riskified

November 2023

Investor Presentation

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the U.S. Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements contained in this press release other than statements of historical fact, including, without limitation, statements regarding our revenue and adjusted EBITDA guidance for fiscal year 2023, future growth potential in new verticals and new geographies, anticipated implementation timeline and benefits of our proposed share repurchase program, ongoing impact of the conflict in Israel on our business and financial performance and Company actions designed to mitigate such impact, internal modeling assumptions, expectations as to our new merchant pipeline, upsell opportunities and strategic partnerships, the performance of our product, our management of our cash outflow and leverage, and business plans and strategy are forward-looking statements, which reflect our current views, as of the date hereof, with respect to future events and are not a guarantee of future performance. The words "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "could," "would," "project," "forecasts," "aims," "plan," "target," and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions.

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 ability to manage our growth effectively; our history of net losses and ability to achieve profitability; our ability to attract new merchants and retain existing merchants; continued use of credit cards and other payment methods that expose merchants to the risk of payment fraud, and changes in laws and regulations related to use of these payment methods, such as PSD2, and the emergence of new alternative payment products; the impact of macroeconomic conditions on us and on the performance of our merchants; our ability to continue to improve our machine learning models; fluctuations in our CTB Ratio and gross profit margin, including as a result of large-scale merchant fraud events or other security incidents; our ability to protect the information of our merchants and consumers; our ability to predict future revenue due to lengthy sales cycles; seasonal fluctuations in revenue; competition; our merchant concentration; the financial condition of our merchants, particularly in challenging macroeconomic environments; our ability to increase the adoption of our products and to develop and introduce new products; our ability to mitigate the risks involved with selling our products to large enterprises; our ability to retain the services of our executive officers, and other key personnel, including our co-founders; our ability to attract and retain highly qualified personnel, including software engineers and data scientists, particularly in Israel; changes to our prices and pricing structure; our exposure to existing and potential future litigation claims; our exposure to fluctuations in currency exchange rates, including recent declines in the value of the Israeli shekel against the US dollar as a result of the ongoing conflict in Israel; our ability to obtain additional capital; risks associated with our proposed share repurchase program, including the risk that the program could increase volatility and fail to enhance shareholder value, risks relating to our ability to obtain authorization and re-authorization, as necessary, by the Tel Aviv District Court Economic Department to permit share repurchases, or other factors; our third-party providers of cloud-based infrastructure; our ability to protect our intellectual property rights; technology and infrastructure interruptions or performance problems; the efficiency and accuracy of our machine learning models and access to third-party and merchant data; our ability to comply with evolving data protection, privacy and security laws; our ability to comply with lending regulation and oversight; the development of regulatory frameworks for machine learning technology and artificial intelligence; our use of open-source software; our ability to enhance and maintain our brand; our ability to execute potential acquisitions, strategic investments, partnerships, or alliances; potential claims related to the violation of the intellectual property rights of third parties; our limited experience managing a public company; our failure to comply with anti-corruption, trade compliance, and economic sanctions laws and regulations; disruption, instability and volatility in global markets and industries; our ability to enforce non-compete agreements entered into with our employees; our ability to maintain effective systems of disclosure controls and financial reporting; our ability to accurately estimate or judgements relating to our critical accounting policies; our business in China; changes in tax laws or regulations; increasing scrutiny of, and expectations for, environmental, social and governance initiatives; potential future requirements to collect sales or other taxes; potential future changes in the taxation of international business and corporate tax reform; changes in and application of insurance laws or regulations; conditions in Israel that may affect our operations, including ongoing conflict in Israel following the events of October 7, 2023; the impact of the dual class structure of our ordinary shares; our status as a foreign private issuer; and other risk factors set forth in the section titled "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2022, filed with the Securities and Exchange Commission (the "SEC") on February 24, 2023, and subsequent reports we file or furnish with the SEC, and which are accessible on the SEC's website at www.sec.gov. These statements reflect management's current expectations, as of the date hereof, 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.

Key Performance Indicators and Non-GAAP Measures

This presentation contains key performance indicators including GMV and Annual Dollar Retention Rate, as well as non-GAAP measures, including Adjusted EBITDA and Free Cash Flow.

“Gross Merchandise Volume” or “GMV” is defined as the gross total dollar value of orders reviewed through our eCommerce risk intelligence platform during the period indicated, including orders that we did not approve.

“Annual Dollar Retention Rate” is defined as (i) Annual Churn, divided by (ii) our total Billings for the last twelve months as of November of each year, and then subtracted from 100%.

“Annual Churn” is calculated first by multiplying each churned account’s average monthly Billings (calculated based on the last twelve months, or, in instances where a merchant has been using our products for less than twelve months, the period for which the merchant used our products, preceding such churned account’s date of churn) by the number of months remaining after the date of churn in the same fiscal year, which we refer to as lost Billings. After lost Billings are calculated for each churned account, the Company calculates the sum of the lost Billings for all churned accounts to determine Annual Churn.

“Billings” or “amounts billed” is defined as (1) gross amounts invoiced to our merchants and estimates for cancellations and service level agreements for transactions approved during the period plus (2) changes in estimates for cancellations and service level agreements for orders approved in prior periods. Billings excludes credits issued for chargebacks.

Adjusted EBITDA, which is a non-GAAP measure of financial performance, is defined as net profit (loss) adjusted for items that we believe do not directly reflect our core operations such as depreciation and amortization (including amortization of capitalized internal-use software as presented in our statement of cash flows), share-based compensation expense, payroll taxes related to share-based compensation, litigation-related expenses, provision for (benefit from) income taxes, other income (expense) including foreign currency transaction gains and losses and gains and losses on non-designated hedges, and interest income (expense). Management believes that by excluding these items from net profit (loss), Adjusted EBITDA provides useful and meaningful supplemental information. Adjusted EBITDA is used to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections, develop annual budgets, and make strategic decisions.

Adjusted EBITDA 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. This metric is frequently used by analysts, investors and other interested parties to evaluate companies in our industry. By providing Adjusted EBITDA, 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.

