UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-40994

NerdWallet, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**45-4180440**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

55 Hawthorne Street, 11th Floor, San Francisco, California 94105
(Address of principal executive offices) (Zip code)

(415) 549-8913
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, $0.0001 par value	NRDS	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The registrant had outstanding 44,439,538 shares of Class A common stock and 31,685,652 shares of Class B common stock as of October 20, 2023.

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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- the effect of macroeconomic developments, including but not limited to, inflation, rising interest rates, tightening credit markets and general macroeconomic uncertainty on our business results of operations, financial condition and stock price;
- our expectations regarding our future financial and operating performance, including total revenue, cost of revenue, Adjusted EBITDA and Monthly Unique Users;
- our ability to grow traffic and engagement on our platform;
- our expected returns on marketing investments and brand campaigns;
- our expectations about consumer demand for the products on our platform;
- our ability to convert users into Registered Users and improve repeat user rates;
- our ability to convert consumers into matches with financial services partners;
- our ability to grow within existing and new verticals;
- our ability to expand geographically;
- our ability to maintain and expand our relationships with our existing financial services partners and to identify new financial services partners;
- our ability to build efficient and scalable technical capabilities to deliver personalized guidance and nudge users;
- our ability to maintain and enhance our brand awareness and consumer trust;
- our ability to generate high quality, engaging consumer resources;
- our ability to adapt to the evolving financial interests of consumers;
- our ability to compete with existing and new competitors in existing and new market verticals;
- our ability to maintain the security and availability of our platform;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to identify, attract and retain highly skilled, diverse personnel;
- our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business;
- the sufficiency of our cash, cash equivalents, and investments to meet our liquidity needs;
- our ability to effectively manage our growth and expand our infrastructure and maintain our corporate culture;
- our ability to successfully identify, manage, and integrate any existing and potential acquisitions;
- our ability to achieve expected synergies, accretive value and other benefits from completed acquisitions; and
- our share repurchase plan, including expectations regarding the amount, timing and manner of repurchases made under the plan.

You should not rely on forward-looking statements as predictions or guarantees of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. These forward-looking statements are subject to risks, uncertainties and other factors described elsewhere in this Quarterly Report on Form 10-Q, in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022, and in our subsequent periodic filings with the U.S. Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on our business or the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q are made only as of the date hereof. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

NERDWALLET, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited

(in millions, except share amounts which are in thousands and per share amounts)	September 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 86.6	$ 83.9
Accounts receivable—net	84.4	87.0
Prepaid expenses and other current assets	23.8	18.3
Total current assets	194.8	189.2
Property, equipment and software—net	52.8	49.1
Goodwill	111.3	111.2
Intangible assets—net	50.5	64.1
Right-of-use assets	9.2	11.3
Other assets	2.2	0.8
Total Assets	**$ 420.8**	**$ 425.7**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 13.1	$ 3.6
Accrued expenses and other current liabilities	31.9	37.9
Contingent consideration—current	—	30.9
Total current liabilities	45.0	72.4
Other liabilities—noncurrent	11.6	11.6
Total liabilities	56.6	84.0
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock—$0.0001 par value per share—5,000 shares authorized; zero shares issued and outstanding	—	—
Common stock—$0.0001 par value per share—296,686 shares authorized; 76,994 and 75,120 shares issued and outstanding as of September 30, 2023 and December 31, 2022	—	—
Additional paid-in capital	471.2	427.3
Accumulated other comprehensive loss	(0.7)	(0.9)
Accumulated deficit	(106.3)	(84.7)
Total stockholders' equity	364.2	341.7
Total Liabilities and Stockholders' Equity	**$ 420.8**	**$ 425.7**

See notes to condensed consolidated financial statements.

NERDWALLET, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
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(in millions, except per share amounts)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue	**$ 152.8**	**$ 142.6**	**$ 465.7**	**$ 396.9**
Costs and Expenses:				
Cost of revenue	13.3	11.7	40.2	27.6
Research and development	20.7	20.7	60.2	58.2
Sales and marketing	100.6	103.2	321.1	288.1
General and administrative	14.2	15.4	45.2	43.8
Change in fair value of contingent consideration related to earnouts	—	0.4	—	6.1
Total costs and expenses	148.8	151.4	466.7	423.8
Income (Loss) From Operations	**4.0**	**(8.8)**	**(1.0)**	**(26.9)**
Other income (expense), net:				
Interest income	0.9	0.5	2.7	0.6
Interest expense	(0.2)	(0.9)	(0.6)	(1.3)
Other losses, net	—	—	(0.1)	—
Total other income (expense), net	0.7	(0.4)	2.0	(0.7)
Income (loss) before income taxes	4.7	(9.2)	1.0	(27.6)
Income tax provision (benefit)	5.2	(9.9)	10.5	(8.5)
Net Income (Loss)	**$ (0.5)**	**$ 0.7**	**$ (9.5)**	**$ (19.1)**
Net Income (Loss) Per Share Attributable to Common Stockholders				
Basic	$ (0.01)	$ 0.01	$ (0.12)	$ (0.28)
Diluted	$ (0.01)	$ 0.01	$ (0.12)	$ (0.28)
Weighted-Average Shares Used in Computing Net Income (Loss) Per Share Attributable to Common Stockholders				
Basic	77.5	73.4	76.7	69.2
Diluted	77.5	75.0	76.7	69.2

See notes to condensed consolidated financial statements.

NERDWALLET, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
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	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Net Income (Loss)	$ (0.5)	$ 0.7	$ (9.5)	$ (19.1)
Other Comprehensive Income (Loss):				
Change in foreign currency translation	(0.2)	(1.1)	0.2	(2.4)
Comprehensive Loss	$ (0.7)	$ (0.4)	$ (9.3)	$ (21.5)

See notes to condensed consolidated financial statements.

NERDWALLET, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
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(in millions, except share amounts which are in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Stockholders' Equity
Balance as of December 31, 2022	**75,120**	**$ —**	**$ 427.3**	**$ (0.9)**	**$ (84.7)**	**$ 341.7**
Issuance of Class A common stock upon exercise of stock options	1,226	—	8.4			8.4
Issuance of Class A common stock pursuant to settlement of restricted stock units	380	—				—
Class A common stock withheld related to net share settlement of restricted stock units	(15)	—	(0.3)			(0.3)
Stock-based compensation			10.1			10.1
Other comprehensive income				0.2		0.2
Net income					1.7	1.7
Balance as of March 31, 2023	**76,711**	**$ —**	**$ 445.5**	**$ (0.7)**	**$ (83.0)**	**$ 361.8**
Issuance of Class A common stock upon exercise of stock options	66	—	0.4			0.4
Issuance of Class A common stock pursuant to settlement of restricted stock units	674	—				—
Class A common stock withheld related to net share settlement of restricted stock units	(25)	—	(0.2)			(0.2)
Issuance of Class A common stock under Employee Stock Purchase Plan	240	—	1.9			1.9
Repurchase of Class A common stock	(141)	—			(1.3)	(1.3)
Stock-based compensation			12.9			12.9
Other comprehensive income				0.2		0.2
Net loss					(10.7)	(10.7)
Balance as of June 30, 2023	**77,525**	**$ —**	**$ 460.5**	**$ (0.5)**	**$ (95.0)**	**$ 365.0**
Issuance of Class A common stock upon exercise of stock options	51	—	0.3			0.3
Issuance of Class A common stock pursuant to settlement of restricted stock units	657	—				—
Class A common stock withheld related to net share settlement of restricted stock units	(30)	—	(0.2)			(0.2)
Repurchase of Class A common stock	(1,209)	—			(10.8)	(10.8)
Stock-based compensation			10.6			10.6
Other comprehensive loss				(0.2)		(0.2)
Net loss					(0.5)	(0.5)
Balance as of September 30, 2023	**76,994**	**$ —**	**$ 471.2**	**$ (0.7)**	**$ (106.3)**	**$ 364.2**

