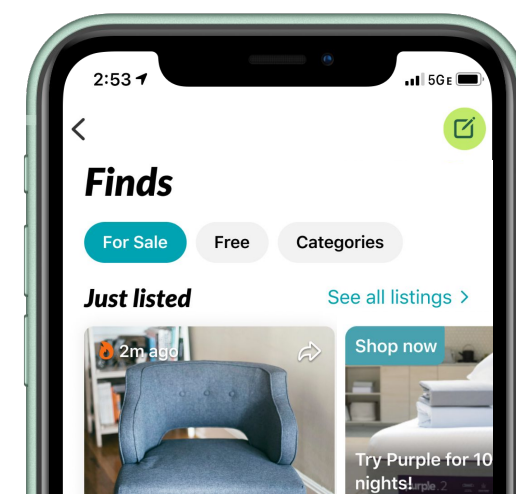
### Dynamic Local Ads



### Local Deals



### Finds





# Why Nextdoor wins: We are the neighborhood network, strong network effects, and clear monetization upside

Nextdoor =  
Neighborhoods

Nextdoor is where you plug into the neighborhoods that matter to you.

Purpose-driven brand

Purpose-driven brand — promotes growth, differentiates the business, and aligns the organization.

Global relevance

60M+ global Verified Neighbors today, and over 70% neighbor retention.

Unique value prop

Built on trusted information, physical proximity, and uniquely local perspective.

Significant global  
addressable market

Everyone is a neighbor. Near-term opportunity to add 150M+ households globally.

Product innovation

10 years of singular focus on all things neighborhood provides utility that can't be replicated.

Multiple drivers of  
monetization

ARPU growth of 28% Y/Y in Q4 '20 and 31% Y/Y in Q1 '21.



# Turbocharged leadership team in last 24 months



**Heidi Andersen**

Head of Revenue



**Maryam Banikarim**

Head of Marketing



**Mike Doyle**

Chief Financial Officer



**Sarah Friar**

Chief Executive Officer



**Prakash Janakiraman**

Co-Founder, Chief Architect



**Craig Lisowski**

Head of Data, Information,  
Systems and Trust



**John Orta**

Chief Legal Officer &  
Head of Corp Dev



**Bryan Power**

Head of People



**Kiran Prasad**

Head of Product



**Antonio Silveira**

Head of Engineering





# Seasoned Board of Directors



**John Hope Bryant**

Entrepreneur, founder, chairman,  
CEO, author, activist



**Sarah Friar**

Chief Executive Officer



**Bill Gurley**

Benchmark



**Leslie Kilgore**

Former Netflix CMO



**Mary Meeker**

Bond



**Jason Pressman**

Shasta Ventures



**David Sze**

Greylock Capital



**Nirav Tolia**

Co-Founder



**Chris Varelas**

Riverwood Capital



**Andrea Wishom**

President, Skywalker  
Holdings





# ***Monetization and Outlook***



# Financial highlights

**Differentiated products with contextual relevance** enable sustainable growth

**High levels of neighbor retention** enable consistent growth and ROI on acquisition spend

**Network effects** increase WAU engagement as penetration increases

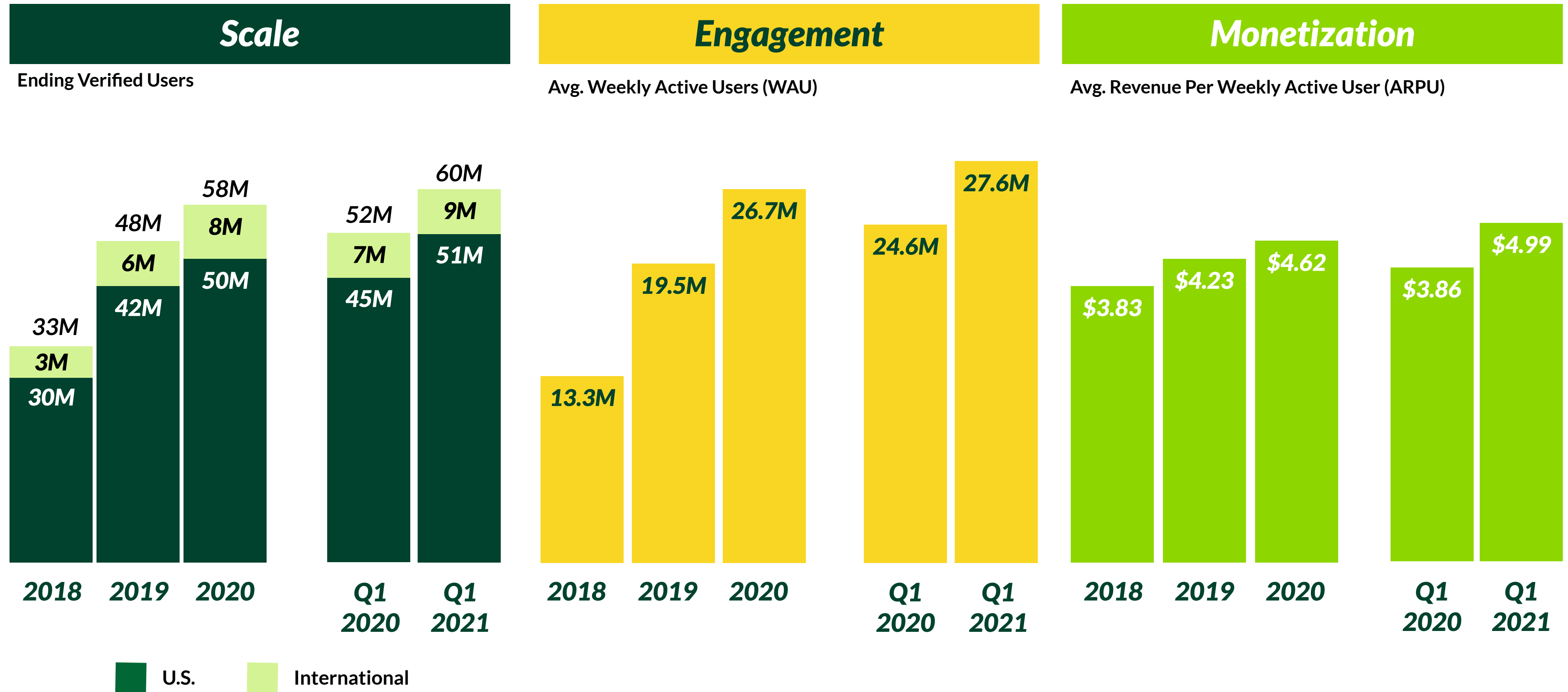
**ARPU expansion with multiple levers** provides opportunity to continue to increase monetization

