



Q2 2021

Financial Results

Supplemental Slides

September 9, 2021

Forward-Looking Statements

Certain statements in this presentation release may constitute “forward-looking” statements and information, within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or similar words. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the following: our limited operating history and ability to manage our growth; our history of net losses and anticipated increasing operating expenses; our ability to successfully implement our business plan in light of macroeconomic conditions, including during a global economic downturn caused by the COVID-19 pandemic that may impact the demand for our services or have a material adverse impact on our and our business partners’ financial condition and results of operations; our ability to achieve profitability; our ability to maintain and enhance our brand; our ability to develop enhancements to our products; our ability to attract new merchants, retain existing merchants and increase the sales of our products to large enterprises; merchant concentration; our dependence on the continued use of credit cards and other payment methods that expose our merchant to the risk of payment fraud; our ability to continue to improve our machine learning models or if our machine learning models contain errors or are otherwise ineffective; our ability to detect errors, defects or disruptions in our platform; our ability to protect our merchants’ and their consumers’ personal or other data from a security breach and to comply with laws and regulations relating to consumer data privacy and data protection; our ability to expand into markets outside the United States; our ability to predict our future revenue given our lengthy sales cycles; seasonality; our ability to operate in a highly competitive industry; our ability to achieve desired operating margins; our compliance with a wide variety of U.S. and international laws and regulations; our reliance on Amazon Web Services; our dependence on our senior management and our ability to attract new talent; our limited experience in determining the optimal pricing for our products; the concentration of our voting power as a result of our dual class structure; and other risk factors set forth in the section titled “Risk Factors” in our Prospectus filed pursuant to Rule 424(b) with the Securities and Exchange Commission on July 30, 2021, and other documents filed with or furnished to the SEC. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this presentation. You should not put undue reliance on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by applicable law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.



Key Performance Indicators and Non-GAAP Metrics

This presentation contains key performance indicators including GMV, as well as non-GAAP metrics, including Adjusted EBITDA and non-GAAP operating expenses.

We define GMV as the gross total dollar value of orders received by our merchants and reviewed through our eCommerce risk management platform during the period indicated, including orders that we did not approve. We define Adjusted EBITDA as net profit (loss) adjusted to remove the effects of the provision for income taxes, interest income, net, other income (expense), net, depreciation and amortization, and share-based compensation expense. We define non-GAAP operating expenses as GAAP operating expenses adjusted to remove the effects of depreciation and amortization, and share-based compensation expense.

Adjusted EBITDA is a non-GAAP metric that management and our board of directors use as a supplemental measure of our performance because it assists us in comparing our operating performance on a consistent basis, as it removes the impact of items that we believe do not directly reflect our core operations. We also use Adjusted EBITDA for planning purposes, including the preparation of our internal annual operating budget and financial projections, to evaluate the performance and effectiveness of our strategic initiatives and to evaluate our capacity to expand our business.

Adjusted EBITDA and non-GAAP operating expenses should not be considered in isolation, as an alternative to, or superior to net profit (loss) or other performance measures derived in accordance with GAAP. These metrics are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. By providing these non-GAAP metrics together with a reconciliation to the most comparable U.S. GAAP measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives.

These non-GAAP metrics should not be construed as an inference that our future results will be unaffected by unusual or other items. Adjusted EBITDA and non-GAAP operating expenses have limitations as analytical tools in that they do not reflect our tax payments and certain other cash costs that may recur in the future, including, among other things, cash requirements for costs to replace assets being depreciated and amortized. Management compensates for these limitations by relying on our GAAP results in addition to using Adjusted EBITDA and other non-GAAP metrics as supplemental measures of our performance. The non-GAAP metrics used herein are not necessarily comparable to similarly titled captions of other companies due to different methods of calculation.

See the appendix for reconciliations of these non-GAAP financial metrics to the most directly comparable GAAP measures.



Meet Riskified

Our mission is to empower businesses to realize the full potential of eCommerce by making it safe, accessible and frictionless.