Free Cash Flow is defined as net cash provided by (used in) operating activities, less cash purchases of property and equipment, and cash spent on capitalized software development costs. Free Cash Flow provides useful information to management and investors about the amount of cash generated by the business that can be used for strategic opportunities, including investing in our business and strengthening our balance sheet. Free Cash Flow is limited because it does not represent the residual cash flow available for discretionary expenditures. Free Cash Flow is not necessarily a measure of our ability to fund our cash needs.

Use of non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or other items. Adjusted EBITDA has limitations as an analytical tool in that it does 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 measures as supplemental measures of our performance. The non-GAAP measures used herein are not necessarily comparable to similarly titled captions of other companies due to different methods of calculation.

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

The eCommerce Risk Intelligence Leader

RSKD

IPO in July 2021; Only publicly held next-generation eCommerce fraud and risk intelligence company

50+

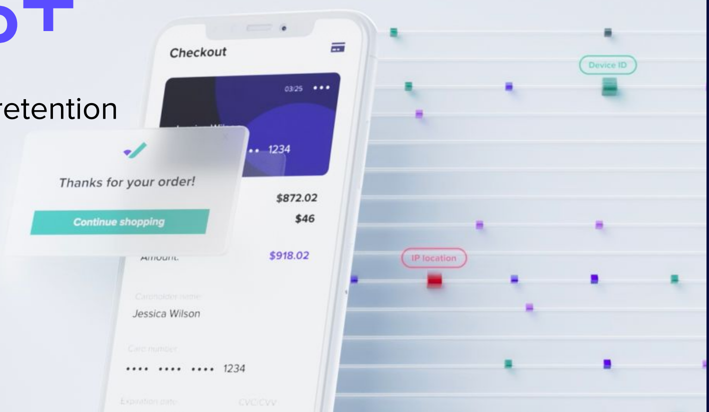
Publicly held companies among our clients

$120bn

One of the largest reviewers of annual eCommerce volume (GMV) globally [1]

99%+

Annual dollar retention rate in 2022[2]



iHerb

PRADA

wish

wayfair

lastminute.com

REVOLVE

FINISH LINE

1: GMV based on the actual GMV reviewed by Riskified over the last twelve months
2: Our annual dollar retention rate has exceeded 98% in each of the last 4 years

Continued Execution in our Q3’23 Financial Performance

Continued Revenue Growth

Year-over-year growth of 17% in 9M’23, vs 14% in 9M’22.

Continued Diversification

Top 10 new logos added during Q3’23 deepened our geographic reach, with particular strength in the United States, and further penetrated four different verticals.

Improved Bottom-Line

5th consecutive quarter of Y/Y improvement in Adjusted EBITDA [1] performance; 50% YTD improvement in Adjusted EBITDA.

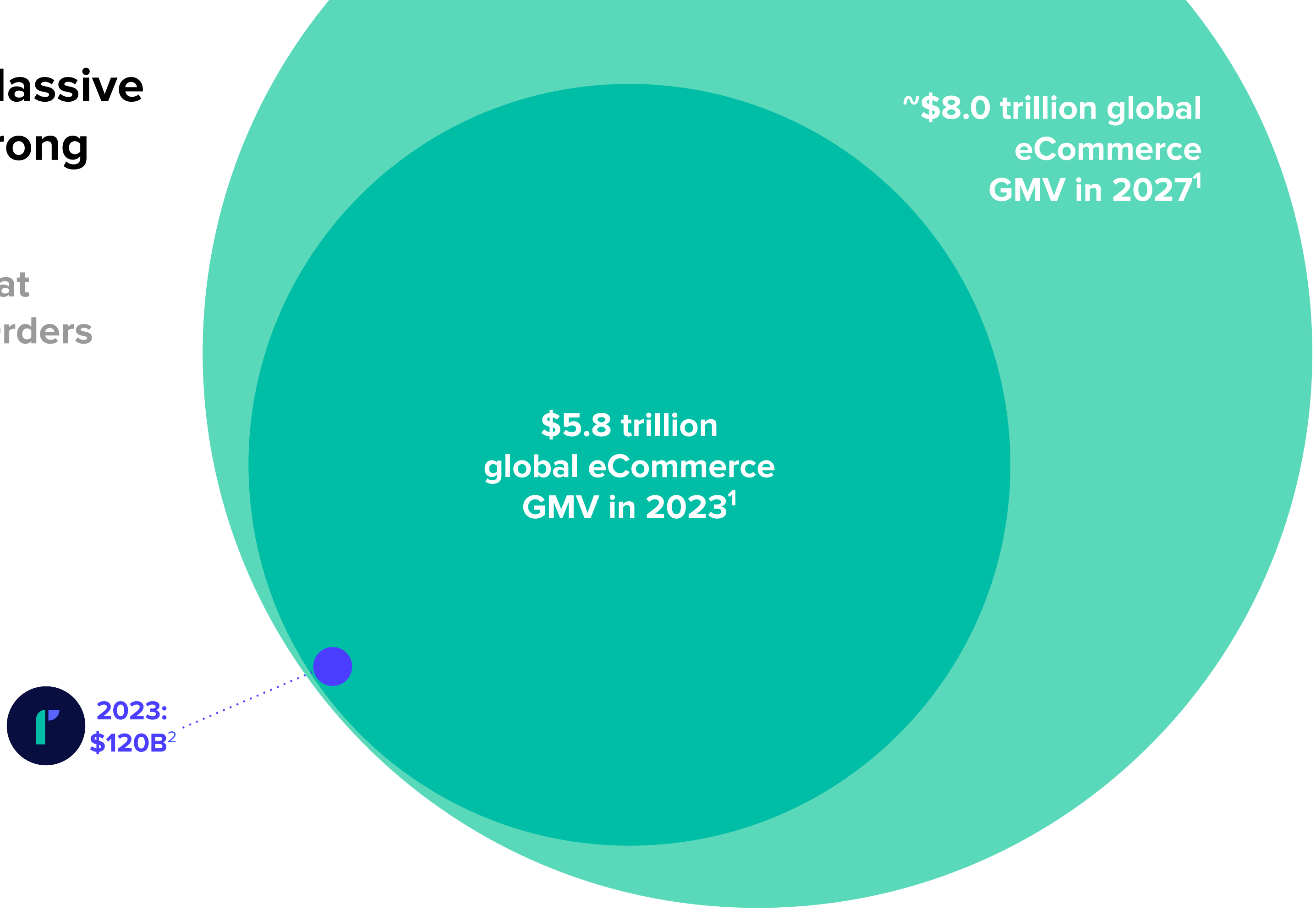
Approaching Profitability

Anticipate profitability on an Adjusted EBITDA basis in Q4’23 and on annual basis in 2024

1: A reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, Net Profit (Loss), is provided in the Appendix.

