

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 2024, our anticipated non-GAAP gross profit margin and free cash flow the the fiscal year 2024, cash flow expectations, future growth potential in new verticals and new geographies, anticipated benefits of our share repurchase program and our completion of Israeli regulatory procedures required in connection with the additional repurchase authority thereunder, internal modeling assumptions, expectations as to the macroeconomic environment, expectations as to our new merchant pipeline and upsell opportunities, the performance of our multi-product platform, our management of our cash outflow and leverage, our expected quarterly expenses, and our 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; continued use of credit cards and other payment methods that expose merchants to the risk of payment fraud, an dother changes in laws and regulations, including card scheme rules, related to the use of these payment methods, and the emergence of new alternative payment methods; our history of net losses and ability to achieve profitability; our ability to attract new merchants and retain existing merchants; 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; 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; 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 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; the impact of the dual class structure of our ordinary shares; risks associated with our share repurchase program, including the risk that the program could increase volatility and fail to enhance shareholder value; 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 fiscal year ended December 31, 2023, as filed with the Securities and Exchange Commission (the “SEC”) on March 6, 2024, 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 the value of 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, restructuring costs, 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. 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.

We are not able to provide a reconciliation of Adjusted EBITDA, non-GAAP gross profit, and free cash flow guidance for the fiscal year ending December 31, 2024 to net profit (loss), gross profit, and net cash provided by (used in) operating activities, because certain items that are excluded from these non-GAAP metrics but included in the most directly comparable GAAP financial measures, cannot be predicted on a forward-looking basis without unreasonable effort or are not within our control. For example, we are unable to forecast the magnitude of foreign currency transaction gains or losses which are subject to many economic and other factors beyond our control. For the same reasons, we are unable to address the probable significance of the unavailable information, which could have a potentially unpredictable and potentially significant impact on our future GAAP financial results.

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



Agenda

- 01 Company Overview
- 02 Financial Summary
- 03 Appendix



Unleash your ecommerce growth

Leading ecommerce merchants trust Riskified to maximize revenue and profit with our AI-powered fraud management and risk intelligence platform.

01

Company Overview



Riskified is a leader in ecommerce risk intelligence

2013

Established more than a decade ago as a pioneer in AI-powered fraud management in ecommerce.

RSKD

IPO in July 2021; only publicly held AI fraud and risk intelligence company.

33%+

Over 1/3 of the team devoted to R&D.¹

\$120bn

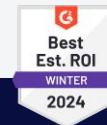
One of the largest reviewers of annual ecommerce volume (GMV) globally.²

98%+

Annual dollar retention rate in 2023.³

50+

Publicly held companies among our clients.