Increased sales approval rates by up to 20%¹



Reduced costs by up to 60%¹



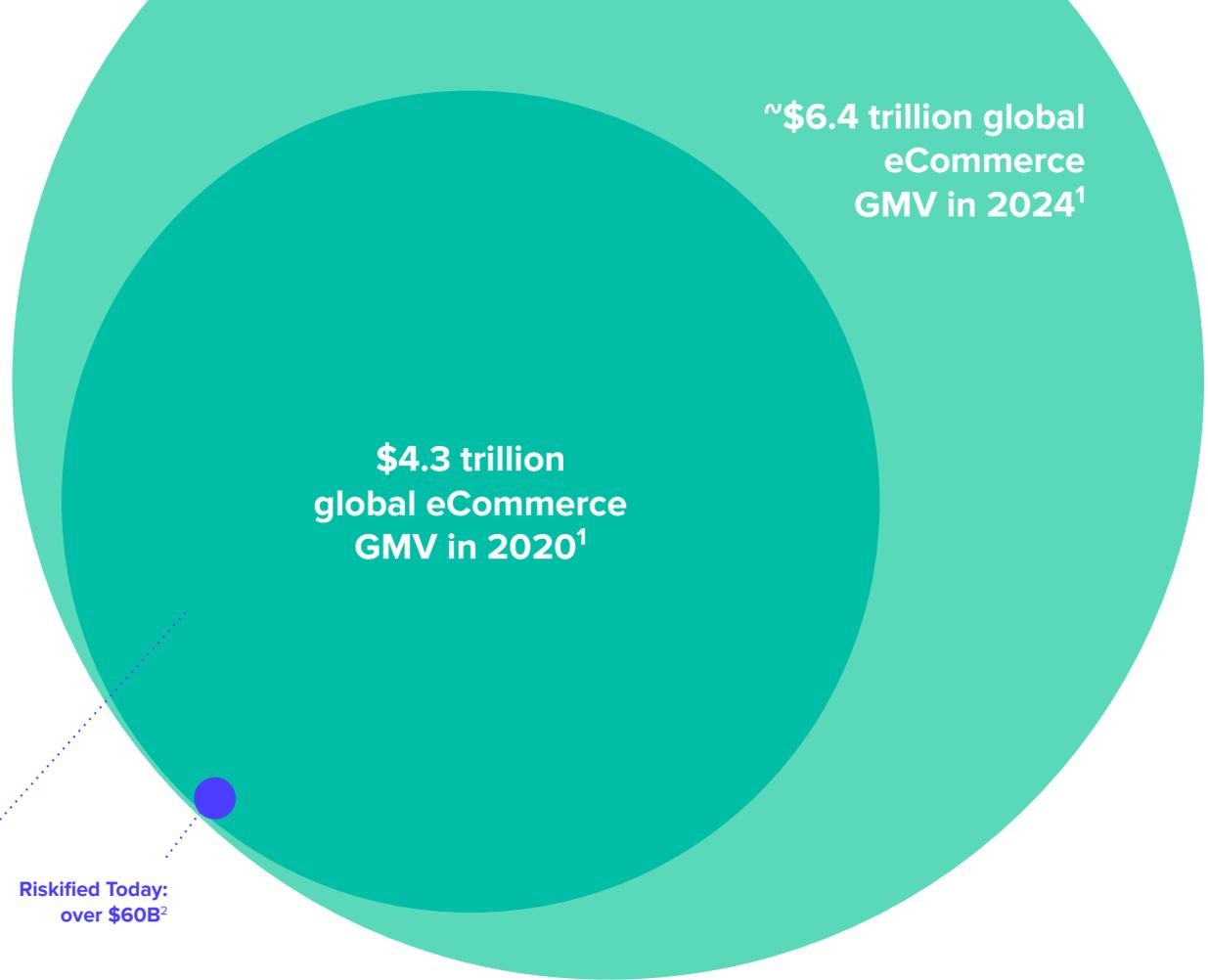
Eliminate significant customer friction, power omnichannel commerce and open new, global markets

¹ Based on billings of ten largest merchants in sample. Certain merchants in sample saw increases in sales approval rates and reductions in costs that exceed 20% and 60%, respectively. See slide 7.