NERDWALLET, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
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(in millions, except share amounts which are in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity
Balance as of December 31, 2021	**66,722**	**$ —**	**$ 331.6**	**$ 0.5**	**$ (74.5)**	**$ 257.6**
Issuance of Class A common stock upon exercise of stock options	154	—	0.7			0.7
Issuance of Class A common stock pursuant to settlement of restricted stock units	262	—				—
Stock-based compensation			7.9			7.9
Other comprehensive loss				(0.3)		(0.3)
Net loss					(10.5)	(10.5)
Balance as of March 31, 2022	**67,138**	**$ —**	**$ 340.2**	**$ 0.2**	**$ (85.0)**	**$ 255.4**
Issuance of Class A common stock upon exercise of stock options	629	—	3.6			3.6
Issuance of Class A common stock pursuant to settlement of restricted stock units	400	—				—
Issuance of Class A common stock under Employee Stock Purchase Plan	470	—	3.2			3.2
Stock-based compensation			11.6			11.6
Other comprehensive loss				(1.0)		(1.0)
Net loss					(9.3)	(9.3)
Balance as of June 30, 2022	**68,637**	**$ —**	**$ 358.6**	**$ (0.8)**	**$ (94.3)**	**$ 263.5**
Issuance of Class A common stock upon exercise of stock options	343	—	1.9			1.9
Issuance of Class A common stock pursuant to settlement of restricted stock units	424	—				—
Class A common stock withheld related to net share settlement of restricted stock units	(17)	—	(0.1)			(0.1)
Issuance of Class A common stock for business combination	4,935	—	43.2			43.2
Stock-based compensation			10.5			10.5
Other comprehensive loss				(1.1)		(1.1)
Net income					0.7	0.7
Balance as of September 30, 2022	**74,322**	**$ —**	**$ 414.1**	**$ (1.9)**	**$ (93.6)**	**$ 318.6**

See notes to condensed consolidated financial statements.

NERDWALLET, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

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(in millions)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating Activities:		
Net loss	$ (9.5)	$ (19.1)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	36.0	25.6
Stock-based compensation	29.3	25.3
Change in fair value of contingent consideration related to earnouts	—	6.1
Deferred taxes	(0.4)	(12.5)
Non-cash lease costs	2.1	2.0
Other, net	1.2	0.9
Changes in operating assets and liabilities:		
Accounts receivable	1.6	(18.7)
Prepaid expenses and other assets	(6.2)	(2.0)
Accounts payable	7.6	(4.0)
Accrued expenses and other current liabilities	(5.9)	15.9
Payment of contingent consideration	(14.0)	(11.5)
Operating lease liabilities	(2.3)	(1.7)
Other liabilities	3.0	(1.4)
Net cash provided by operating activities	42.5	4.9
Investing Activities:		
Capitalized software development costs	(19.6)	(20.5)
Purchase of property and equipment	(0.5)	(4.3)
Business combination, net of cash acquired	—	(69.5)
Net cash used in investing activities	(20.1)	(94.3)
Financing Activities:		
Payment of contingent consideration	(16.9)	(19.0)
Proceeds from line of credit	7.5	70.0
Payments on line of credit	(7.5)	—
Payment of debt issuance costs	(1.1)	—
Proceeds from exercise of stock options	9.1	6.2
Issuance of Class A common stock under Employee Stock Purchase Plan	1.9	3.2
Repurchase of Class A common stock	(12.1)	—
Tax payments related to net-share settlements on restricted stock units	(0.7)	(0.1)
Net cash provided by (used in) financing activities	(19.8)	60.3
Effect of exchange rate changes on cash and cash equivalents	0.1	(0.3)
Net increase (decrease) in cash and cash equivalents	2.7	(29.4)
Cash and Cash Equivalents:		
Beginning of period	83.9	167.8
End of period	$ 86.6	$ 138.4

	Nine Months Ended September 30,	
(in millions)	2023	2022
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Capitalized software development costs recorded in accounts payable and accrued expenses and other current liabilities	$ 2.6	$ 1.1
Supplemental Disclosures of Cash Flow Information:		
Income tax payments	$ 11.7	$ 3.1
Cash paid for interest	0.3	0.8
Supplemental Cash Flow Disclosure Related to Operating Leases:		
Cash paid for amounts included in the measurement of lease liabilities	$ 2.7	$ 2.2

See notes to condensed consolidated financial statements.

1. The Company and Basis of Presentation

The Company—NerdWallet, Inc., a Delaware corporation, was formed on December 29, 2011. NerdWallet, Inc. and its wholly-owned subsidiaries (collectively, the Company) provide consumer-driven advice about personal finance through its platform by connecting individuals and small and mid-sized businesses (SMBs) with providers of financial products.

Basis of Presentation—The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and applicable rules and regulations of the U.S. Securities and Exchange Commission regarding interim financial reporting. Accordingly, the accompanying unaudited interim condensed consolidated financial statements do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. The accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of the Company's financial position and results of operations for the periods presented. The accompanying unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. The results of operations for the three and nine months ended September 30, 2023 are not necessarily indicative of the results to be expected for the full year or any other future period.

Concentrations of Credit Risk—Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. While the Company deposits cash and cash equivalents with high credit quality financial institutions, including First Citizens Bank & Trust Company (through its Silicon Valley Bank division), HSBC and JPMorgan Chase Bank, N.A., to lessen the Company's exposure, such cash deposits may exceed federally insured limits at these financial institutions. To mitigate the risk associated with deposits exceeding federally insured limits, the Company manages exposure by utilizing deposit accounts which include sweep features to third-party money market funds, with total money market funds of $64.2 million and $75.4 million as of September 30, 2023 and December 31, 2022, respectively. Based on these facts, collectability of bank balances appears to be adequately assured.

Significant Accounting Policies—During the nine months ended September 30, 2023, there have been no material changes to the Company's significant accounting policies as disclosed in Note 1–The Company and its Significant Accounting Policies in the notes to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

2. Revenue

The following presents a disaggregation of the Company's revenue based on product category:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Credit cards	$ 54.0	$ 57.4	$ 166.5	$ 157.2
Loans	32.9	28.4	78.0	86.7
Other verticals	65.9	56.8	221.2	153.0
Total revenue	$ 152.8	$ 142.6	$ 465.7	$ 396.9

The contract asset recorded within prepaid expenses and other current assets on the condensed consolidated balance sheet related to estimated variable consideration was $6.9 million and $5.8 million as of September 30, 2023 and December 31, 2022, respectively.

3. Fair Value Measurements

The Company's assets and liabilities that are measured at fair value on a recurring basis, by level, within the fair value hierarchy are summarized as follows:

(in millions) **As of September 30, 2023**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Carrying Value**
Assets:				
Cash and cash equivalents—money market funds	$ 64.2	$ —	$ —	$ 64.2
Certificate of deposit	—	2.1	—	2.1
	$ 64.2	**$ 2.1**	**$ —**	**$ 66.3**

(in millions) **As of December 31, 2022**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Carrying Value**
Assets:				
Cash and cash equivalents—money market funds	$ 75.4	$ —	$ —	$ 75.4
Certificate of deposit	—	2.0	—	2.0
	$ 75.4	**$ 2.0**	**$ —**	**$ 77.4**
Liabilities:				
Contingent consideration	$ —	$ —	$ 30.9	$ 30.9

Level 3 liabilities previously consisted entirely of contingent consideration, and the changes in fair value were as follows:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
(in millions)	**2023**	**2022**	**2023**	**2022**
Balance as of beginning of period	$ —	$ 29.9	$ 30.9	$ 54.7
Payment	—	—	(30.9)	(30.5)
Change in fair value, recognized in earnings	—	0.4	—	6.1
Balance as of end of period	$ —	$ 30.3	$ —	$ 30.3

As of December 31, 2022, Fundera Inc.'s revenue and profitability milestones for 2022 were achieved and the contingent consideration liability was recorded at the full payout amount, with the contingent consideration liability paid in full during the nine months ended September 30, 2023.