**Multiple under-monetized products** creating potential for significant upside in the growth

Significant opportunity to monetize in rapidly growing **international markets**



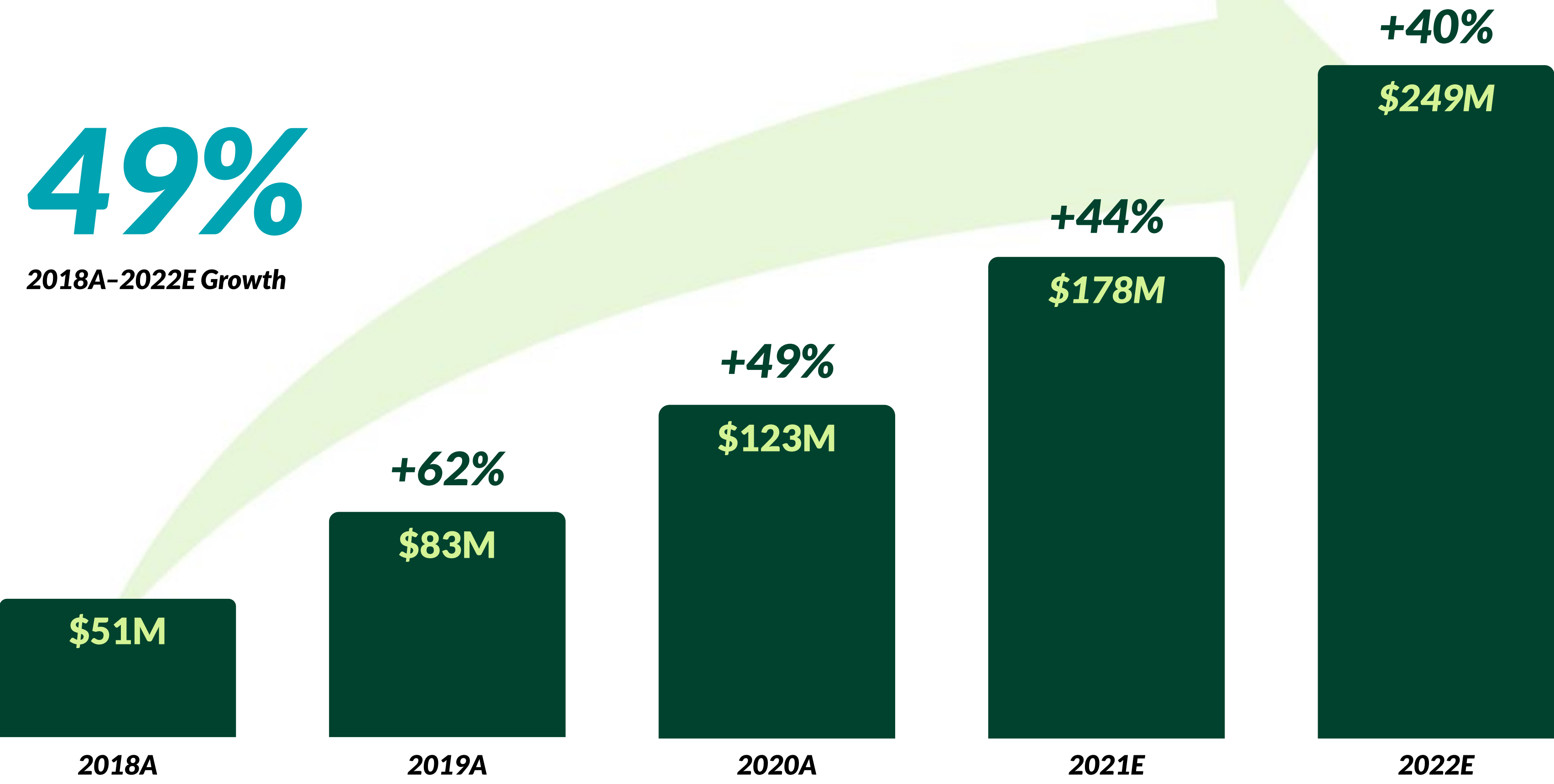
# Growing base of engaged and monetized users



ARPU shown above is calculated as total global revenue divided by the average total global weekly active users (WAU) in the period. WAU defined as the count of unique neighbors who have started a session or opened a content email over the trailing 7 days. Quarterly ARPU is annualized.