We Operate in Massive Markets With Strong Tailwinds

Solving Problems That Touch All eCommerce Orders

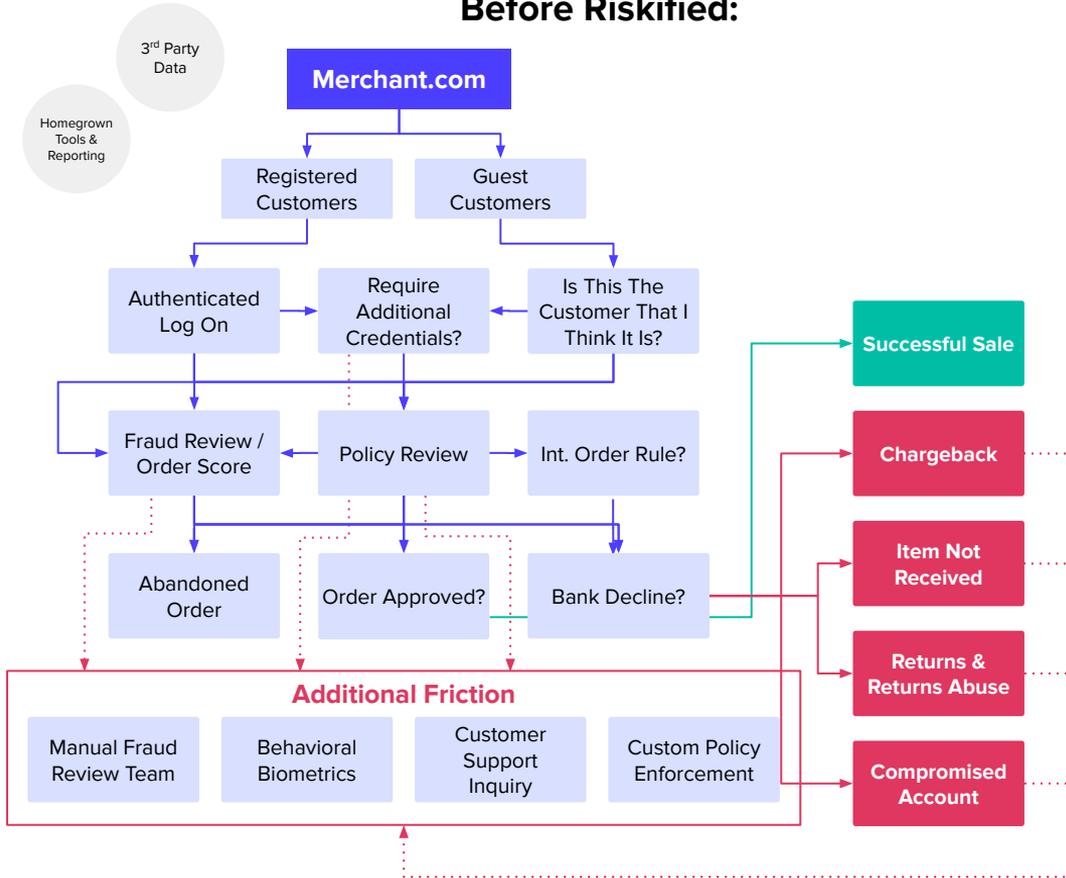


¹ Source: eMarketer 2020

² GMV as of Dec 31, 2020

Riskified Enables Frictionless eCommerce

Before Riskified:



With Riskified:



Higher approval rates



Lower operating costs

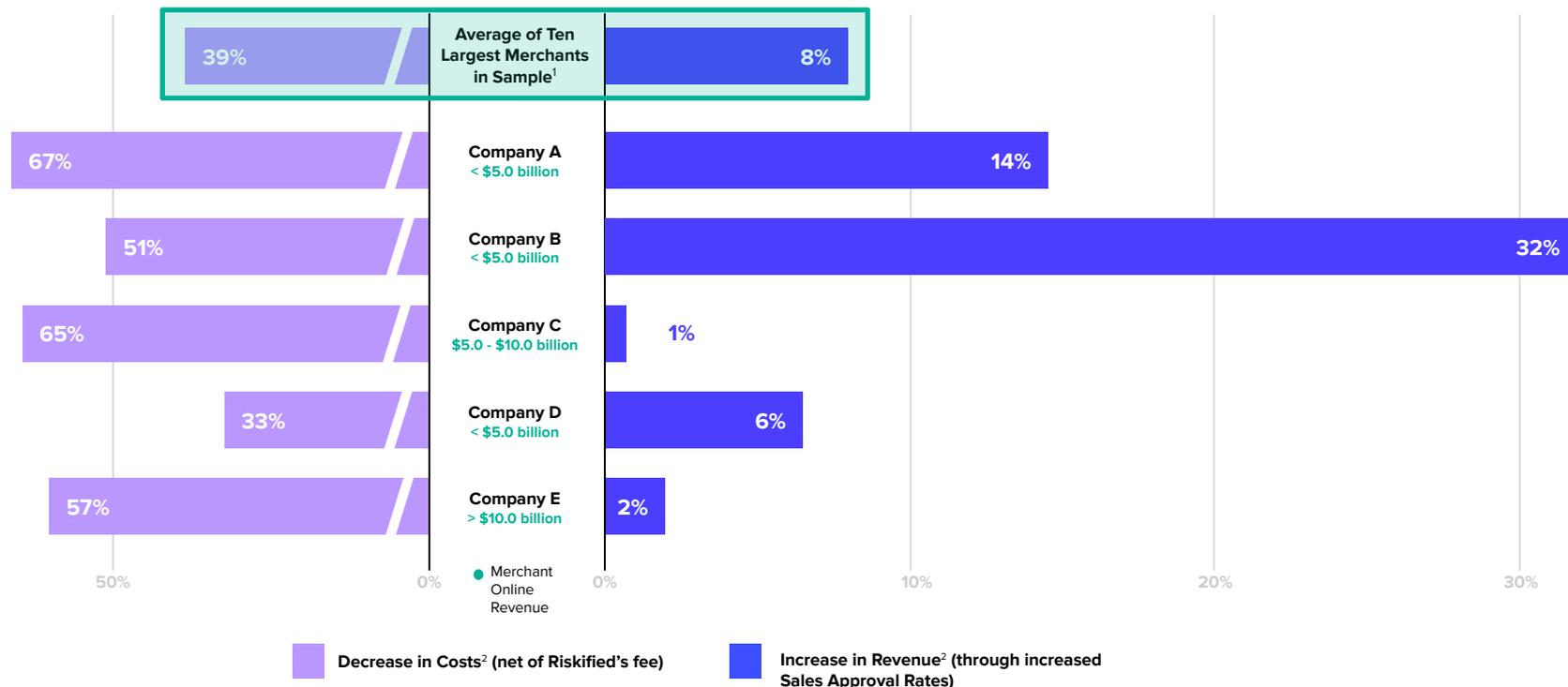


New market penetration



Better user experience

We Increase Merchants' Revenue & Decrease Costs



¹ Analysis performed using the ten largest merchants that provided pre-Riskified performance data to us. These merchants were ranked by Billings over the period from November 1, 2020 to January 31, 2021 and collectively represent approximately 35% of total Billings for the year ended December 31, 2020.

² The change in sales approval rate represents the difference in total dollar-based orders cleared and accepted by the merchant's fraud review process, expressed as a percentage of dollar-based order volume. Cost reductions reflect the merchant's decrease in dollar-based chargeback costs after accounting for Riskified's fee. There may be additional costs associated with fraud prevention for the pre-Riskified period.