We Operate in Massive Markets With Strong Tailwinds

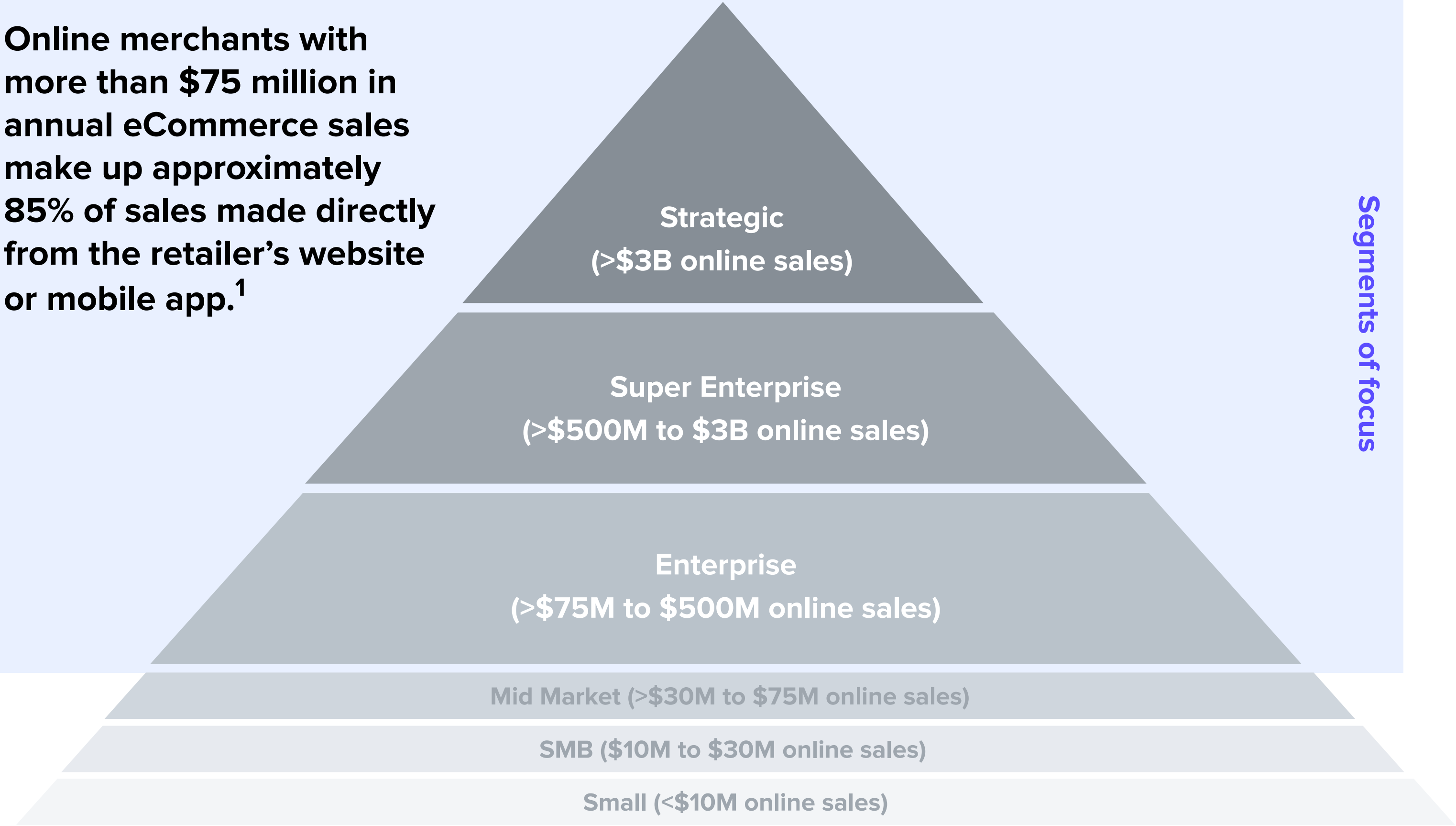
Solving Problems That Touch eCommerce Orders



[1] Source: eMarketer (September 2023).
[2] GMV based on the actual GMV reviewed by Riskified over the last twelve months

Direct Sales Force Focused on the World's Largest Merchants

Online merchants with more than $75 million in annual eCommerce sales make up approximately 85% of sales made directly from the retailer's website or mobile app.[1]

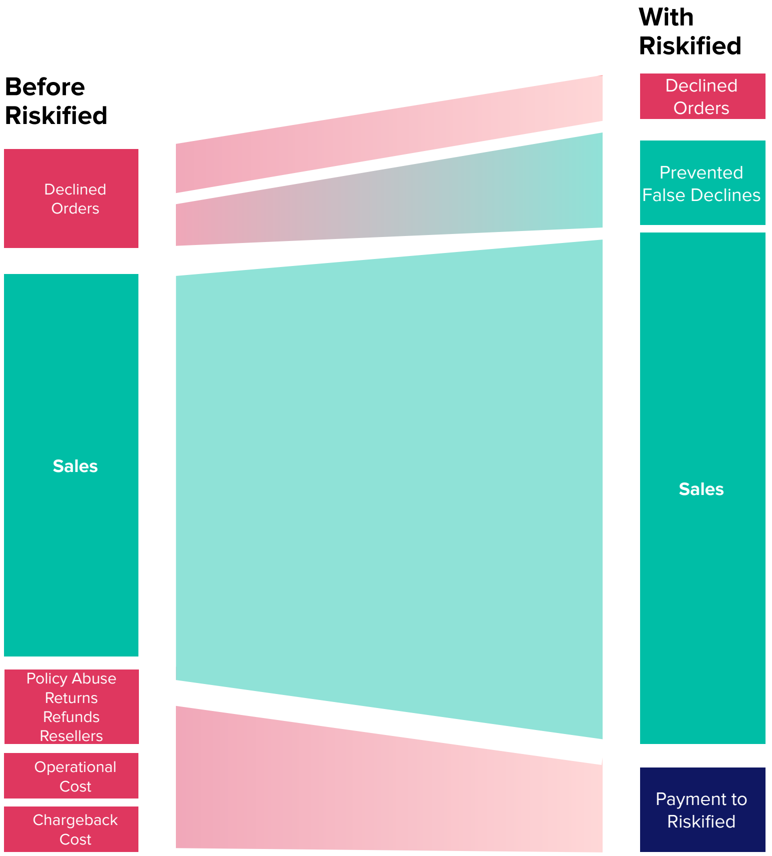


[1] Source: Management calculations based on data provided by ecommerceDB (2022).