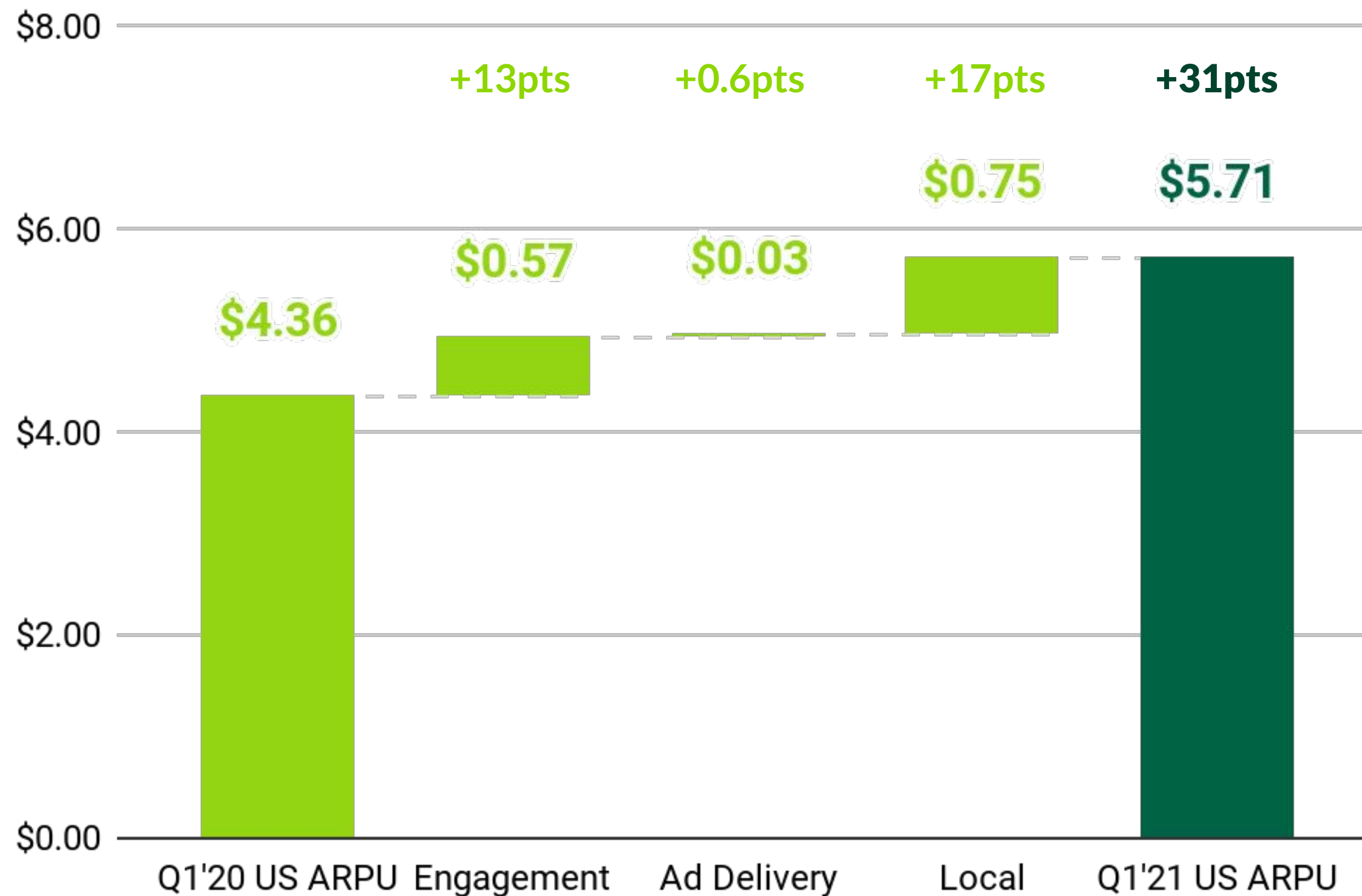
# Strong foundation for continued revenue growth



Forward looking estimates are subject to change. Actual figures may be materially different.



# Multiple drivers of monetization



**Increased engagement, improved fill rates, and non-supply dependent local revenue all drive growth**

**31% growth Y/Y**  
in Q1'21, accelerating from Q4'20



# Sustainable growth; additional capital a potential accelerant

|  | Annual Summary |         |          |          |
|--|----------------|---------|----------|----------|
|  | 2019A          | 2020A   | 2021E    | 2022E    |
| <b>Total Revenue</b>                           | \$83M          | \$123M  | \$178M   | \$249M   |
| % Growth                                       | 62%            | 49%     | 44%      | 40%      |
| <b>Total ARPU</b>                              | \$4.23         | \$4.62  | \$5.93   | \$6.47   |
| % Growth                                       | 10%            | 9%      | 28%      | 9%       |
| <b>Operating Expenses</b>                      | \$158M         | \$200M  | \$280M   | \$352M   |
| % of Total Revenue                             | 191%           | 162%    | 158%     | 142%     |
| % Growth                                       | 70%            | 27%     | 40%      | 26%      |
| <b>Net Loss</b>                                | \$(73M)        | \$(75M) | \$(103M) | \$(103M) |
| <b>Non-GAAP Operating Expenses<sup>1</sup></b> | \$141M         | \$174M  | \$228M   | \$294M   |
| % of Total Revenue                             | 171%           | 141%    | 128%     | 118%     |
| % Growth                                       | 66%            | 23%     | 31%      | 29%      |
| <b>Adj. EBITDA</b>                             | \$(59M)        | \$(50M) | \$(50M)  | \$(45M)  |
| % Margin                                       | (71%)          | (41%)   | (28%)    | (18%)    |
| Y/Y Margin Improvement                         | (3%)           | 31%     | 13%      | 10%      |