4. Significant Condensed Consolidated Balance Sheet Components

Property, equipment and software, net includes capitalized software development costs, net of accumulated amortization, of $48.7 million and $43.9 million as of September 30, 2023 and December 31, 2022, respectively. The Company capitalized $7.9 million and $25.7 million of software development costs during the three and nine months ended September 30, 2023, respectively, and $8.9 million and $25.8 million during the three and nine months ended September 30, 2022, respectively. The Company recorded amortization expense related to capitalized software development costs of $7.3 million and $20.9 million during the three and nine months ended September 30, 2023, respectively, and $5.7 million and $16.0 million during the three and nine months ended September 30, 2022, respectively.

Accrued expenses and other current liabilities include operating lease liabilities of $3.3 million and $3.1 million, as of September 30, 2023 and December 31, 2022, respectively.

Other liabilities—noncurrent includes operating lease liabilities of $7.1 million and $9.6 million as of September 30, 2023 and December 31, 2022, respectively.

5. Business Combination

On the Barrelhead, Inc.—On July 11, 2022, the Company completed the acquisition of On the Barrelhead, Inc. (OTB), a data-driven platform that provides consumers and SMBs with credit-driven product recommendations. See Note 5–Business Combinations in the notes to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 for further discussion on the acquisition of OTB.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented as if the OTB acquisition, including the related debt financing, was completed on January 1, 2021. The pro forma financial information includes the historical operating results of the Company and OTB prior to the acquisition, with adjustments directly attributable to the acquisition. Pro forma adjustments have been made to reflect the incremental intangible asset amortization to be incurred based on the fair values and useful lives of each identifiable intangible asset, incremental stock-based compensation related to inducement equity awards, incremental compensation related to cash retention agreements, incremental interest expense related to debt drawn to finance the cash portion of the purchase price, the adjustment of acquisition-related expenses, and the related tax effects of pro forma adjustments for the period.

The unaudited pro forma financial information is as follows:

	Three Months Ended	Nine Months Ended
(in millions)	September 30, 2022	
Revenue	$ 144.8	$ 441.9
Net loss	(10.1)	(34.4)

The unaudited pro forma financial information is not intended to present, or be indicative of, what the results of operations would have been for the combined company for the period presented had the acquisition actually occurred on January 1, 2021, nor is it meant to be indicative of results of operations that may be achieved by the combined company in the future. The unaudited pro forma financial information does not include any cost savings or other synergies that resulted, or may result, from the OTB acquisition or any estimated costs that will be incurred to integrate OTB. Future results may vary significantly from the results reflected in this unaudited pro forma financial information because of future events and transactions, as well as other factors.

6. Debt

Credit Facility—On September 26, 2023, NerdWallet, Inc. and three of its wholly-owned subsidiaries entered into a credit agreement (the Credit Agreement) with JPMorgan Chase Bank, National Association. as Administrative Agent, and a syndicate of lenders. The Credit Agreement provides for a $125.0 million senior secured revolving credit facility (the Credit Facility), with the option to increase up to an additional $75.0 million, and is available to be used by the Company and certain of its domestic subsidiaries for general corporate purposes, including acquisitions. The Credit Agreement includes a letter of credit sub-facility in the aggregate amount of $10.0 million and a swingline sub-facility in the aggregate amount of $10.0 million. The Credit Facility is secured by substantially all of the Company's assets. The Company and each of its material domestic subsidiaries is a guarantor of all of the obligations under the Credit Facility. The Credit Facility matures on September 26, 2028.

The Credit Facility replaces the Company's prior credit facility under the Amended and Restated Senior Secured Credit Facilities Credit Agreement dated February 19, 2021 between the Company and Silicon Valley Bank, as administrative agent, which was terminated substantially concurrently with the Company's entering into the Credit Agreement.

The Company is charged a commitment fee of between 0.25% and 0.35% of the total facility commitments, depending on the Company's total net leverage ratio.

Borrowings under the Credit Facility bear interest at a floating rate and may be maintained as alternate base rate loans (tied to the prime rate, the federal funds rate plus 0.50%, the overnight bank funding rate plus 0.50%, or the adjusted term secured overnight financing rate (SOFR) for a one-month period plus 1.00%) or as term benchmark loans tied to adjusted term SOFR plus 0.10%, in each case plus a margin of 2.25% to 2.75% depending on the Company's total net leverage ratio.

The Credit Agreement requires the Company to comply with maximum total net leverage and minimum fixed charge coverage ratios. In addition, the Credit Agreement contains other standard affirmative and negative covenants such as those which (subject to certain thresholds) limit the ability of the Company and its subsidiaries to, among other things, incur debt, incur liens, engage in mergers, consolidations, liquidations or acquisitions, enter into new lines of business not related to the Company's current lines of business, make certain investments, make distributions on or repurchase its equity securities, engage in transactions with affiliates, or enter into certain hedging obligations. Events of default under the Credit Agreement include, among other things, payment defaults, breaches of representations, warranties or covenants, defaults under material indebtedness, certain events of bankruptcy or insolvency, judgment defaults, certain defaults or events relating to employee benefit plans or a change in control of the Company. The events of default would permit the lenders to terminate commitments and accelerate the maturity of borrowings under the Credit Facility if not cured within applicable grace periods. The Company was in compliance with all covenants as of September 30, 2023.

The Company had no outstanding debt at September 30, 2023. The available amount to borrow under the Credit Facility was $123.5 million at September 30, 2023, which was equal to the available amount under the agreement of $125.0 million, net of letters of credit of $1.5 million.

7. Commitments and Contingencies

Commitments and Other Financial Arrangements—The Company has certain financial commitments and other arrangements including unused letters of credit and commitments under leases. As of September 30, 2023, there were no material changes to the Company's commitments and other financial arrangements as disclosed in Note 8–Commitments and Contingencies in the notes to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Litigation and Other Legal Matters—The Company is involved from time to time in litigation, claims, and proceedings. Periodically, the Company evaluates the status of each legal matter and assesses potential financial exposure. If the potential loss from any legal proceeding or litigation is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. Significant judgment is required to determine the probability of a loss and whether the amount of the loss is reasonably estimable. The outcome of any proceeding is not determinable in advance. As a result, the assessment of a potential liability and the amount of accruals recorded are based only on the information available at the time. As additional information becomes available, the Company reassesses the potential liability related to the legal proceeding or litigation, and may revise its estimates. Management is not currently aware of any matters that it expects will have a material effect on the financial position, results of operations, or cash flows of the Company. The Company has not accrued any material potential loss as of September 30, 2023 or December 31, 2022.