eCommerce Has Massive Friction Points

- Customer Frustration Leads to Lost Merchant Sales
- Numerous, Complicated and Expensive Pain Points

Riskified Value Proposition: Significant Sales Uplift and Attractive ROI



Fewer declined orders builds deeper customer loyalty and drives additional revenue for merchants

Our solutions convert bank declines and false declines into sales, and allow merchants to scale by entering new markets

Our solutions identify the true identity of a consumer delivering better experiences and blocking return, refund, reseller abusers.

Our fees are typically lower than fraud and policy abuse costs pre-Riskified

Partnering with Riskified makes merchants smarter & more profitable

FORRESTER®

Financial analysis found benefits

594% ROI

over three years

“ Riskified is the **best-in-class organization in eCommerce fraud management.** I feel like I’m just picking up the phone to call someone I work with. I’ve dealt with vendors for over 26 years and never experienced that.

Forrester TEI Report

Best Security Solution 2023

Proven ability to boost margins*

8% Average **revenue** growth

39% Average **reduction** in costs

Powerful network effect

2.5B+

Orders enriched, reviewed, and analyzed to date.

Empowering eCommerce

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

What Sets Riskified Apart

Labelling – Closed loop system with high quality data purity

Network – Scaled merchant network of pre-eminent eCommerce brands

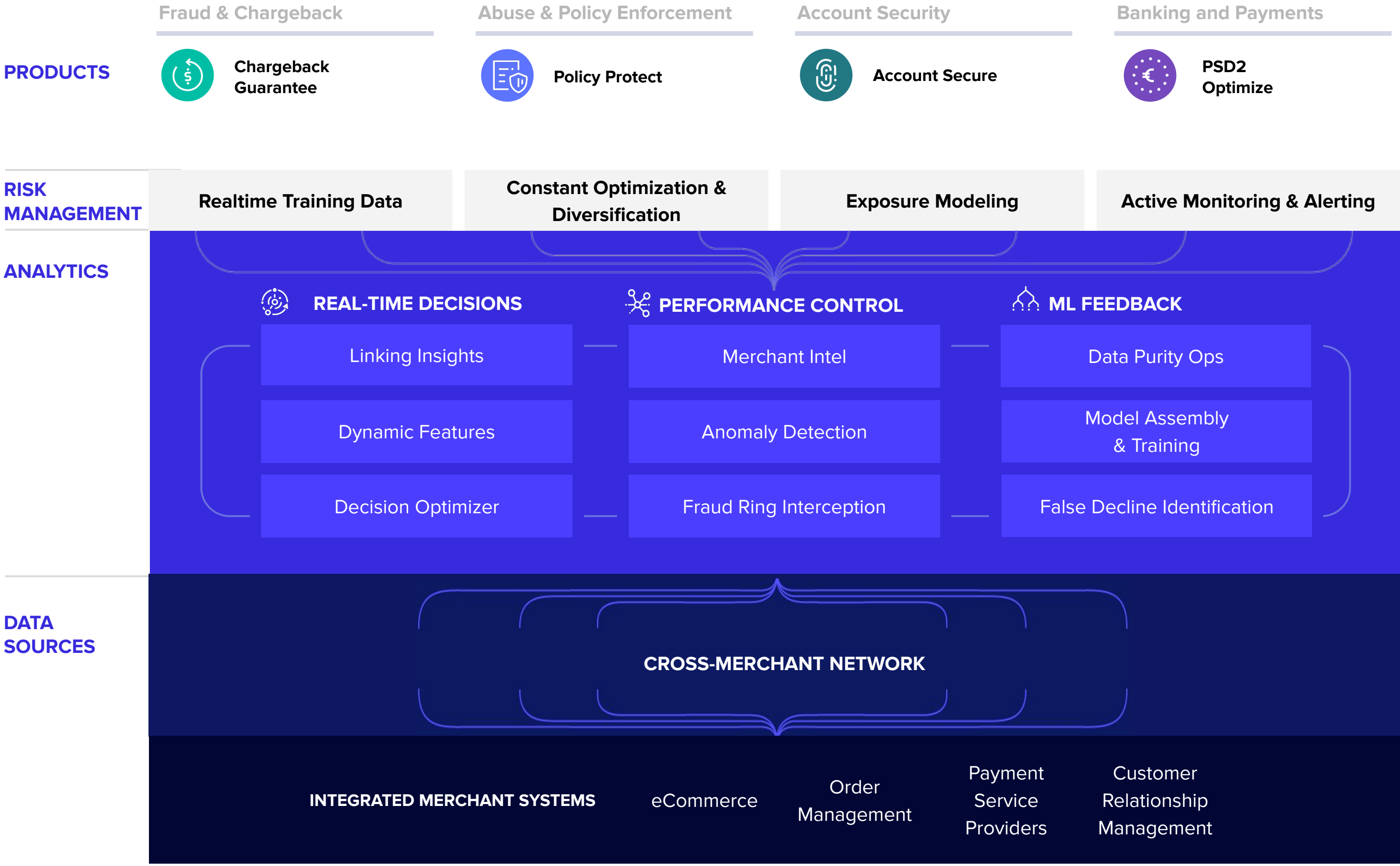
Integration – Deeply integrated delivery model driving strong retention

Performance Management – Active monitoring, segmentation and optimization

Innovative Tech Platform – Proprietary AI capabilities applicable to vast use cases