**Current model does not  
assume additional capital**

Additional funding can  
significantly accelerate growth

**Long Term Target Margins:**

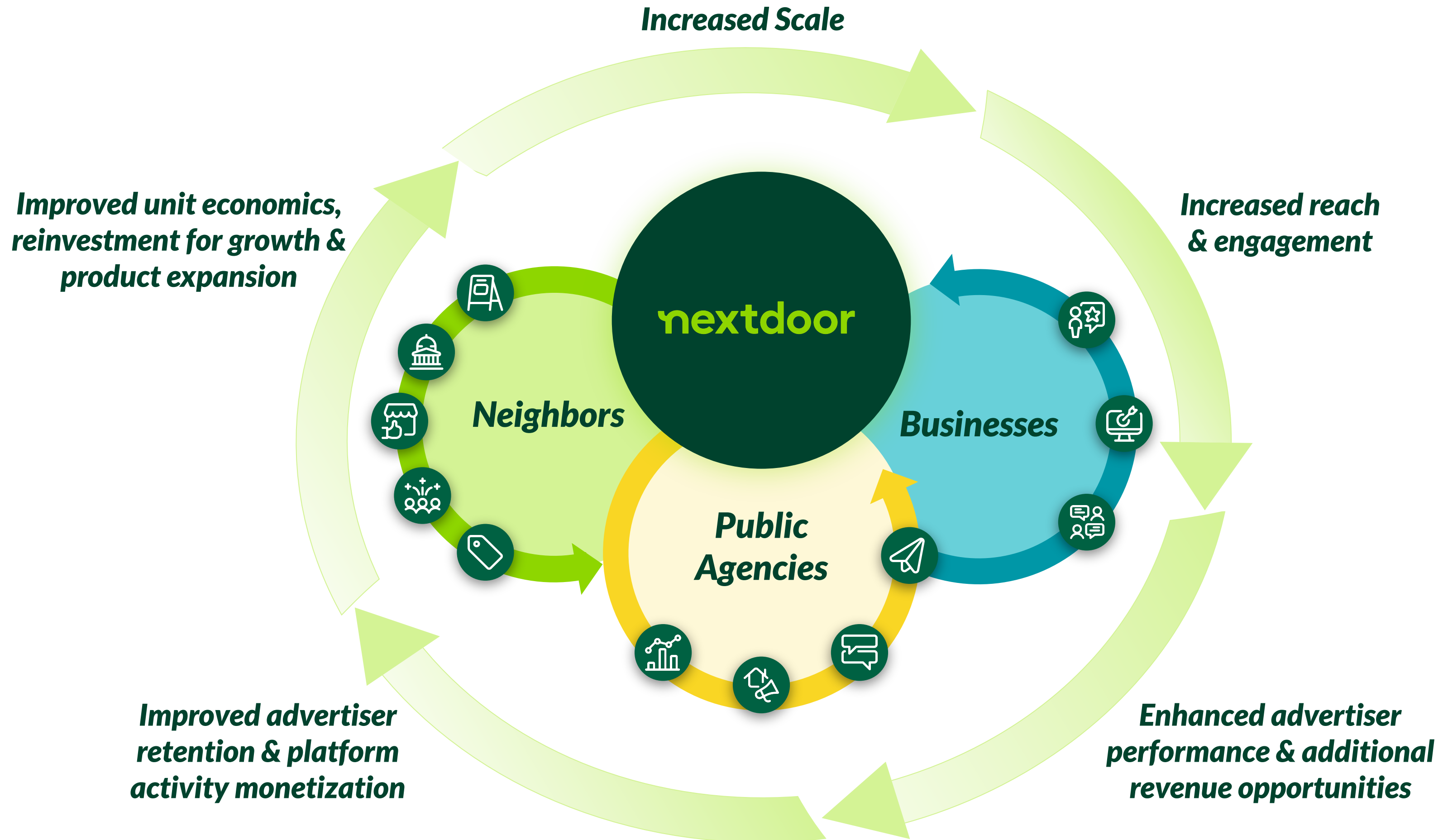
Adjusted EBITDA  
Margins of ~40%

Forward looking estimates are subject to change. Actual figures may be materially different. For a reconciliation of non-GAAP financial measures to GAAP, see appendix.

1. Non-GAAP Operating Expenses includes cost of revenue, sales and marketing, research and development and general and administrative expenses, excluding depreciation and amortization, stock-based compensation and acquisition-related costs.



# Viral growth loops reinforce the strength of our model





## Risks Related to Nextdoor’s Business and Industry Following the [Business Combination]

1. Nextdoor has a limited operating history at the current scale of its business and is still scaling up its monetization efforts, which makes it difficult to evaluate its current business and future prospects, and there is no assurance it will be able to scale its business for future growth.
2. Nextdoor generates substantially all of its revenue from advertising. If advertisers reduce or eliminate their spending with Nextdoor, Nextdoor’s business, operating results, and financial condition would be adversely impacted.
3. Nextdoor’s ability to attract and retain advertisers depends on its ability to collect and use data and develop products to enable it to effectively deliver and accurately measure advertisements on the Nextdoor platform.
4. If Nextdoor fails to add new neighbors or retain current neighbors, or if current neighbors engage less with Nextdoor, its business, operating results, and financial condition would be adversely impacted.
5. Nextdoor’s business is highly competitive. Competition presents an ongoing threat to the success of Nextdoor’s business.
6. Nextdoor’s business is dependent on its ability to maintain and scale its product offerings and technical infrastructure, and any significant disruption in the availability of Nextdoor’s platform could damage Nextdoor’s reputation, result in a potential loss of neighbors and engagement, and adversely affect Nextdoor’s business, operating results, and financial condition.
7. Nextdoor has experienced rapid growth and expects to invest in its growth for the foreseeable future. If Nextdoor fails to manage its growth effectively, its business, operating results, and financial condition would be adversely affected.
8. If Nextdoor does not successfully anticipate market needs and develop products and services and platform enhancements that meet those needs, or if those products, services and platform enhancements do not gain market acceptance, its business, operating results, and financial condition will be adversely impacted.
9. If Nextdoor’s efforts to build strong brand identity and reputation are not successful, it may not be able to attract or retain neighbors, and its business, operating results, and financial condition will be adversely affected.
10. Unfavorable media coverage negatively affects Nextdoor’s business from time to time.
11. Health epidemics, including the COVID-19 pandemic have had or could have an adverse impact on Nextdoor’s business, operations and the markets and communities in which Nextdoor, its partners and its customers operate.
12. Nextdoor plans to continue expanding its international operations where it has limited operating experience and may be subject to increased business and economic risks that could seriously harm its business, operating results, and financial condition.
13. If Nextdoor needs additional capital in the future, it may not be available on favorable terms, if at all.
14. Nextdoor plans to continue to make acquisitions, which could harm its financial condition or results of operations and may adversely affect the price of its Class A common stock.
15. Nextdoor’s business depends largely on its ability to attract and retain talented employees, including senior management. If Nextdoor loses the services of Sarah Friar, its Chief Executive Officer, or other members of its senior management team, Nextdoor may not be able to execute on its business strategy.
16. Nextdoor’s core values may conflict with the short-term interests of its business.
17. Nextdoor is dependent on Google Ad Manager (“GAM”) for a substantial majority of its revenue. Any failure or change in the GAM product or its terms and conditions, data usage or pricing could adversely affect Nextdoor’s business, operating results, and financial condition.
18. Nextdoor relies on third-party software and service providers, including Amazon Web Services (“AWS”), to provide systems, storage and services for its platform. Any failure or interruption experienced by such third parties, including as a result of the COVID-19 pandemic, could result in the inability of neighbors and advertisers to access or utilize Nextdoor’s platform, and adversely impact Nextdoor’s business, operating results, and financial condition.
19. Nextdoor relies on third parties, including email providers, mobile data networks, geolocation providers and the United States Postal Service (“USPS”) to verify its neighbors’ addresses. Any failure or interruption experienced by such third parties, including the USPS, could result in the inability of neighbors to join Nextdoor’s platform, resulting in harm to Nextdoor’s reputation and an adverse impact to its business, operating results, and financial condition.
20. Technologies have been developed that can block the display of advertisements on the Nextdoor platform, which could adversely impact its business, operating results, and financial condition.
21. Security breaches and improper access to or disclosure of Nextdoor’s data or its neighbors’ data, or other hacking and phishing attacks on Nextdoor’s or third-party systems, could harm its reputation and adversely affect its business.
22. Distribution and marketing of, and access to, Nextdoor’s platform depends, in significant part, on a variety of third-party publishers and platforms (including mobile app stores, third party payment providers, computer systems, and other communication systems and service providers). If these third parties limit, prohibit or otherwise interfere with or change the terms of the distribution, use or marketing of Nextdoor’s platform in any material way, it could materially adversely affect Nextdoor’s business, operating results, and financial condition.
23. Nextdoor’s platform and internal systems rely on software and hardware that is highly technical, and any errors, bugs, or vulnerabilities in these systems, or failures to address or mitigate technical limitations in Nextdoor’s systems, could adversely affect its business.