8. Stockholders' Equity

Share Repurchase Plan—On May 2, 2023, the Company announced that its Board of Directors authorized a plan (the Repurchase Plan) under which the Company may repurchase up to $20 million of the Company's Class A common stock. Under the Repurchase Plan, shares of Class A common stock may be repurchased in the open market through privately negotiated transactions or otherwise, in accordance with applicable securities laws and other restrictions. The Repurchase Plan does not have a fixed expiration date and does not obligate the Company to acquire any specific number of shares. The timing and terms of any repurchases under the Repurchase Plan are at management's discretion and depend on a variety of factors, including business, economic and market conditions, regulatory requirements, prevailing stock prices and other considerations. Additionally, the Company may, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases. Shares repurchased under the Repurchase Plan are retired. During the three and nine months ended September 30, 2023, the Company repurchased 1.2 million and 1.3 million shares, respectively, of Class A common stock for $10.8 million and $12.1 million, respectively, including costs associated with the repurchases.

Equity Incentive Plans—The 2021 Equity Incentive Plan and the predecessor 2012 Equity Incentive Plan, both as amended, along with the 2022 Inducement Equity Incentive Plan (collectively, the Plans) comprise the equity incentive plans of the Company.

Under the terms of the 2021 Equity Incentive Plan, the number of shares of Class A common stock reserved for issuance under the plan will automatically increase on January 1 of each calendar year, starting January 1, 2023 and ending on and including January 1, 2031, in an amount equal to 5% of the total number of shares of the Company's capital stock outstanding on December 31 of the prior calendar year, unless the Company's Board of Directors determines prior to the date of increase that there will be a lesser increase, or no increase. In accordance with these plan terms, the aggregate number of shares of Class A common stock reserved for issuance under the 2021 Equity Incentive Plan increased by 3.8 million shares effective January 1, 2023.

Stock Options—A summary of the Company's stock option activity for its Plans is as follows:

	Outstanding Stock Options *(in thousands)*	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life *(in years)*	Aggregate Intrinsic Value *(in millions)*
Balance as of December 31, 2022	6,112	$ 9.81	6.7	$ 11.9
Exercised	(1,343)	$ 6.79		
Cancelled/forfeited	(299)	$ 12.53		
Balance as of September 30, 2023	4,470	$ 10.53	6.4	$ 6.0
Vested and exercisable as of September 30, 2023	3,081	$ 9.58	5.6	$ 5.7

The aggregate intrinsic value of options exercised was $12.9 million for the nine months ended September 30, 2023.

There were no options granted for the nine months ended September 30, 2023. For the nine months ended September 30, 2022, the per-share fair value of each stock option was determined on the date of grant using the following weighted-average assumptions:

	Nine Months Ended September 30, 2022
Expected volatility	52.5 %
Expected term (in years)	6.0
Expected dividend yield	0 %
Risk-free interest rate	2.6 %

Restricted Stock Units—A summary of the Company's outstanding nonvested restricted stock units (RSUs) for its Plans is as follows:

	Number of Units *(in thousands)*	Weighted-Average Grant-Date Fair Value
Nonvested as of December 31, 2022	7,405	$ 12.27
Granted[1]	2,632	$ 14.73
Vested	(1,711)	$ 13.67
Forfeited	(826)	$ 13.88
Nonvested as of September 30, 2023[1]	7,500	$ 12.64

(1) Includes 0.2 million of target award RSUs with both service-based and performance-based conditions.

The total fair value of shares that vested under RSUs was $20.3 million during the nine months ended September 30, 2023.

During the nine months ended September 30, 2023, the Company granted 0.2 million of target award RSUs with both service-based and performance-based conditions to certain employees of the Company. Recipients of these performance-based RSUs are eligible to earn between 0% and 200% of their target awards based upon the achievement of (i) an EBITDA-related metric and (ii) a revenue-related metric, both in fiscal year 2023, subject to certification of the attainment of the performance level. These performance-based RSUs are also subject to service-based vesting over a period of three years. Stock-based compensation for performance-based RSUs is recognized over the requisite service period using the accelerated attribution method based on an assessment of the probability of achieving the requisite performance metrics. The Company recognizes forfeitures as they occur for grantees who do not fulfill the service-based conditions.

Employee Stock Purchase Plan—The terms of the Employee Stock Purchase Plan (ESPP) provide for automatic increases in the number of shares reserved for issuance on January 1 of each calendar year, beginning in 2023 and through 2031, subject to terms of the ESPP. In accordance with these plan terms, the aggregate number of Class A common stock authorized for issuance under the ESPP increased by 0.8 million effective January 1, 2023. Prior to capitalizing amounts related to software development costs, the Company recognized stock-based compensation related to the ESPP of $0.8 million and $1.4 million during the three months ended September 30, 2023 and 2022, respectively, and $2.8 million and $5.3 million during the nine months ended September 30, 2023 and 2022, respectively.

Stock-Based Compensation—The Company recognized stock-based compensation under the Plans and ESPP as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Research and development	$ 2.9	$ 2.8	$ 8.4	$ 9.0
Sales and marketing	3.5	3.4	10.7	9.1
General and administrative	3.0	2.9	10.2	7.2
Total stock-based compensation	$ 9.4	$ 9.1	$ 29.3	$ 25.3

In addition, stock-based compensation capitalized related to software development costs was $1.2 million and $1.4 million during the three months ended September 30, 2023 and 2022, respectively, and $4.3 million and $4.7 million during the nine months ended September 30, 2023 and 2022, respectively.

9. Income Taxes

Beginning with the three months ended June 30, 2023, the Company's tax provision for interim periods was determined using a discrete effective tax rate method, as allowed by ASC Topic 740-270, *Income Taxes, Interim Reporting*. The Company's tax provision for interim periods was previously determined using an estimated annual effective tax rate which was adjusted for discrete items occurring during the periods presented. The Company determined that since small changes in estimated "ordinary" income would result in significant changes in the estimated annual effective tax rate, the historical method would not provide a reliable estimate for the three and nine months ended September 30, 2023.

The primary difference between the Company's effective tax rate and the statutory federal income tax rate is the full valuation allowance established on the Company's federal, state and foreign deferred tax attributes. As of September 30, 2023 and December 31, 2022, the Company recorded a full valuation allowance against these net deferred tax assets as the Company believes that it is more likely than not that the Company will not be able to fully realize such net deferred tax assets. The Company's judgment regarding the likelihood of realization of these deferred tax assets could change in future periods, which could result in a material impact in the Company's income tax provision in the period of change.

10. Net Income (Loss) Per Basic and Diluted Share

The following table provides the basic and diluted per share computations for net income (loss) attributable to common stockholders:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share amounts)	2023	2022	2023	2022
Numerator:				
Net income (loss) attributable to common stockholders—basic and diluted	$ (0.5)	$ 0.7	$ (9.5)	$ (19.1)
Denominator:				
Weighted-average shares of common stock—basic	77.5	73.4	76.7	69.2
Effect of dilutive stock options and restricted stock units	—	1.6	—	—
Weighted-average shares of common stock—diluted	77.5	75.0	76.7	69.2
Net income (loss) per share attributable to common stockholders:				
Basic	$ (0.01)	$ 0.01	$ (0.12)	$ (0.28)
Diluted	$ (0.01)	$ 0.01	$ (0.12)	$ (0.28)

The following common stock equivalents were excluded from the computation of diluted net income (loss) per share because including them would have been antidilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Shares subject to outstanding stock options and restricted stock units	9.7	8.9	9.0	9.6
ESPP	0.3	1.2	0.4	1.6

11. Subsequent Event

Following the Company's utilization of the share repurchase authorization announced by the Company on May 2, 2023, the Company announced on October 26, 2023 that its Board of Directors approved a new share repurchase authorization under which the Company may repurchase up to $30 million of the Company's Class A common stock (the October 2023 Repurchase Plan). Under the October 2023 Repurchase Plan, shares of Class A common stock may be repurchased in the open market, through privately negotiated transactions or otherwise. The October 2023 Repurchase Plan does not have a fixed expiration date and does not obligate the Company to acquire any specific number of shares. The timing and terms of any repurchases under the October 2023 Repurchase Plan will be at management's discretion and depend on a variety of factors, including business, economic and market conditions, regulatory requirements, prevailing stock prices and other considerations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes included in Item 1 of Part I of this Quarterly Report on Form 10-Q, and with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Overview

Our mission is to provide clarity for all of life's financial decisions.