Innovative Technology Platform

- Automated, real-time solutions
- Full transparency provides merchants insight into our decisions & performance
- AI models improve with every login and transaction reviewed
- Scalable technology platform



Guidance Outlook

Updated Guidance for 2023

Guidance as of Q2'23

Revenue	$298M	-	$303M
Adjusted EBITDA	($17M)	-	($12M)

Updated Guidance as of Q3'23

Revenue	$297M	-	$300M
Adjusted EBITDA	($14.5M)	-	($12.5M)
YTD Weighted Average Shares Outstanding	185 Million		

$297M - $300M

~($13.5M)

Adjusted EBITDA Midpoint

7% improvement to Adj. EBITDA midpoint

Q3 2023 Business Highlights

Operationalized Business Continuity Plan ("BCP"): Our primary focus following the events in Israel on October 7, 2023 was ensuring the safety of our employees and maintaining continuity of service for our merchants. We promptly operationalized our BCP to help ensure continuity of service and to minimize disruptions to our merchants. We remain engaged with all our merchants and have not seen any loss of merchant volumes so far as a result of these events. We believe this is a testament to the deep relationships that we have cultivated with many of our merchants, our high retention rates, and our track record of being a reliable and trusted partner.

Further Diversification with the Addition of New Merchants: We continue to have success landing new merchants on the platform. Our top 10 new logos added during the third quarter of 2023 helped us deepen our geographic reach, with particular strength in the United States, and further penetrate four different verticals.

Strong Upsell Activity in Key Accounts in our Fashion and Luxury Vertical: Key existing customers expanded their contractual relationships with us during the quarter. In particular, we successfully executed upsells with merchants in our Luxury and Sneakers sub-verticals, and also with one of the world's largest online fashion retailers in APAC.

Q3 2023 Business Highlights (continued)

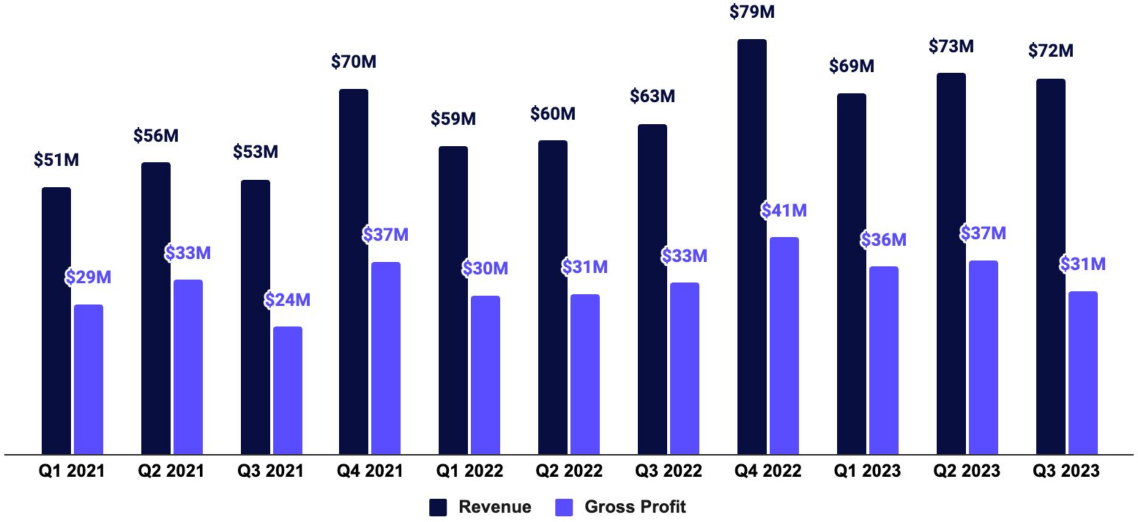
- **Signed Multi-Year, Multi-Product Cross-Sell:** During the third quarter of 2023, we successfully cross-sold our Policy Protect and Account Secure products to an existing Enterprise merchant in our General Retailers vertical for a multi-year contract. Using Policy Protect and Account Secure, Riskified is able to help block abusive resellers upon checkout and balance the overall customer experience while preventing account takeovers.

- **Partnered with Plaid to Enhance Risk Protection for Automatic Clearing House ("ACH") Bank Payments:** This partnership empowers online merchants, marketplaces, and trading platforms to approve ACH payments with greater confidence, safeguarding against fraud and the risk of insufficient funds. The integration enhances Riskified's existing ACH protection capability to shift fraud liability and protect against ACH 'insufficient funds' returns. Riskified's platform complements Plaid's Signal offering, a transaction risk scoring engine that furnishes merchants with new data attributes to better assess the return risk of transactions.

Q3 2023 Business Highlights (continued)

Share Repurchase Program Update: As previously announced, on August 8, 2023 our Board of Directors authorized a share repurchase program of up to $75 million, subject to approval from the Tel Aviv District Court Economic Department ("Israeli Court"), which is required by law. Due to the events of October 7, the Israeli Court has been operating under rolling Emergency Orders and certain court processes are delayed. We will announce the Israeli Court's decision promptly once it is obtained. Share repurchases are expected to be used to take advantage of attractive repurchase opportunities and to manage share dilution. We believe our strong balance sheet, with zero debt and approximately $482 million of cash, deposits, investments and accrued interest as of September 30, 2023, enables us to continue investing in the growth of our business and simultaneously enhance shareholder value through a share repurchase program.