Both calculations compare (a) the sampled merchants' average post-Riskified performance over (i) the latest 12-month period as of January 31, 2021, or (ii) where 12-months of data was not available, the most recent period available, or (iii) in one instance, the 12-month period after the merchant began submitting almost all of its online transactions to us for approval decisions using the Chargeback Guarantee, with (b) the sampled merchants' average pre-Riskified performance for the time period such merchants shared with us. "Pre-Riskified" approval rate and chargeback cost methodologies may vary by merchant.

Q2 2021 Business Highlights



Onboarded several prominent new merchants in multiple growing eCommerce categories, some in new verticals that Riskified has not previously served, e.g. payments platforms



Continued expansion into additional geographic markets including Australia, China, and the United Kingdom



Renewed partnership with Wayfair, one of the world's largest destinations for the home



Processed more than 150 million new eCommerce transactions through the Riskified platform during the quarter



Customized platform implementations for several enterprise merchants using multiple Riskified products

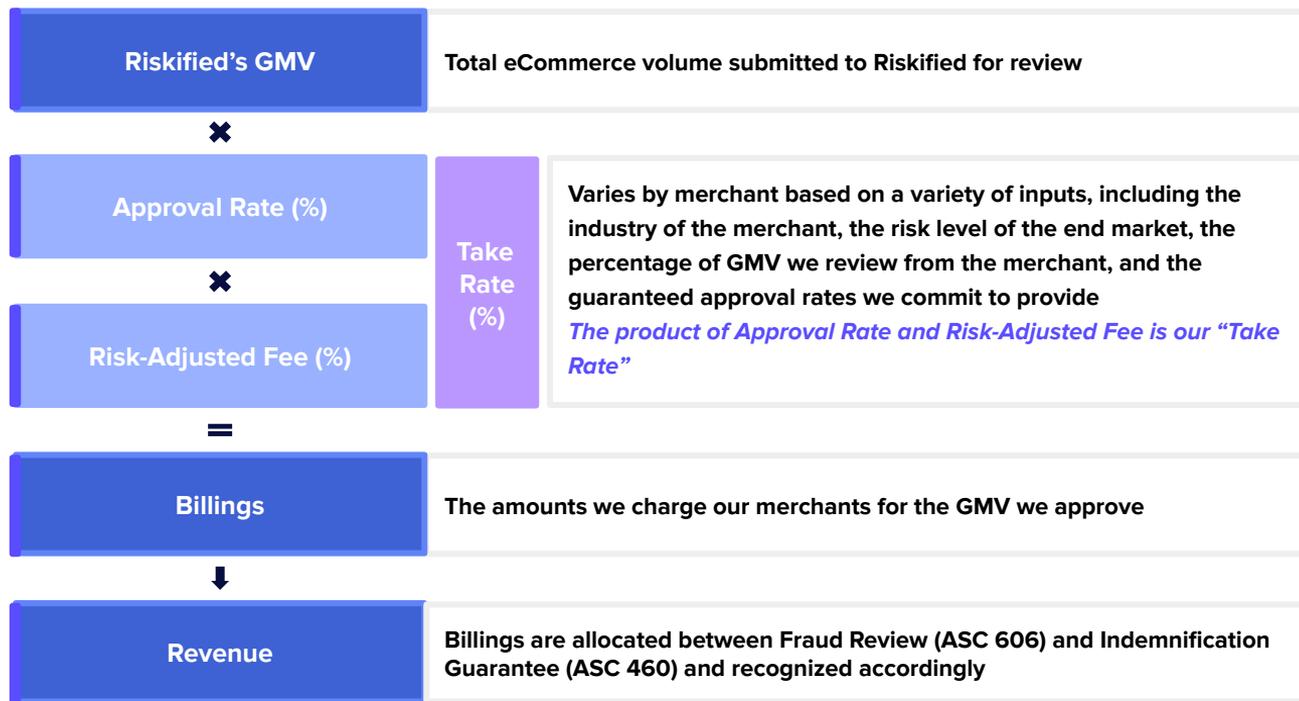


Subsequent to Q2, raised \$386.7M in net proceeds through successful completion of IPO on the NYSE