Our vision is a world where everyone makes financial decisions with confidence.

As a personal finance website and app, NerdWallet provides consumers with trustworthy and knowledgeable financial information so they can make smart money moves. From finding the best credit card to buying a house, NerdWallet is there to help consumers make financial decisions with confidence. Consumers have free access to our expert content and comparison shopping marketplaces, plus a data-driven app, which helps them stay on top of their finances and save time and money, giving them the freedom to do more. NerdWallet is available for consumers in the U.S., United Kingdom, Canada and Australia.

Acquisition of On the Barrelhead, Inc.

On July 11, 2022, we completed the acquisition of On the Barrelhead, Inc. (OTB), a data-driven platform that provides consumers and small and mid-sized businesses (SMBs) with credit-driven product recommendations. See Note 5—Business Combination in the notes to our condensed consolidated financial statements, and Note 5—Business Combinations in the notes to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022, for further discussion.

Key Operating Metric and Non-GAAP Financial Measure

We collect, review and analyze operating and financial data of our business to assess our ongoing performance and compare our results to prior period results. In addition to revenue, net income (loss) and other results under generally accepted accounting principles (GAAP), the following sets forth the key operating metric we use to evaluate our business.

Monthly Unique Users

We define a Monthly Unique User (MUU) as a unique user with at least one session in a given month as determined by a unique device identifier. We measure MUUs during a time period longer than one month by averaging the MUUs of each month within that period. We track MUUs to frame the number of users who may transact with our financial services partners on our platform during a given period. We had 24 million and 23 million average MUUs for the three and nine months ended September 30, 2023, which was up 22% and 12% compared to the three and nine months ended September 30, 2022, respectively. We saw strong engagement in areas such as travel products, banking and insurance, and are also incorporating our acquisition of OTB in July 2022. Partially offsetting growth were declines from a continued challenging macroeconomic environment in mortgages. While we expect MUUs to grow over time, the metric may fluctuate from period to period based on economic conditions, trends in consumer behavior, and our strategic marketing decisions.

Adjusted EBITDA

We use Adjusted EBITDA in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our Board of Directors concerning our financial performance.

We define Adjusted EBITDA as net income (loss) from continuing operations adjusted to exclude depreciation and amortization, interest income (expense), net, provision (benefit) for income taxes, and further exclude (1) losses (gains) on disposals of assets, (2) change in fair value of contingent consideration related to earnouts, (3) deferred compensation related to earnouts, (4) stock-based compensation, and (5) acquisition-related costs.

The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful.

We believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results and in comparing operating results across periods. Moreover, we have included Adjusted EBITDA in this Quarterly Report on Form 10-Q because it is a key measurement used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. However, the use of this non-GAAP measure has certain limitations because it does not reflect all items of income and expense that affect our operations. Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. These limitations include the following:

- Adjusted EBITDA does not reflect interest income (expense) and other gains (losses), net, which include unrealized and realized gains and losses on foreign currency exchange, as well as certain nonrecurring gains (losses);
- Adjusted EBITDA excludes certain recurring, non-cash charges, such as amortization of software, depreciation of property and equipment, amortization of intangible assets, and (losses) gains on disposals of assets. Although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect all cash requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation, including for acquisition-related inducement awards, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy; and
- Adjusted EBITDA excludes acquisition-related costs, including acquisition-related retention compensation under compensatory retention agreements with certain key employees, acquisition-related transaction expenses, contingent consideration fair value adjustments related to earnouts, and deferred compensation related to earnouts.

In addition, Adjusted EBITDA as we define it may not be comparable to similarly titled measures used by other companies. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and our other GAAP results.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Non-GAAP Financial Measure” for a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated in accordance with GAAP.

Results of Operations

The following tables set forth our results of operations for the periods presented. The following discussion should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Revenue	**$ 152.8**	**$ 142.6**	**$ 465.7**	**$ 396.9**
Costs and expenses:				
Cost of revenue	13.3	11.7	40.2	27.6
Research and development[1]	20.7	20.7	60.2	58.2
Sales and marketing[1]	100.6	103.2	321.1	288.1
General and administrative[1]	14.2	15.4	45.2	43.8
Change in fair value of contingent consideration related to earnouts	—	0.4	—	6.1
Total costs and expenses	148.8	151.4	466.7	423.8
Income (loss) from operations	**4.0**	**(8.8)**	**(1.0)**	**(26.9)**
Other income (expense), net:				
Interest income	0.9	0.5	2.7	0.6
Interest expense	(0.2)	(0.9)	(0.6)	(1.3)
Other losses, net	—	—	(0.1)	—
Total other income (expense), net	0.7	(0.4)	2.0	(0.7)
Income (loss) before income taxes	4.7	(9.2)	1.0	(27.6)
Income tax provision (benefit)	5.2	(9.9)	10.5	(8.5)
Net income (loss)	**$ (0.5)**	**$ 0.7**	**$ (9.5)**	**$ (19.1)**

(1) Includes stock-based compensation as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Research and development	$ 2.9	$ 2.8	$ 8.4	$ 9.0
Sales and marketing	3.5	3.4	10.7	9.1
General and administrative	3.0	2.9	10.2	7.2
Total stock-based compensation	$ 9.4	$ 9.1	$ 29.3	$ 25.3

The following table sets forth the components of our condensed consolidated statements of operations as a percentage of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	100 %	100 %	100 %	100 %
Costs and expenses:				
Cost of revenue	9	8	8	7
Research and development	13	15	13	15
Sales and marketing	66	72	69	73
General and administrative	9	11	10	11
Change in fair value of contingent consideration related to earnouts	—	—	—	1
Total costs and expenses	97	106	100	107
Income (loss) from operations	3	(6)	—	(7)
Other income (expense), net:				
Interest income	—	—	—	—
Interest expense	—	—	—	—
Other losses, net	—	—	—	—
Total other income (expense), net	—	—	—	—
Income (loss) before income taxes	3	(6)	—	(7)
Income tax provision (benefit)	3	(7)	2	(2)
Net income (loss)	— %	1 %	(2 %)	(5 %)

We had a net loss of $0.5 million for the three months ended September 30, 2023, as compared to net income of $0.7 million for the three months ended September 30, 2022, while net loss decreased $9.6 million, or 50%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. Revenues increased by $10.2 million and $68.8 million, respectively, for the three and nine months ended September 30, 2023. Expenses decreased by $2.6 million for the three months ended September 30, 2023 primarily due to a $2.6 million decrease in sales and marketing expense, and increased $42.9 million for the nine months ended September 30, 2023 primarily driven by increases of $33.0 million in sales and marketing expense and $12.6 million in cost of revenue, partially offset by a $6.1 million decrease for changes in fair value of contingent consideration related to earnouts. Additionally, we had increases of $15.1 million and $19.0 million in income tax provisions for the three and nine months ended September 30, 2023, respectively.