Q3 2023 Financial Highlights



GMV

$29.7B

Revenue

$71.9M

Gross Profit

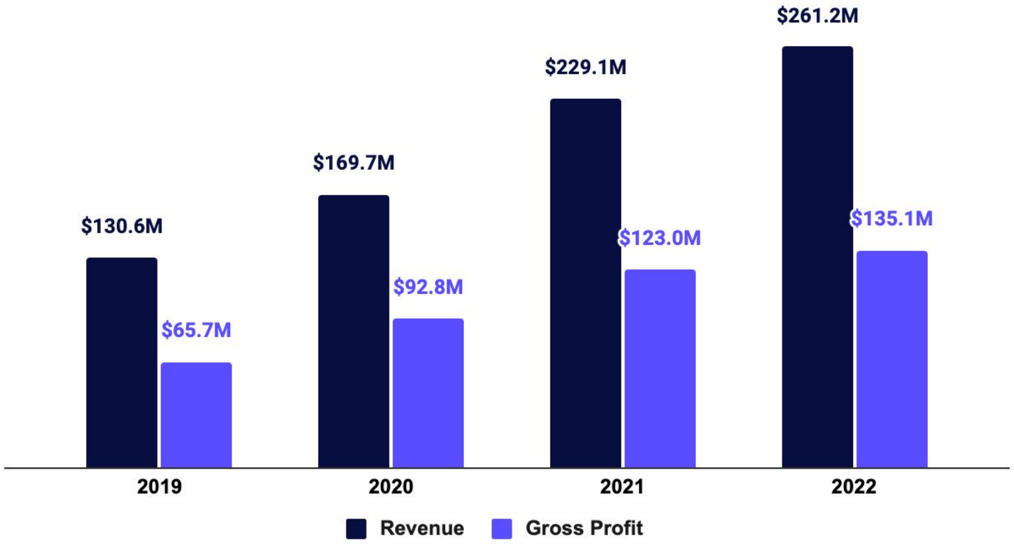
$31.1M

Adjusted EBITDA[1]

$(8.4M)

[1] A reconciliation of Adjusted EBITDA to it most directly comparable GAAP financial measure, Net Profit (Loss), is provided in the Appendix.

FY 2022 Financial Highlights



GMV

$105.6B

Revenue

$261.2M

Gross Profit

$135.1M

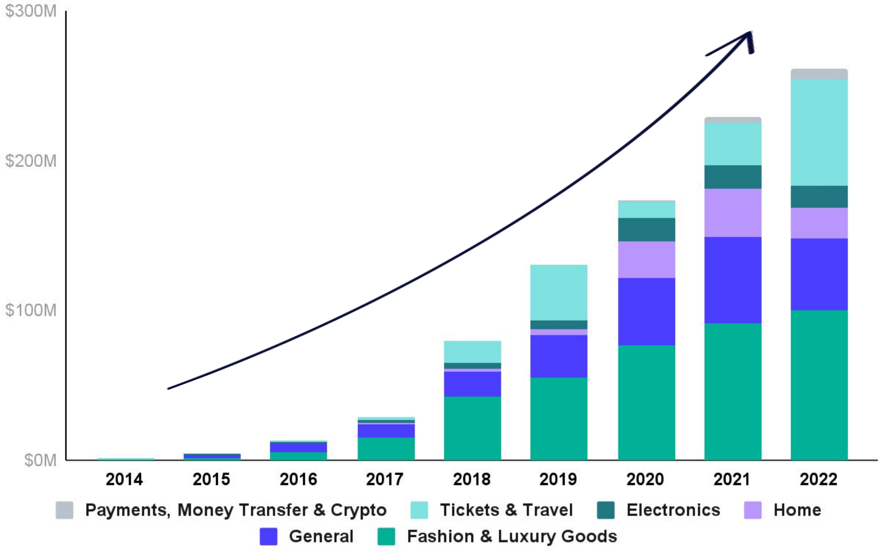
Adjusted EBITDA[1]

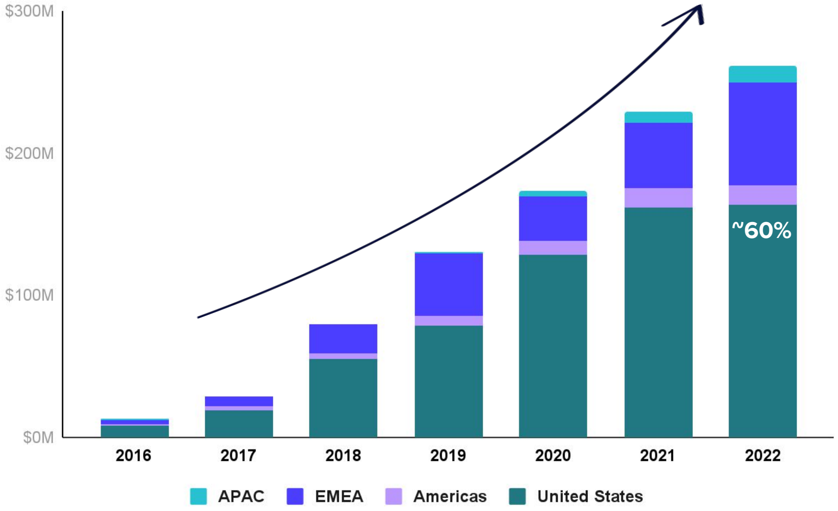
$(37.1M)

[1] A reconciliation of Adjusted EBITDA to it most directly comparable GAAP financial measure, Net Profit (Loss), can be found in our Q4 2022 Earnings Release on Form 6-K, filed with the SEC on February 23, 2023.

Industry and Geo Billings Trends

Over time, we have continued to diversify across industries and geographies, with accelerated growth in both EMEA and APAC