**Risks Related to Financial and Accounting Matters**

1. Nextdoor’s operating results may fluctuate significantly, which makes its future results difficult to predict.
2. Certain of Nextdoor’s market opportunity estimates, growth forecasts and key metrics could prove to be inaccurate, and any real or perceived inaccuracies may harm its reputation and negatively affect its business.
3. Nextdoor has a history of net losses and may experience net losses in the future and Nextdoor cannot assure you that it will achieve or sustain profitability. If Nextdoor cannot achieve and sustain profitability, its business, financial condition, and operating results will be adversely affected.
4. Nextdoor’s ability to use its U.S. federal and state net operating losses to offset future taxable income may be subject to certain limitations which could subject Nextdoor’s business to higher tax liability.
5. Nextdoor’s financial results may be adversely affected by changes in accounting principles generally accepted in the United States and its financial estimates may be different from its financial results.
6. If currency exchange rates fluctuate substantially in the future, Nextdoor’s operating results, which are reported in U.S. dollars, could be adversely affected.
7. Nextdoor may have exposure to greater-than-anticipated tax liabilities, which could seriously harm its business.
8. Taxing authorities in the U.S. and in foreign jurisdictions may successfully assert that Nextdoor should have collected or in the future should collect sales and use, gross receipts, value-added or similar taxes and may successfully impose additional obligations on Nextdoor, and any such assessments or obligations could adversely affect Nextdoor’s business, operating results, and financial condition.
9. The interpretation and application of recent U.S. tax legislation or other changes in U.S. or non-U.S. taxation of Nextdoor’s operations could harm its business, operating results, and financial condition.

**Risks Related to Legal and Regulatory Matters**

10. Nextdoor may be liable as a result of content or information that is published or made available on its platform.
11. Actions by governments that restrict access to Nextdoor’s platform in their countries, or that otherwise impair Nextdoor’s ability to sell advertising in their countries, could substantially harm Nextdoor’s business, operating results, and financial condition.
12. Nextdoor’s business is subject to complex and evolving U.S. and foreign laws, regulations and industry standards regarding data privacy, cybersecurity, intellectual property (including copyright and patent laws), content, rights of publicity, advertising, marketing, competition, protection of minors, consumer protection, taxation, and telecommunications, and other matters, and it cannot yet determine the impact that such future laws, regulations and industry standards may have on Nextdoor’s business. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to Nextdoor’s business practices, monetary penalties, increased cost of operations, or declines in neighbor growth or engagement, or otherwise harm Nextdoor’s business, operating results, and financial condition.
13. Nextdoor could be involved in legal disputes that are expensive and time consuming, and, if resolved adversely, could harm its business, operating results, and financial condition.
14. Exposure to United Kingdom political developments, including the effect of its withdrawal from the European Union, could be costly and difficult to comply with and could adversely impact Nextdoor’s business, operations results, and financial condition.
15. The obligations associated with operating as a public company following the [Business Combination] will require significant resources and management attention and will cause Nextdoor to incur additional expenses, which will adversely affect its profitability.
16. Failure to maintain effective systems of internal control and disclosure controls could have a material adverse effect on Nextdoor’s business, operating results, and financial condition.

**Risks Related To Intellectual Property**

17. If Nextdoor is unable to protect its intellectual property, the value of its brands and other intangible assets may be diminished, and its business, operating results, and financial condition may be adversely affected.
18. Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and proprietary information.
19. Nextdoor’s use of “open source” software could subject it to possible litigation or could prevent it from offering products that include open source software or require it to obtain licenses on unfavorable terms.

**Risks Related to Ownership of Nextdoor’s Class A Common Stock**

20. The dual class structure of Nextdoor’s common stock may adversely affect the trading market for its Class A common stock following the closing of the transaction.
21. The dual class structure of Nextdoor’s common stock will have the effect of concentrating voting power with Nextdoor’s management and other existing stockholders, which will limit your ability to influence the outcome of important transactions, including a change in control.
22. Nextdoor does not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of Nextdoor’s Class A common stock.