Revenue

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(in millions)	2023	2022	$	%	2023	2022	$	%
Credit cards	$ 54.0	$ 57.4	$ (3.4)	(6 %)	$ 166.5	$ 157.2	$ 9.3	6 %
Loans	32.9	28.4	4.5	16 %	78.0	86.7	(8.7)	(10 %)
Other verticals	65.9	56.8	9.1	16 %	221.2	153.0	68.2	45 %
Total revenue	$ 152.8	$ 142.6	$ 10.2	7 %	$ 465.7	$ 396.9	$ 68.8	17 %

Revenue increased $10.2 million, or 7% and $68.8 million, or 17%, for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022, respectively, primarily driven by strong growth in other verticals revenues.

Credit cards revenue decreased $3.4 million, or 6%, for the three months ended September 30, 2023, primarily due to reduced marketing spending by our financial services partners amidst a combination of increasingly cautious underwriting and heightened balance sheet conservatism following the regional banking crisis. Credit cards revenue increased $9.3 million, or 6%, for the nine months ended September 30, 2023, reflecting our ability to capitalize on higher consumer intent through improved user experiences combined with our deep alignment with our financial services partners to deliver quality matches.

Loans revenue increased $4.5 million, or 16%, for the three months ended September 30, 2023, primarily due to a 51% increase in personal loans revenue reflecting continued integration and optimization of our acquisition of OTB in July 2022, partially offset by a 33% decrease in mortgages revenue driven by higher interest rates and continuing macroeconomic headwinds. Loans revenue decreased $8.7 million, or 10%, for the nine months ended September 30, 2023, primarily due to decreases of 45% in mortgages revenue and 24% in student loans, partially offset by a 33% increase in personal loans.

Other verticals revenue increased $9.1 million, or 16%, and $68.2 million, or 45%, for the three and nine months ended September 30, 2023, respectively, driven by increases of 43% and 115%, respectively, in banking revenue primarily due to the higher interest rate environment, and 6% and 12%, respectively, in SMB products revenue. Additionally, insurance revenue decreased 23% for the three months ended September 30, 2023 reflecting inflation-driven profitability pressure on carriers, and increased 51% for the nine months ended September 30, 2023 primarily driven by auto insurance.

Costs and Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(in millions)	2023	2022	$	%	2023	2022	$	%
Cost of revenue	$ 13.3	$ 11.7	$ 1.6	13 %	$ 40.2	$ 27.6	$ 12.6	46 %
Research and development	20.7	20.7	—	0 %	60.2	58.2	2.0	3 %
Sales and marketing	100.6	103.2	(2.6)	(2 %)	321.1	288.1	33.0	11 %
General and administrative	14.2	15.4	(1.2)	(9 %)	45.2	43.8	1.4	3 %
Change in fair value of contingent consideration related to earnouts	—	0.4	(0.4)	(100 %)	—	6.1	(6.1)	(100 %)
Total costs and expenses	$ 148.8	$ 151.4	$ (2.6)	(2 %)	$ 466.7	$ 423.8	$ 42.9	10 %

Cost of revenue

Cost of revenue increased $1.6 million, or 13%, and $12.6 million, or 46%, for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022, respectively, attributable to increases of $1.4 million and $9.6 million, respectively, in amortization expense related to capitalized software development costs and intangible assets from our acquisition of OTB in July 2022. The increase for the nine months ended September 30, 2023 also included a $1.9 million increase primarily related to third-party service charges.

Research and development expense

Research and development expenses were comparable for the three months ended September 30, 2023 and increased $2.0 million, or 3%, for the nine months ended September 30, 2023, as compared to the three and nine months ended September 30, 2022, respectively. The increase for the nine months ended September 30, 2023 was primarily attributable to a $1.5 million increase in software and technology costs related to our platform.

Sales and marketing expense

For the three and nine months ended September 30, 2023, our total sales and marketing expense was comprised of approximately 19% and 24% for brand marketing, respectively, and 53% and 49% for performance marketing, respectively, with the remainder for organic and other marketing expenses. For the three and nine months ended September 30, 2022, our total sales and marketing expense was comprised of approximately 27% and 33% for brand marketing, respectively, and 46% and 41% for performance marketing, respectively, with the remainder for organic and other marketing expenses. We are able to adjust our marketing spend to reflect changes in external factors and consumer behavior.

Sales and marketing expenses decreased $2.6 million, or 2%, for the three months ended September 30, 2023 as compared to the three months ended September 30, 2022, primarily attributable to an $8.6 million decrease in brand marketing expenses, partially offset by a $5.6 million increase in performance marketing expenses. Sales and marketing expenses increased $33.0 million, or 11%, for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, primarily attributable to increases of $39.6 million in performance marketing expenses and $10.1 million in organic and other marketing expenses primarily due to higher personnel-related costs due to our efforts to grow and increase our user base, partially offset by a $16.7 million decrease in brand marketing expenses.

General and administrative expense

General and administrative expenses decreased $1.2 million, or 9%, for the three months ended September 30, 2023 and increased $1.4 million, or 3%, for the nine months ended September 30, 2023, as compared to the three and nine months ended September 30, 2022, respectively. The changes were primarily attributable to the impacts of increases of $0.6 million and $4.9 million, respectively, in personnel-related costs mainly due to higher stock-based compensation and increased headcount, offset by decreases of $0.9 million and $2.9 million, respectively, of acquisition-related costs primarily related to our acquisition of OTB in July 2022, and $0.6 million and $0.7 million, respectively, primarily related to director and officer liability insurance costs.

Change in fair value of contingent consideration related to earnouts

The change in fair value of contingent consideration relates to our acquisitions of Fundera, Inc. (Fundera) and Know Your Money (KYM) in 2020. The fair value of the estimated contingent considerations was subject to remeasurement at each reporting date until the payments were made. See Note 3–Fair Value Measurements in the notes to our condensed consolidated financial statements for further discussion on these contingent considerations.

Other income (expense), net

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(in millions)	2023	2022	$	%	2023	2022	$	%
Interest income	$ 0.9	$ 0.5	$ 0.4	75 %	$ 2.7	$ 0.6	$ 2.1	354 %
Interest expense	(0.2)	(0.9)	0.7	(77 %)	(0.6)	(1.3)	0.7	(54 %)
Other losses, net	—	—	—	NM	(0.1)	—	(0.1)	226 %
Total other income (expense), net	$ 0.7	$ (0.4)	$ 1.1	NM	$ 2.0	$ (0.7)	$ 2.7	NM

The change in other income (expense), net for the three and nine months ended September 30, 2023 as compared to the three and nine months ended September 30, 2022 was primarily attributable to higher interest income and lower interest expense.

Income tax provision (benefit)

Beginning with the three months ended June 30, 2023, our tax provision for interim periods was determined using a discrete effective tax rate method, as allowed by ASC Topic 740-270, *Income Taxes, Interim Reporting*. Our tax provision for interim periods was previously determined using an estimated annual effective tax rate which was adjusted for discrete items occurring during the periods presented. We determined that since small changes in estimated "ordinary" income would result in significant changes in the estimated annual effective tax rate, the historical method would not provide a reliable estimate for the three months ended September 30, 2023.

We had income tax provisions of $5.2 million and $10.5 million for the three and nine months ended September 30, 2023, respectively, as compared to income tax benefits of $9.9 million and $8.5 million for the three and nine months ended September 30, 2022, respectively. Our effective tax rate was 110.9% and 1,080.6% for the three and nine months ended September 30, 2023, and 107.5% and 30.9% three and nine months ended September 30, 2022, respectively. Our effective tax rate for the three and nine months ended September 30, 2023 differs from the U.S. federal statutory income tax rate of 21% primarily due to capitalization of research and development expenses under tax regulations effective in 2022, a full valuation allowance recorded against our net U.S. deferred tax assets, and excess tax benefits related to stock based compensation. During the three and nine months ended September 30, 2022, we recognized a tax benefit of $12.1 million related to the change in the Company's existing full valuation allowance on deferred tax assets resulting from our acquisition of OTB in July 2022, partially offset by higher capitalization of research and development expenses under new tax regulations effective in 2022.