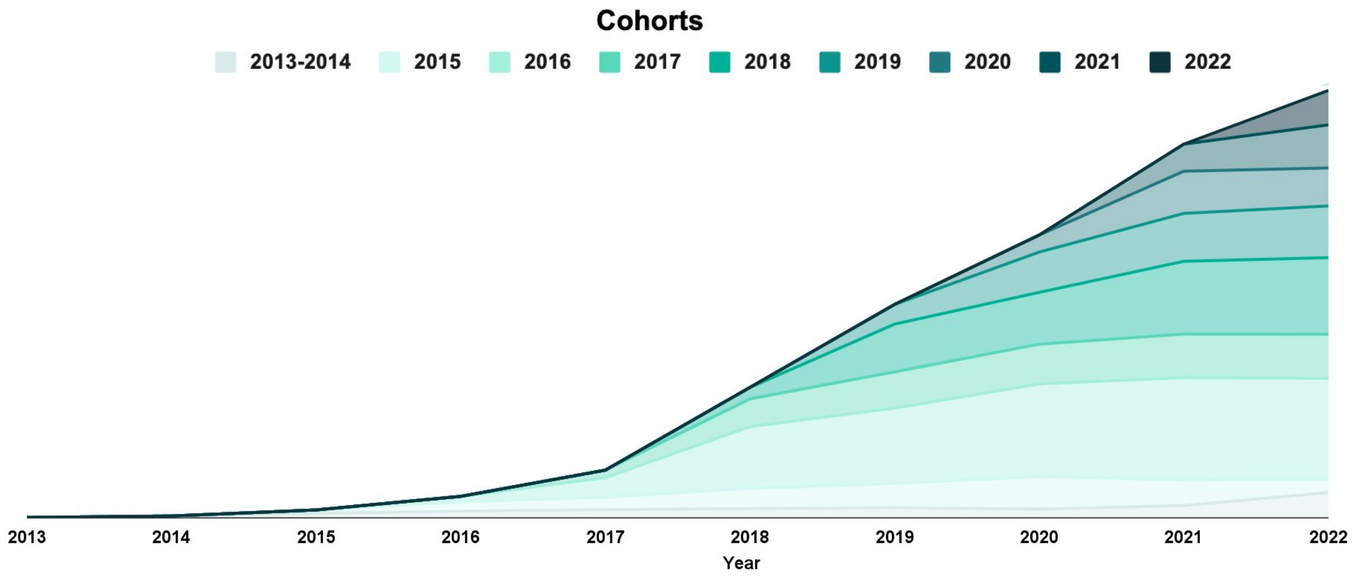


Existing Customer Penetration

We have increased billings from our **mature cohorts**[(2)] by ~200%.[(3)]

We believe our more **recent cohorts** represent a similar expansion opportunity.

Billings Growth by Cohort[(1)]

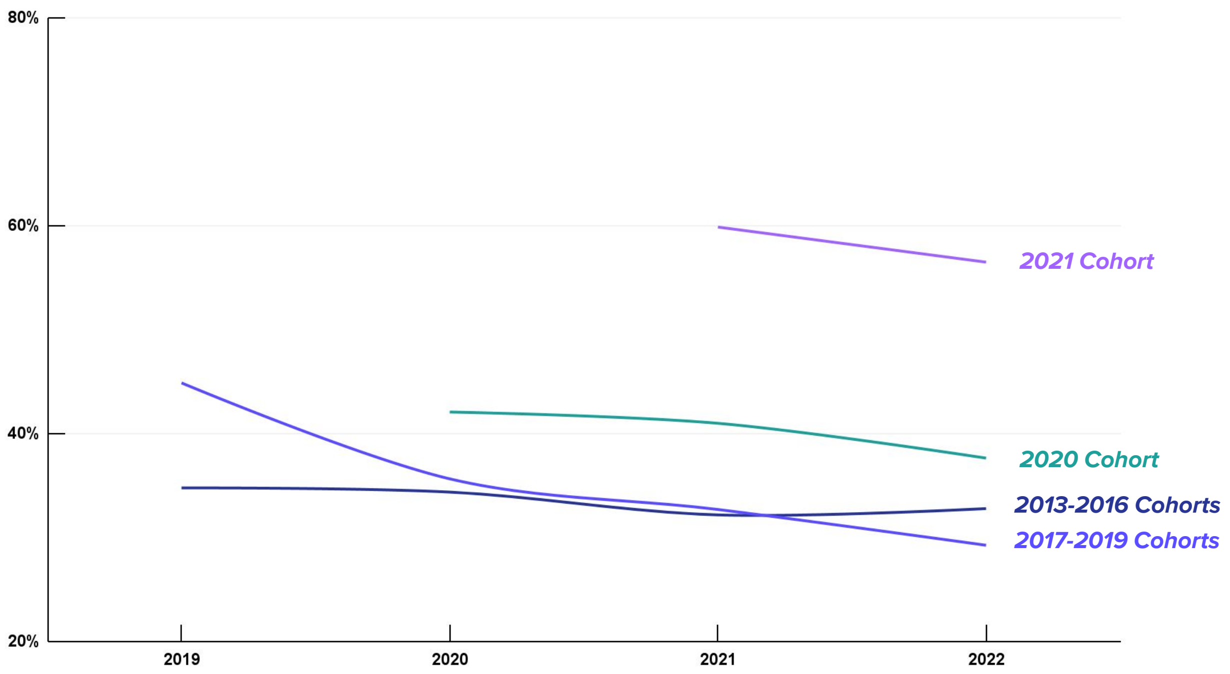


[(1)] Each "cohort" includes all of the accounts that onboarded to the Riskified platform in a given year. For example, the 2022 cohort includes all the accounts that onboarded to the Riskified platform during the year ended December 31, 2022.
[(2)] "Mature cohorts" refers to 2013 - 2017 cohorts.
[(3)] Based on 2021 Billings compared with the first full year of Billings for each mature cohort.

CTB Cohorts Over Time

While CTB ratios fluctuate from period to period as a result of various factors, including changes in industry mix within cohorts, over the long-term we have been able **to consistently demonstrate improvements on a cohort basis.** We believe that this highlights the strength of our AI and our scalable financial model.

CTB Ratio by Cohort[1]



[1] For the purposes of this analysis, a "cohort" includes only the segments of eCommerce transaction volume submitted to the Riskified platform by new or existing merchants in a given year. For example, if a new merchant submitted only certain segments of their total eCommerce transaction volume to the Riskified platform in 2021, only those segments are included in the 2021 cohort. If the same merchant submitted new or additional segments of their eCommerce transaction volume to the RIskified platform in 2022, those additional segments are included in the 2022 cohort.