# Appendix

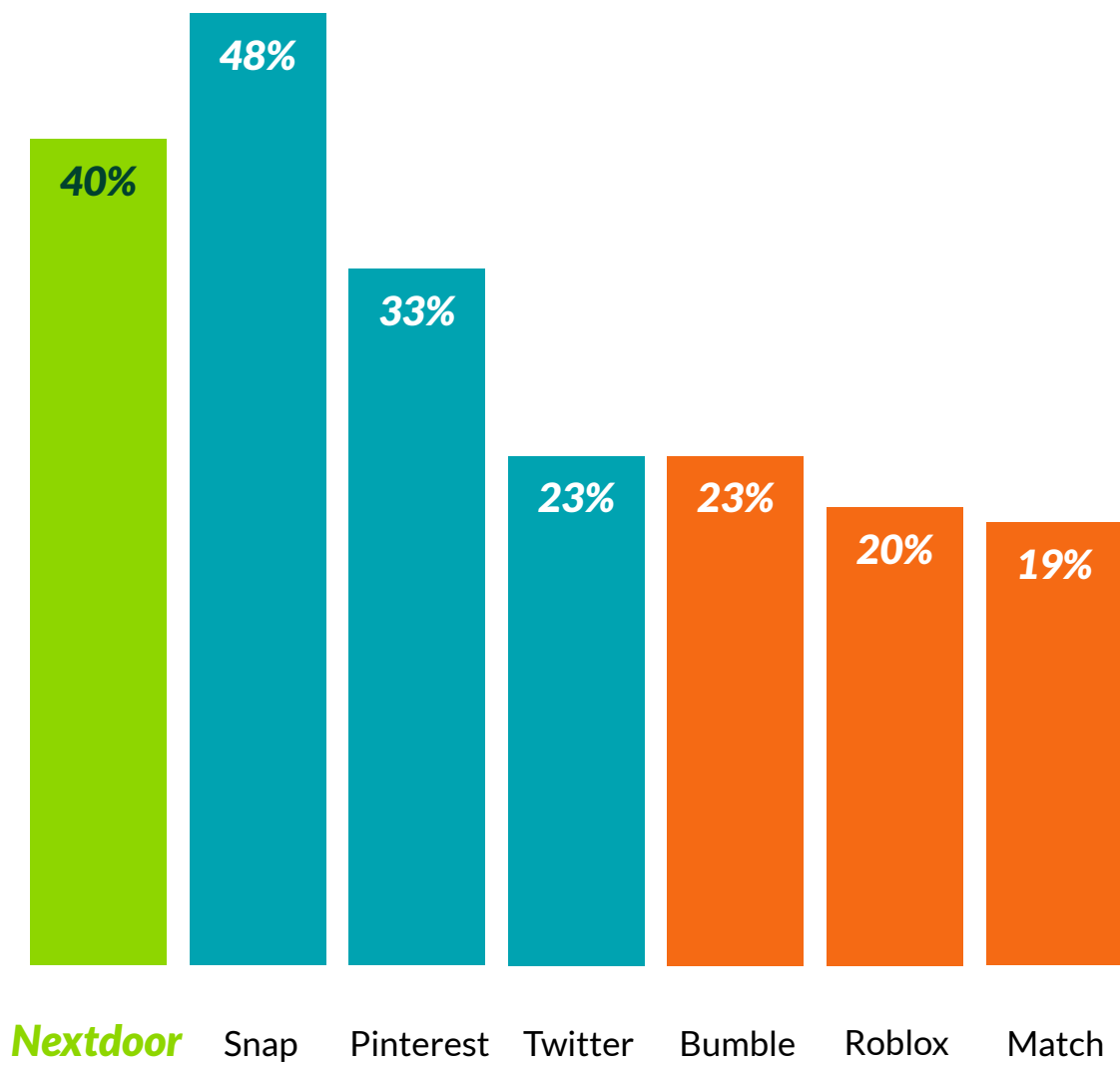


# Attractive Valuation

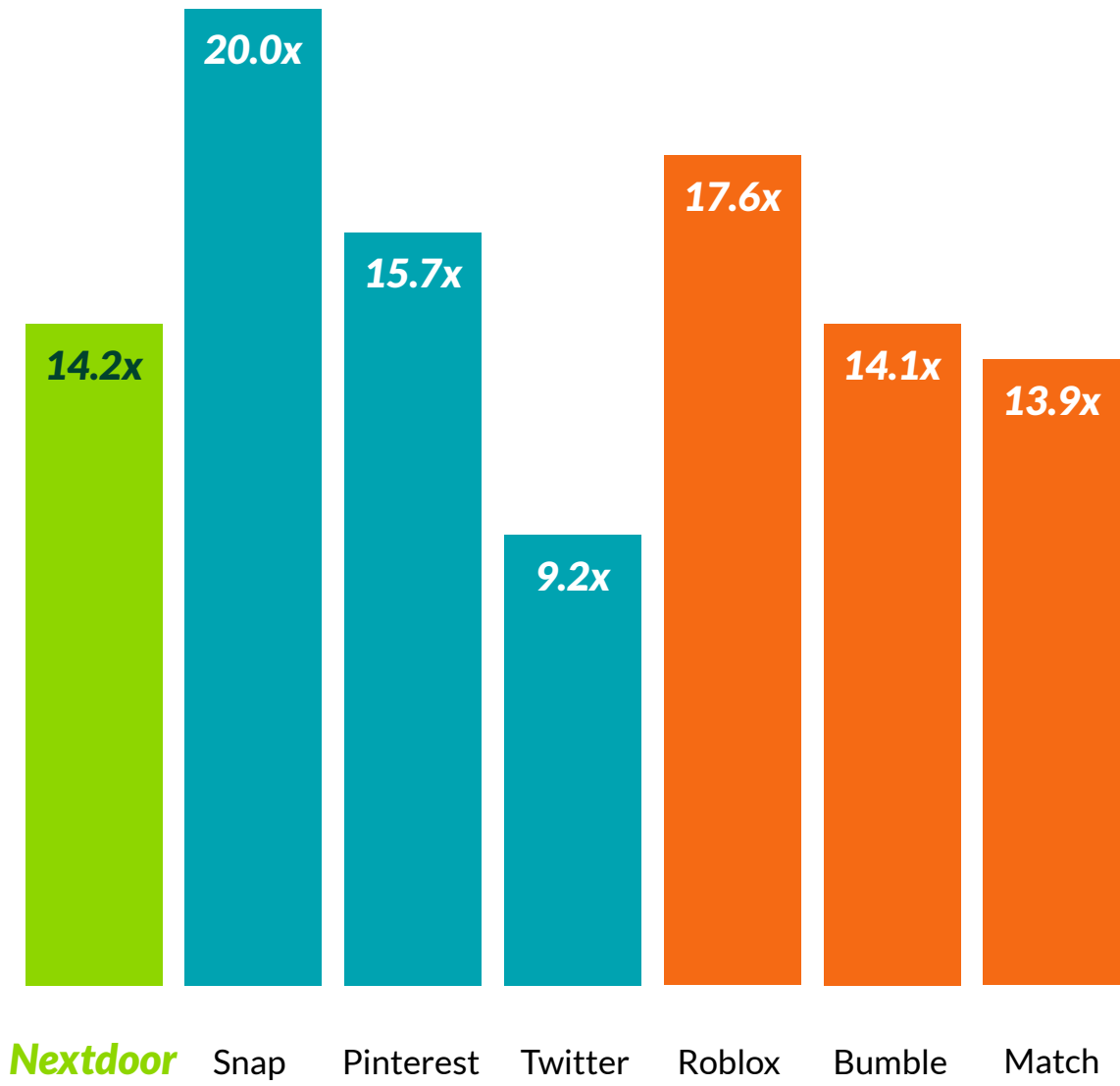
Advertising  
Comps

Community  
Comps

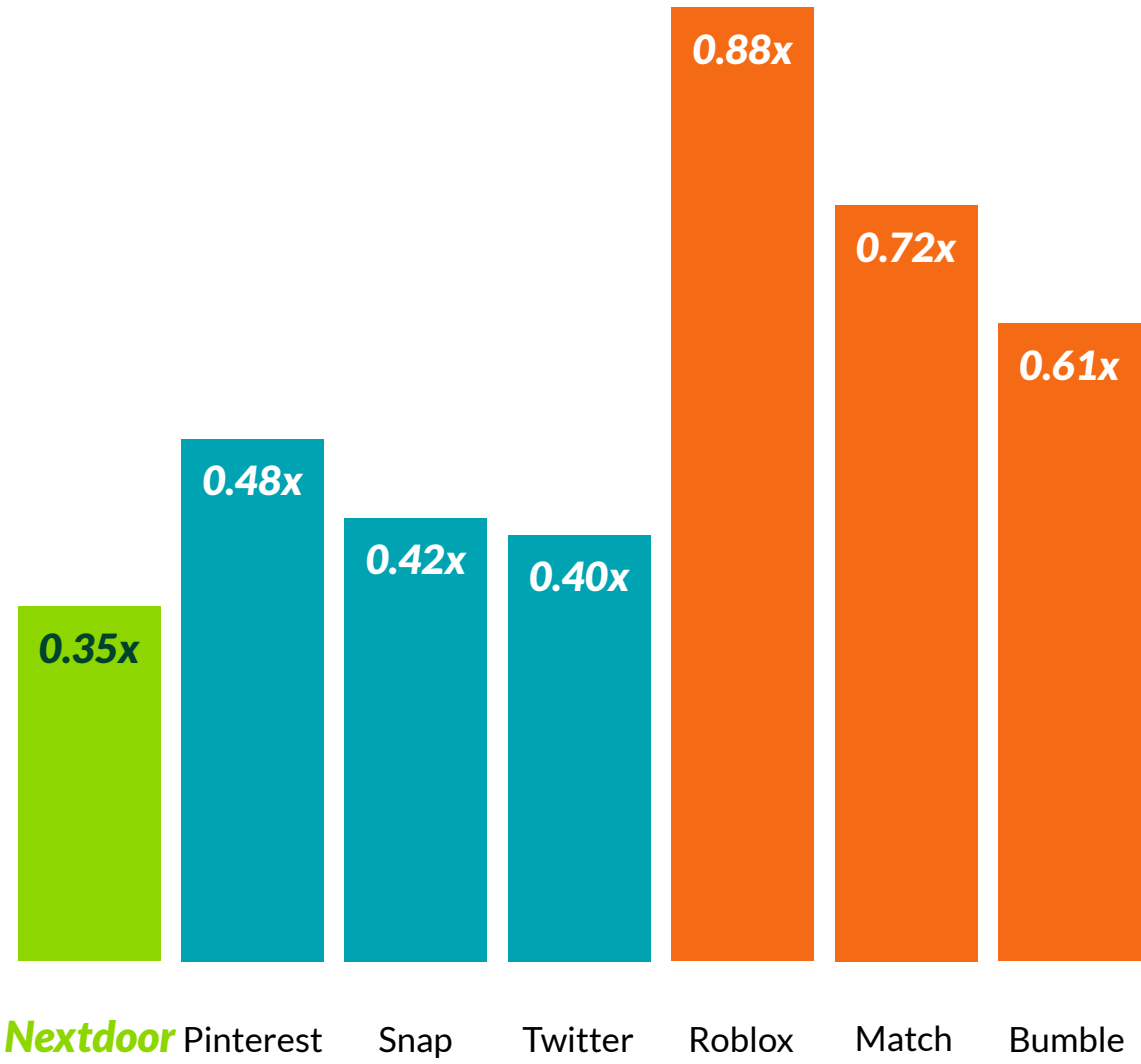
2021E - 2022E Revenue Growth



2022E EV / Revenue



2022E EV / Growth Adj. Revenue



Source: Capital IQ  
Market data and Thomson consensus estimates as of 7/2/2021  
Assumes \$3.5B Enterprise Value for Nextdoor



# Transaction Summary

(\$ in millions, except share price)

## Sources

|  |         |
|--|---------|
| SPAC Cash in Trust (Assuming no Redemptions) | \$416   |
| PIPE   | \$270   |
| Existing Equity Holders' Rollover            | \$3,500 |
| Total Sources                                | \$4,186 |