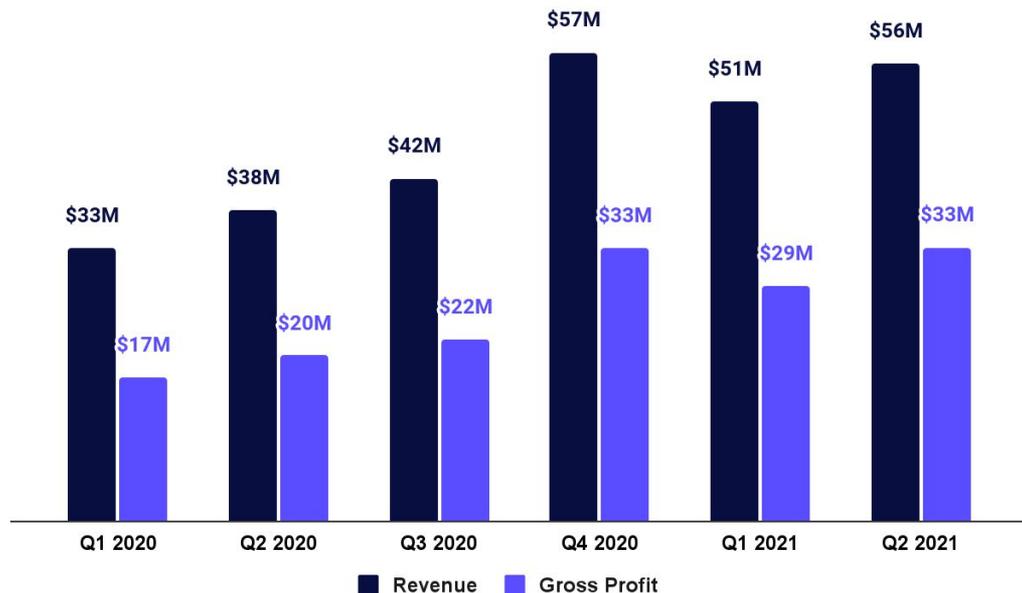


Revenue Model Flow Recap

Transforming GMV into Revenue



Q2 2021 Financial Highlights



GMV

\$21.5B, up 55% YoY

Revenue

\$55.7M, up 47% YoY

Gross Profit

\$33.3M, up 65% YoY

Adjusted EBITDA

\$1.6M, up from \$(1.1M) in Q2'20



Outlook

Full Fiscal Year 2021

Revenue	\$224.4M	-	\$225.4M	+32.2% - 32.8% YoY
Adjusted EBITDA	\$(26.3M)	-	\$(25.3M)	

Q3 2021

Revenue	\$50.7M	-	\$51.2M
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Q3 QTD Weighted average shares outstanding of ~109M

Q4 QTD Weighted average shares outstanding of ~161M



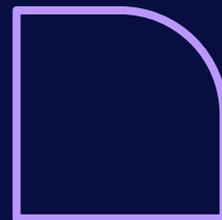


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Appendix

Q2'21 GAAP Financial Results

\$ in thousands	Q2'21	Q2'20
Revenue	55,692	37,807
Cost of revenue	22,390	17,670
Gross profit	33,302	20,137
Operating expenses:		
Research and development	12,439	10,382
Sales and marketing	14,812	11,276
General and administrative	7,701	6,150
Total operating expenses	34,952	27,808
Operating profit (loss)	(1,650)	(7,671)
Interest income (expense), net	35	58
Other income (expense), net	(18,565)	374
Profit (loss) before income taxes	(20,180)	(7,239)
Provision for income taxes	309	30
Net profit (loss)	(20,489)	(7,269)



Q2'21 Reconciliation of GAAP Net Profit (Loss) to Adjusted EBITDA

\$ in thousands	Q2'21	Q2'20
GAAP Net profit (loss)	(20,489)	(7,269)
Non GAAP expenses:		
Share-based compensation expense	2,577	6,228
Depreciation and amortization	628	310
Interest income, net	(35)	(58)
Other (income) expense, net	18,565	(374)
Provision for income taxes	309	30
Adjusted EBITDA	1,555	(1,133)