Non-GAAP Financial Measure

Adjusted EBITDA as we define it may not be comparable to similarly titled measures used by other companies. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and our other GAAP results.

We compensate for these limitations by reconciling Adjusted EBITDA to net income (loss), the most comparable GAAP financial measure, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Net income (loss)	$ (0.5)	$ 0.7	$ (9.5)	$ (19.1)
Depreciation and amortization	12.1	10.8	36.0	25.6
Stock-based compensation	9.4	9.1	29.3	25.3
Acquisition-related retention	1.2	1.4	4.0	1.4
Deferred compensation related to earnouts	—	0.4	—	1.2
Change in fair value of contingent consideration related to earnouts	—	0.4	—	6.1
Acquisition-related expenses	—	1.2	—	3.4
Interest (income) expense, net	(0.7)	0.4	(2.1)	0.7
Other losses, net	—	—	0.1	—
Income tax provision (benefit)	5.2	(9.9)	10.5	(8.5)
Adjusted EBITDA	$ 26.7	$ 14.5	$ 68.3	$ 36.1
Net income (loss) margin	0 %	0 %	(2 %)	(5 %)
Adjusted EBITDA margin[1]	18 %	10 %	15 %	9 %

(1) Represents Adjusted EBITDA as a percentage of revenue.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations” for a discussion of the changes in net income (loss) for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022.

Adjusted EBITDA increased $12.2 million and $32.2 million for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022, respectively. The increases were primarily attributable to increases in adjustments to reconcile Adjusted EBITDA to net income (loss), including $1.3 million and $10.4 million for depreciation and amortization, and $15.1 million and $19.0 million for income taxes, partially offset by decreases of $1.2 million and $3.4 million for acquisition-related expenses, and $1.1 million and $2.8 million for interest income (expense), net. Additionally, the increase in Adjusted EBITDA for the nine months ended September 30, 2023 includes a $9.6 million decrease in net loss and increases of $4.0 million for stock-based compensation and $2.6 million for acquisition-related retention, partially offset by a $6.1 million decrease for the change in fair value of contingent consideration related to earnouts.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity to meet our business requirements and plans, both in the short-term (i.e., the next twelve months from September 30, 2023) and long-term (i.e., beyond the next twelve months), have historically been cash generated from operations and, more recently, sales of our common stock, and borrowings under our credit facilities. Our primary liquidity needs are related to the funding of general corporate requirements, including working capital, research and development, and capital expenditures, as well as other liquidity requirements including, but not limited to, business combinations.

As of September 30, 2023 and December 31, 2022, we had cash and cash equivalents of $86.6 million and $83.9 million, respectively.

Known Contractual and Other Obligations

A description of contractual commitments as of September 30, 2023 is included in Note 7–Commitments and Contingencies in the notes to our condensed consolidated financial statements.

More broadly, we also have purchase obligations under contractual arrangements with vendors and service providers, including for certain web-hosting and cloud computing services, which do not qualify for recognition on our condensed consolidated balance sheets but which we consider non-cancellable. During the nine months ended September 30, 2023, there have been no material changes in our purchase obligations as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources" in our Annual Report on Form 10-K for the year ended December 31, 2022.

In addition, as part of the acquisitions of KYM and Fundera, both in 2020, we committed to pay additional amounts of up to $11 million and $66 million, respectively, related to contingent earnout consideration over the succeeding years based, in part, on the achievement of certain financial metrics related to 2021 and 2022. As of December 31, 2022, Fundera's revenue and profitability milestones for 2022 were achieved and the contingent consideration liability was recorded at the full payout amount of $30.9 million (see Note 3–Fair Value Measurements in the notes to our condensed consolidated financial statements). During the nine months ended September 30, 2023, we paid $32.6 million for the 2022 performance period, consisting of $30.9 million of contingent consideration and the remainder for deferred compensation related to earnouts.

Trends, Uncertainties and Anticipated Sources of Funds

In order to grow our business, we expect to increase our personnel and related expenses and to make significant investments in our business. The timing and amount of these investments will vary based on our financial condition, the rate at which we add new personnel and the scale of our development, as well as the macroeconomic environment. Many of these investments will occur in advance of our experiencing any direct benefit from them, which could negatively impact our liquidity and cash flows during any particular period and may make it difficult to determine if we are effectively allocating our resources. However, we expect to fund our operations, capital expenditures and other investments principally with cash flows from operations, and to the extent that our liquidity needs exceed our cash from operations, we would look to our cash on hand to satisfy those needs.

On May 2, 2023, we announced that our Board of Directors authorized a plan (the Repurchase Plan) under which we may repurchase up to $20 million of our Class A common stock. Subject to market conditions and other factors, the Repurchase Plan is intended to make opportunistic repurchases of our Class A common stock to reduce our outstanding share count. Under the Repurchase Plan, shares of Class A common stock may be repurchased in the open market through privately negotiated transactions or otherwise, in accordance with applicable securities laws and other restrictions. The Repurchase Plan does not have a fixed expiration date and does not obligate us to acquire any specific number of shares. The timing and terms of any repurchases under the Repurchase Plan are at management's discretion and depend on a variety of factors, including business, economic and market conditions, regulatory requirements, prevailing stock prices and other considerations. Additionally, we may, from time to time, enter into Rule 10b-5 trading plans to facilitate repurchases. Shares repurchased under the Repurchase Plan are retired. We expect to fund repurchases with existing cash and cash equivalents. During the nine months ended September 30, 2023, we repurchased 1.3 million shares of Class A common stock for $12.1 million, including costs associated with the repurchases.

We believe our current cash and cash equivalents and future cash flow from operations, as well as access to our credit facility with JPMorgan Chase Bank and a syndicate of other lenders, subject to customary borrowing conditions, will be sufficient to meet our ongoing working capital, capital expenditure and other liquidity requirements for at least twelve months from the date of this filing.

On September 26, 2023, we, including three of our wholly-owned subsidiaries, entered into a credit agreement (the Credit Agreement) with JPMorgan Chase Bank, National Association. as Administrative Agent, and a syndicate of lenders. The Credit Agreement provides for a $125.0 million senior secured revolving credit facility (the Credit Facility), with the option to increase up to an additional $75.0 million, and is available to be used by us and certain of our domestic subsidiaries for general corporate purposes, including acquisitions. The Credit Facility matures on September 26, 2028. See Note 6–Debt in the notes to our condensed consolidated financial statements for further discussion.

The Credit Facility replaces our prior credit facility under the Amended and Restated Senior Secured Credit Facilities Credit Agreement dated February 19, 2021 between us and Silicon Valley Bank, as administrative agent (the Prior Credit Agreement), which was terminated substantially concurrently with the Company's entering into the Credit Agreement. Under the terms of our Prior Credit Agreement, we could have borrowed up to $100.0 million, subject to borrowing conditions.

We had no outstanding balance on our credit facilities at September 30, 2023 or December 31, 2022. The available amounts to borrow under our credit facilities was $123.5 million and $98.3 million at September 30, 2023 and December 31, 2022, respectively, which was equal to the available amounts under the credit agreements of $125.0 million and $100.0 million, respectively, net of letters of credit of $1.5 million and $1.7 million, respectively. Our credit facilities contain certain customary financial and non-financial covenants. We were in compliance with all covenants as of September 30, 2023 and December 31, 2022.