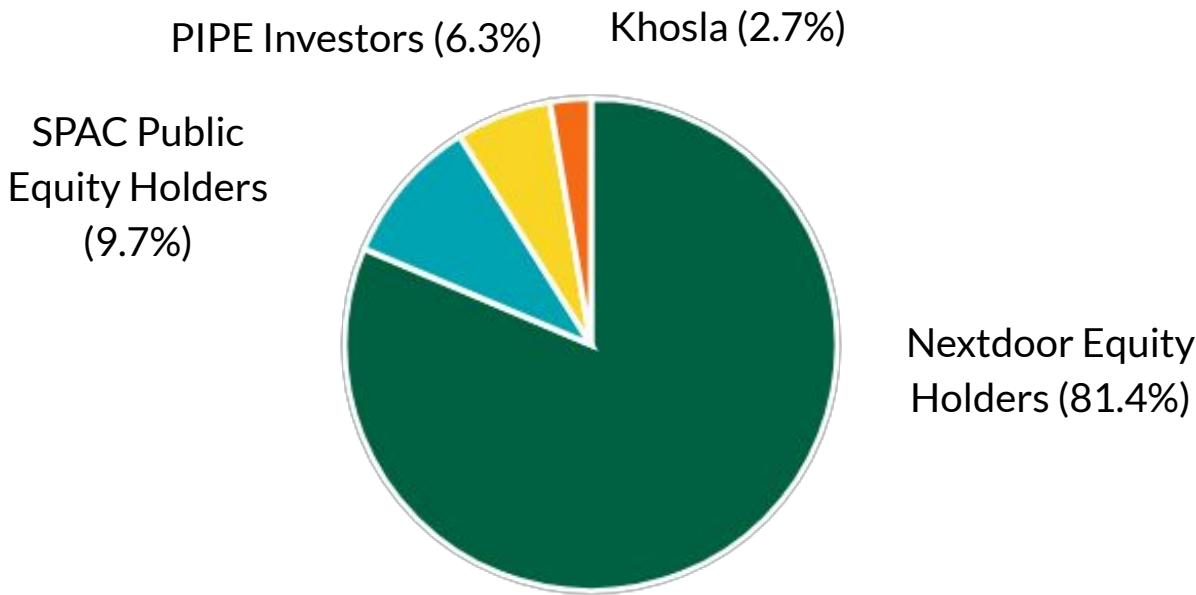
## Uses

|   |         |
|---|---------|
| Cash Proceeds to Nextdoor                       | \$642   |
| Equity Consideration to Existing Equity Holders | \$3,500 |
| Estimated Transaction Expenses                  | \$44    |
| Total Sources                                   | \$4,186 |

## Pro Forma Capitalization

|                          |         |
|--------------------------|---------|
| Share Price              | \$10.00 |
| Total Shares Outstanding | 430     |
| Equity Value             | \$4,301 |
| Net Cash                 | \$(763) |
| Enterprise Value         | \$3,538 |

## Illustrative Pro Forma Ownership



Notes:

1. Assumes no shareholder redemptions.
2. Assumes \$10.00 price per share.
3. Assumes existing Nextdoor net cash on balance sheet of \$121.0 million as of 5/31/21.
4. Total shares include 350.0 million Nextdoor rollover shares, 41.6 million SPAC public shares, 27.0 million shares from PIPE and 11.5 million Khosla shares (including 1.1 million private placement shares and 10.4 million sponsor promote shares; excludes shares from Khosla investment in PIPE).
5. Transaction expenses are estimates.
6. Pro Forma Ownership represents economic interest. Does not reflect 10:1 voting structure. Nextdoor equity holders will retain Class B shares with 10 votes per share. All other investors will hold Class A shares with one vote per share.



# Adjusted EBITDA Reconciliation

|                               | 2019A            | 2020A            |
|-------------------------------|------------------|------------------|
| Net Loss                      | \$(73.3M)        | \$(75.2M)        |
| Depreciation and amortization | \$2.1M           | \$3.1M           |
| Stock-based compensation      | 14.1M            | 22.6M            |
| Interest                      | (2.5M)           | (0.7M)           |
| Provision for income taxes    | 0.2M             | 0.1M             |
| Acquisition-related costs     | 0.6M             | –                |
| <b>Adjusted EBITDA</b>        | <b>\$(58.8M)</b> | <b>\$(50.2M)</b> |



# Non-GAAP Operating Expenses Reconciliation

|                                      | 2019A           | 2020A           |
|--------------------------------------|-----------------|-----------------|
| <i>Operating Expenses</i>            |                 |                 |
| Cost of revenue                      | \$13.7M         | \$21.6M         |
| Sales and marketing                  | 81.0M           | 80.3M           |
| Research and development             | 42.6M           | 69.2M           |
| General and administrative           | 20.7M           | 28.8M           |
| <b>Total GAAP Operating Expenses</b> | <b>\$158.0M</b> | <b>\$199.9M</b> |
| (-) Depreciation and amortization    | (\$2.1M)        | (\$3.1M)        |
| (-) Stock-based compensation         | (14.1M)         | (22.6M)         |
| (-) Acquisition-related costs        | (0.6M)          | 0.0M            |
| <b>Non-GAAP Operating Expenses</b>   | <b>\$141.2M</b> | <b>\$174.2M</b> |
| <i>% of Total Revenue</i>            | 171%            | 141%            |
| <i>% Growth</i>                      | 66%             | 23%             |



| Metrics                        | Definition  |
|--------------------------------|---|
| U.S. Household                 | A single (U.S.) residence containing at least one Current Verified Neighbor   |
| Neighborhoods                  | The number of active Launched (10+ member) neighborhoods. A “neighborhood” is a specific geographic area with a defined boundary. Neighborhoods do not overlap.   |
| Verified Neighbors/Users       | The number of neighbors who are verified in a valid Launched (10+ member) or Pilot (< 10 member) neighborhood, and in good standing (i.e. not deleted, deactivated, or suspended.)  |
| Daily Active Users (DAU)       | Count of unique neighbors who have started a session or opened a content email on a given day   |
| Weekly Active Users (WAU)      | Count of unique neighbors who have started a session or opened a content email over the trailing 7 days   |
| Monthly Active User (MAU)      | Count of unique neighbors who have started a session or opened a content email over the trailing 30 days  |
| Engagement                     | Used to refer to neighbor activity — usually WAU unless otherwise specified   |
| Neighbor retention             | 3 month MAU is defined as active in the 30 days preceding day 90, 6 month is active in the 30 days preceding day 180, 12 month is active in the 30 days preceding day 360, and 24-month is active in the 30 days preceding Shown for All-time Verified Neighbors joining in 2020. |
| Neighborhood penetration       | U.S. Households (see above) divided by the total number of Households (claimed or otherwise) in the neighborhood.   |
| Local Business Claimed Pages   | Local business pages that have been claimed by a Nextdoor partner   |
| Total Addressable Market (TAM) | Digital advertising spend in the U.S. excluding B2B (not addressable by Nextdoor). Source: eMarketer  |