Appendix

Q3 and 9M 2023 GAAP Financial Results

$ in thousands	Q3'22	Q3'23	9M'22	9M'23
Revenue	63,172	71,872	181,949	213,545
Cost of revenue	30,493	40,732	88,296	109,541
Gross profit	**32,679**	**31,140**	**93,653**	**104,004**
Operating expenses:				
Research and development	17,452	17,397	53,512	54,455
Sales and marketing	20,712	21,758	67,047	67,097
General and administrative	20,685	17,195	65,191	52,737
Total operating expenses	**58,849**	**56,350**	**185,750**	**174,289**
Operating profit (loss)	**(26,170)**	**(25,210)**	**(92,097)**	**(70,285)**
Interest income (expense), net	3,123	5,717	5,116	16,781
Other income (expense), net	(1,133)	(193)	(1,209)	1,055
Profit (loss) before income taxes	**(24,180)**	**(19,686)**	**(88,190)**	**(52,449)**
Provision for income taxes	1,867	1,239	4,463	3,321
Net profit (loss)	**(26,047)**	**(20,925)**	**(92,653)**	**(55,770)**

Q3 and 9M 2023 Reconciliation of GAAP Net Profit (Loss) to Adjusted EBITDA

$ in thousands	Q3'22	Q3'23	9M'22	9M'23
GAAP Net profit (loss)	**(26,047)**	**(20,925)**	**(92,653)**	**(55,770)**
Non GAAP expenses:				
Share-based compensation expense	15,711	15,330	52,234	47,485
Payroll taxes related to share-based compensation	89	109	179	386
Depreciation and amortization	1,010	1,275	2,938	3,821
Interest income, net	(3,123)	(5,717)	(5,116)	(16,781)
Other (income) expense, net	1,133	193	1,209	(1,055)
Provision for income taxes	1,867	1,239	4,463	3,321
Litigation Related Expenses	-	48	-	390
Adjusted EBITDA	**(9,360)**	**(8,448)**	**(36,746)**	**(18,203)**

Q3 and 9M 2023 Reconciliation of Net Cash Provided by (Used In) Operating Activities to Free Cash Flow

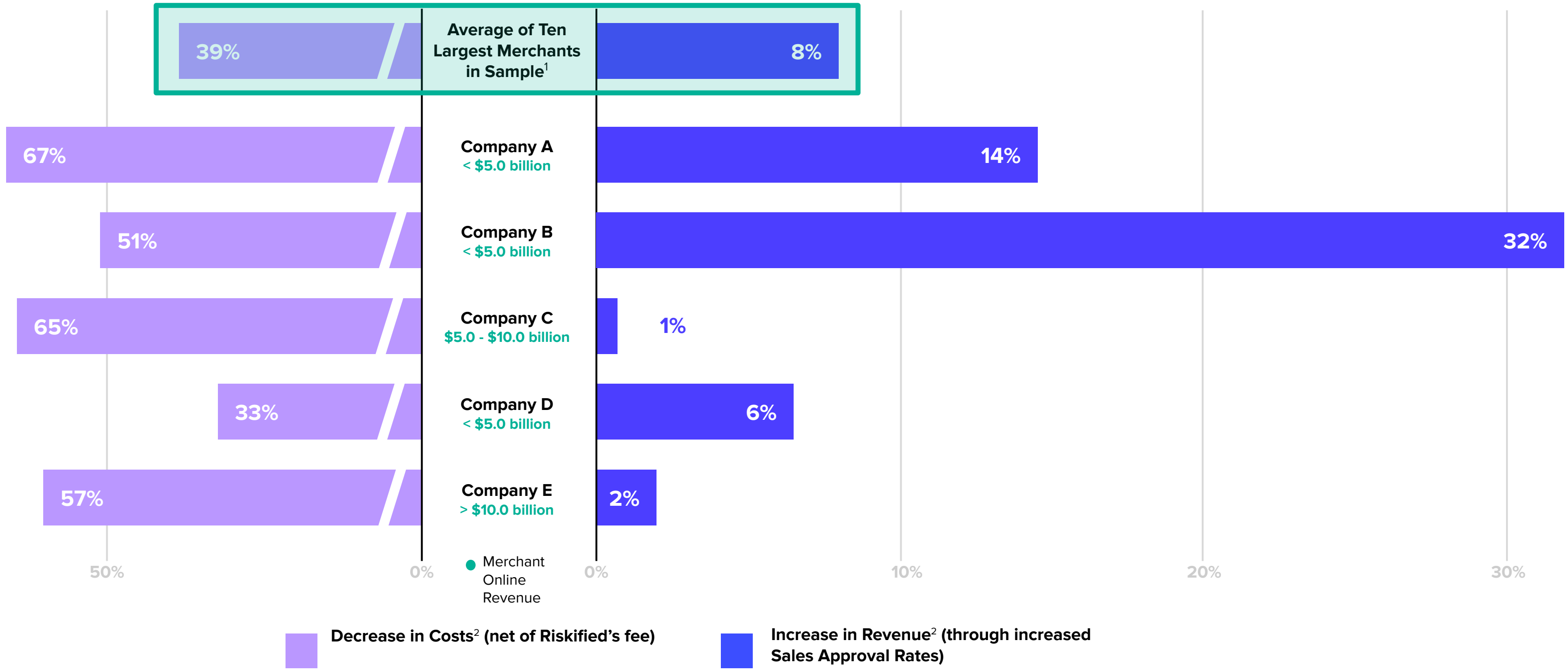
$ in thousands	Q3'22	Q3'23	9M'22	9M'23
Net cash provided by (used in) operating activities	**(2,782)**	**4,493**	**(22,154)**	**(144)**
Purchases of property and equipment	(434)	(826)	(3,413)	(1,074)
Capitalized software development costs	(563)	-	(1,535)	-
Free Cash Flow	**(3,779)**	**3,667**	**(27,102)**	**(1,218)**

Chargeback Guarantee Revenue Model Flow

Transforming GMV into Revenue

Riskified's GMV	Total eCommerce volume submitted to Riskified for review
×	
Approval Rate (%)	**Take Rate (%)** — Varies by merchant based on a variety of inputs, including the industry of the merchant, the risk level of the end market, the percentage of GMV we review from the merchant, and the guaranteed approval rates we commit to provide. *The product of Approval Rate and Risk-Adjusted Fee is our "Take Rate"*
×	
Risk-Adjusted Fee (%)	
=	
Billings	The amounts we charge our merchants for the GMV we approve
⬇	
Revenue	Billings are allocated between Fraud Review (ASC 606) and Indemnification Guarantee (ASC 460) and recognized accordingly

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.

Investor Relations:
Chett Mandel, Head of Investor Relations
ir@riskified.com

Corporate Communications:
Cristina Dinozo, Senior Director of Communications
press@riskified.com