Our future capital requirements may vary materially from those planned and will depend on certain factors, such as our growth and our operating results. If we require additional capital resources to grow our business or to acquire complementary technologies and businesses in the future, we may seek to sell additional equity or raise funds through debt financing or other sources. We cannot provide assurance that additional financing will be available at all or on terms favorable to us.

Sources and Uses of Capital Resources

The following table summarizes our cash flows:

	Nine Months Ended September 30,	
(in millions)	**2023**	**2022**
Net cash provided by operating activities	$ 42.5	$ 4.9
Net cash used in investing activities	(20.1)	(94.3)
Net cash provided by (used in) financing activities	(19.8)	60.3
Effect of exchange rate changes on cash and cash equivalents	0.1	(0.3)
Net increase (decrease) in cash and cash equivalents	$ 2.7	$ (29.4)

Operating activities

Net cash provided by operating activities increased $37.6 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, due to a $9.6 million decrease in net loss, a $20.8 million increase in non-cash charges, and a $7.2 million decrease in net cash outflow from changes in operating assets and liabilities. The increase in non-cash charges was primarily due to increases of $12.1 million in deferred taxes, $10.4 million in depreciation and amortization, and $4.0 million in stock-based compensation, partially offset by a $6.1 million change in fair value of contingent consideration related to earnouts for the nine months ended September 30, 2022. The decrease in net cash outflow from changes in operating assets and liabilities was primarily due to decreases of $20.3 million in accounts receivable, $11.6 million in accounts payable, and $4.4 million in other liabilities, substantially offset by increases of $21.8 million in accrued expenses and other current liabilities, $4.2 million in prepaid expenses and other assets, and $2.5 million for payments for contingent consideration in excess of the amounts recorded at the acquisition date.

Investing activities

Net cash used in investing activities decreased $74.2 million in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily due to $69.5 million of cash paid, net of cash acquired, for our acquisition of OTB in the nine months ended September 30, 2022, as well as a $3.8 million decrease in purchases of property and equipment.

Financing activities

We had $19.8 million of net cash used in financing activities in the nine months ended September 30, 2023, as compared to $60.3 million of net cash provided by financing activities in the nine months ended September 30, 2022, primarily due to $70.0 million of proceeds from our line of credit to finance the cash portion of the purchase consideration for our acquisition of OTB in the nine months ended September 30, 2022. Additionally, $12.1 million for repurchases of Class A common stock in the nine months ended September 30, 2023 was partially offset by a $2.9 million increase from exercises of stock options and a $2.1 million decrease in payments for contingent consideration recorded at the acquisition date.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting policies as provided within U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable. Actual results may differ from these estimates under different assumptions or conditions.

During the nine months ended September 30, 2023, there have been no material changes in our critical accounting policies as disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations–Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.

During the nine months ended September 30, 2023, there were no material changes from the market risk disclosures in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended). Management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of September 30, 2023. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that these disclosure controls and procedures were effective as of September 30, 2023.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with any certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. See further discussion under "Litigation and Other Legal Matters" in Note 7–Commitments and Contingencies in the notes to condensed consolidated financial statements in Item 1 of Part I of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

In addition to risks and uncertainties in the ordinary course of business that are common to all businesses, important factors that are specific to our industry and the Company could have a material and adverse impact on our business, financial condition, results of operations and cash flows. You should carefully consider the risk factors set forth in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 and in our subsequent periodic filings with the Securities and Exchange Commission.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

None.

Purchases of Equity Securities by the Issuer

The following table summarizes our share repurchase activity for the three months ended September 30, 2023:

Period	Total Number of Shares Purchased[1] *(in thousands)*	Average Price Paid per Share[2]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1] *(in thousands)*	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs[1] *(in millions)*
July	60	$ 8.88	60	$ 18.2
August	299	$ 8.94	299	$ 15.5
September	850	$ 8.96	850	$ 7.9
Total	1,209		1,209	

(1) On May 2, 2023, we announced that our Board of Directors authorized a plan (the Repurchase Plan) under which we may repurchase up to $20 million of our Class A common stock. Following our utilization of the share repurchase authorization under the Repurchase Plan, we announced on October 26, 2023 that our Board of Directors authorized a new plan (the October 2023 Repurchase Plan) under which we may repurchase up to $30 million of our Class A common stock. Under the Repurchase Plan and the October 2023 Repurchase Plan, shares of Class A common stock may be repurchased in the open market through privately negotiated transactions or otherwise, in accordance with applicable securities laws and other restrictions. The Repurchase Plan and the October 2023 Repurchase Plan do not have fixed expiration dates and do not obligate us to acquire any specific number of shares. The timing and terms of any repurchases under the Repurchase Plan and the October 2023 Repurchase Plan are at management's discretion and depend on a variety of factors, including business, economic and market conditions, regulatory requirements, prevailing stock prices and other considerations. Additionally, we may, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases.

(2) Average price paid per share includes costs associated with the repurchases.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Securities Trading Plans of Directors or Executive Officers

During the three months ended September 30, 2023, none of our directors or officers (as defined in Rule 16a-1 of the Exchange Act) adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as such terms are defined under Item 408 of Regulation S-K), except as noted below.

On September 14, 2023, Kevin Yuann, Chief Business Officer, terminated a preexisting trading plan that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act as then applicable at the time of adoption (the Terminated Plan). The Terminated Plan was originally adopted on December 15, 2022, was scheduled to expire on December 31, 2023 and provided for the sale of up to 373,858 shares of the Company's Class A common stock.

On September 14, 2023, Mr. Yuann adopted a new trading plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1 of the Exchange Act as currently in effect (the Yuann Trading Plan). The Yuann Trading Plan has a duration of December 15, 2023 to December 31, 2024 and provides for the sale of up to approximately 390,755 shares of the Company's Class A common stock (assuming the vesting of shares under certain performance-based restricted stock unit awards (PSUs) at 100% of target), including upon the vesting and settlement of certain equity awards. Because the aggregate number of shares that may be sold under the Yuann Trading Plan (i) will be net of shares withheld by the Company to satisfy Mr. Yuann's tax obligations upon the vesting and settlement of certain equity awards and (ii) includes shares that may be issued in respect of PSUs, the precise number of shares that may be sold under the Yuann Trading Plan is not yet determinable.

Item 6. Exhibits.

(a) Exhibits.

Exhibit Number	Description of Exhibit	Location
10.1	Credit Agreement dated as of September 26, 2023 among NerdWallet, Inc., the subsidiary guarantors from time to time party thereto, JPMorgan Chase Bank, National Association, as Administrative Agent, and the Lenders party thereto.	Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed September 27, 2023.
31.1	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
31.2	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith
101.INS	Inline XBRL Instance Document.(the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)	**
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	**
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	**
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	**
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	**
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	**
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101).	**

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* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

** Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NERDWALLET, INC.

Date:	October 26, 2023	By:	/s/ Lauren StClair
			Lauren StClair
			Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tim Chen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NerdWallet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2023

/s/ Tim Chen

Tim Chen
Chief Executive Officer and
Chairman of the Board of Directors

EXHIBIT 31.2

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lauren StClair, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NerdWallet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 26, 2023

/s/ Lauren StClair

Lauren StClair
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Tim Chen, Chief Executive Officer and Chairman of the Board of Directors of NerdWallet, Inc. (the “Company”), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date:	October 26, 2023	/s/ Tim Chen
		Tim Chen
		Chief Executive Officer and Chairman of the Board of Directors

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Lauren StClair, Chief Financial Officer of NerdWallet, Inc. (the "Company"), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: October 26, 2023

/s/ Lauren StClair

Lauren StClair

Chief Financial Officer