1. Based on Riskified reported data, as of Dec 31, 2023

2. Based on the actual GMV reviewed by Riskified in calendar year 2023.

3. Our annual dollar retention rate has exceeded 98% in each of the last 5 years.



We operate in massive markets with strong tailwinds

Solving problems that touch
ecommerce orders



2023:
\$120B+²

\$5.8 trillion

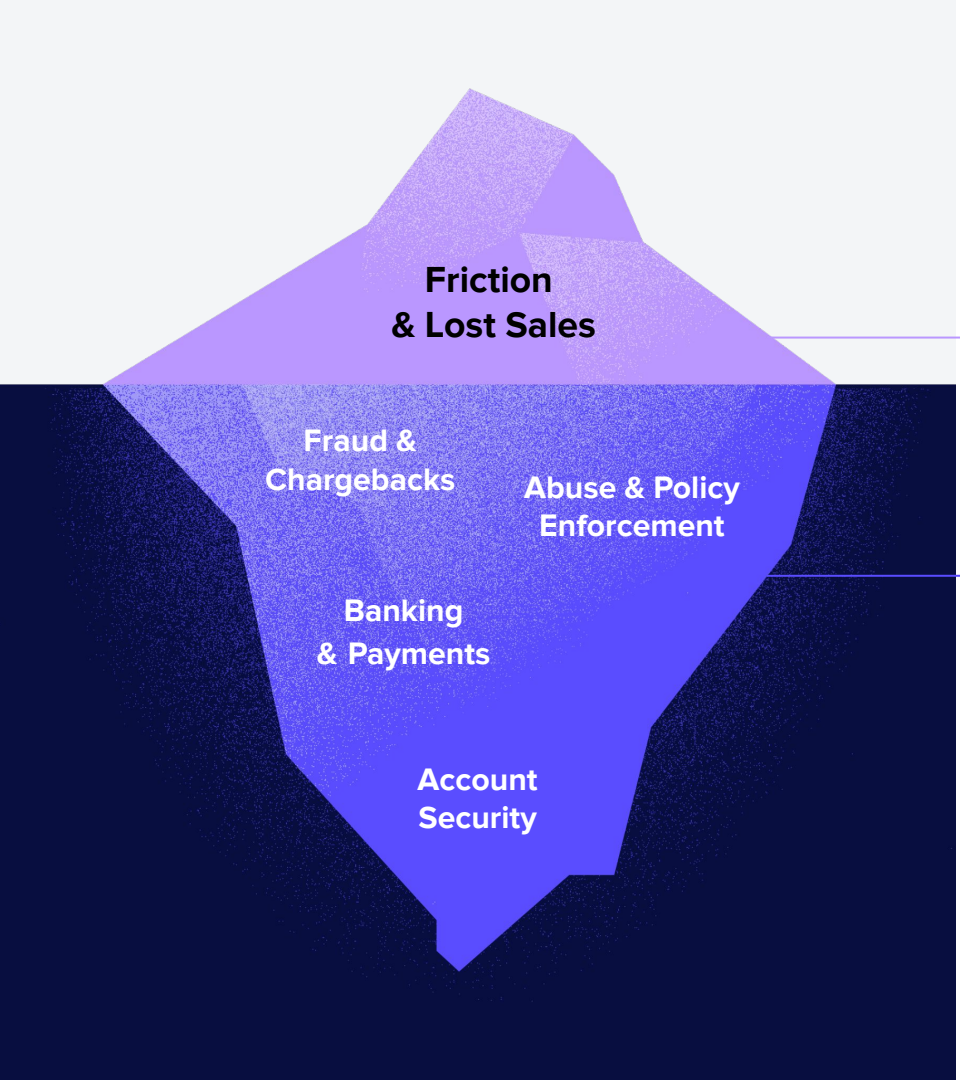
global Ecommerce
GMV in 2023¹

~\$8.0 trillion

global Ecommerce
GMV in 2027¹

1. Source: eMarketer (May 2024).

2. GMV reviewed by Riskified during the twelve months
ending December 31, 2023



**Friction
& Lost Sales**

**Fraud &
Chargebacks**

**Abuse & Policy
Enforcement**

**Banking
& Payments**

**Account
Security**

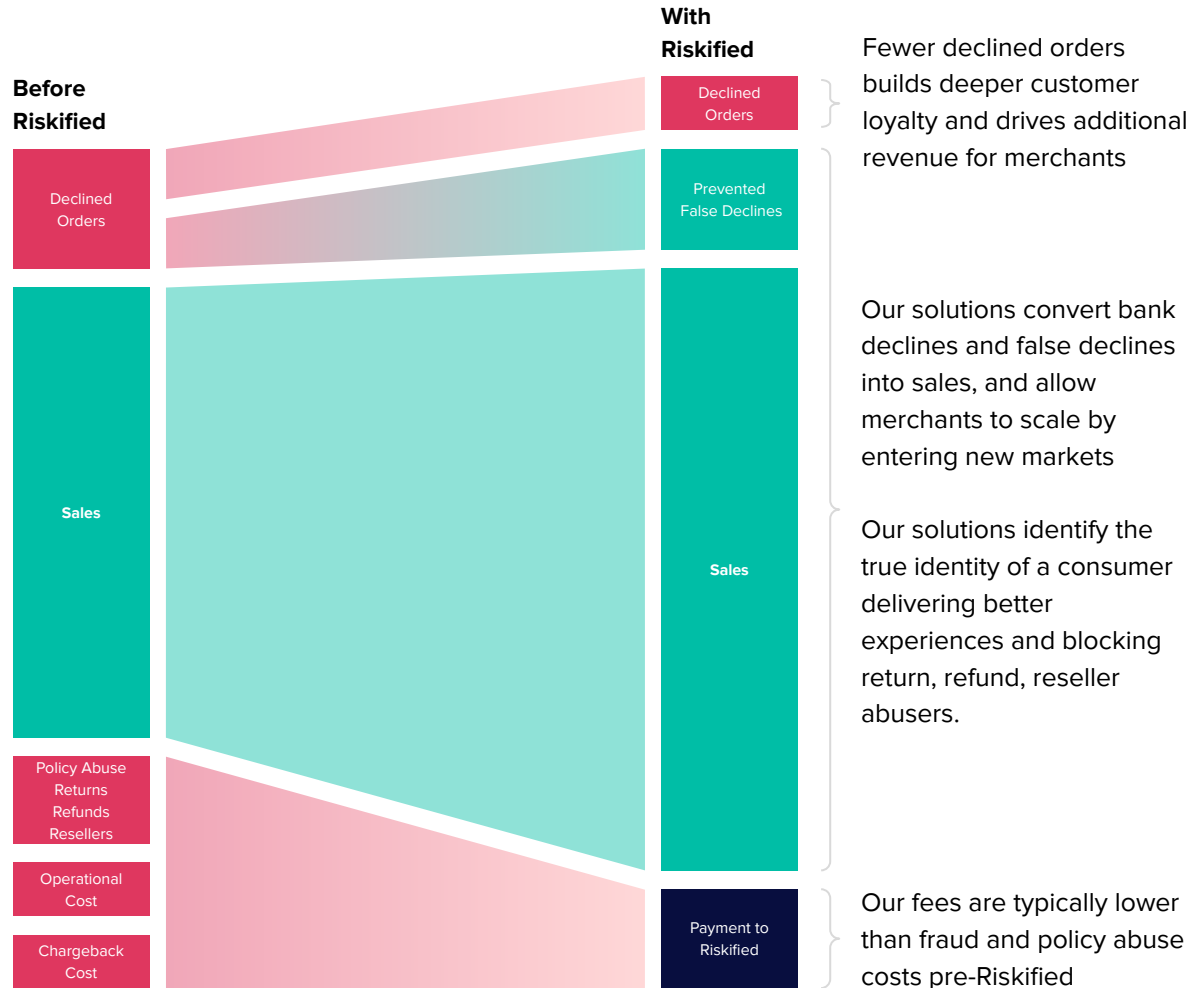
Ecommerce Has Massive Friction Points

Customer Frustration
Leads to Lost Merchant
Sales











































Numerous, Complicated and
Expensive Pain Points



Riskified Value Proposition: Significant Sales Uplift and Attractive ROI



Riskified helps the world's leading enterprise merchants unleash their ecommerce growth by outsmarting risk

What sets Riskified apart

With accountability, create predictable profitability

Merchants can **increase approval rates by 4-8 points** with Riskified. Shifting chargeback liability can enable merchants to attain as much as **594% ROI¹**.

Human ingenuity, AI-powered scale

Partnered with Riskified's dedicated team of ecommerce risk analysts, data scientists, and researchers, fraud teams enhance their strategic expertise and **boost efficiencies** through automation¹

Precise decisioning, 480+ data attributes²

Superior accuracy from the sub-second analysis of hundreds of relevant data points per order or claim results in **2-3X better fraud and abuse detection** compared to competitors³

1. Forrester Total Economic Impact Report of Riskified's Solution, dated April 2022;

2. Internal data, based on Riskified proprietary engineered features;

3. Based on results of selected head-to-head pilots conducted by merchants



Riskified's technology advantage



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



Continuous innovation

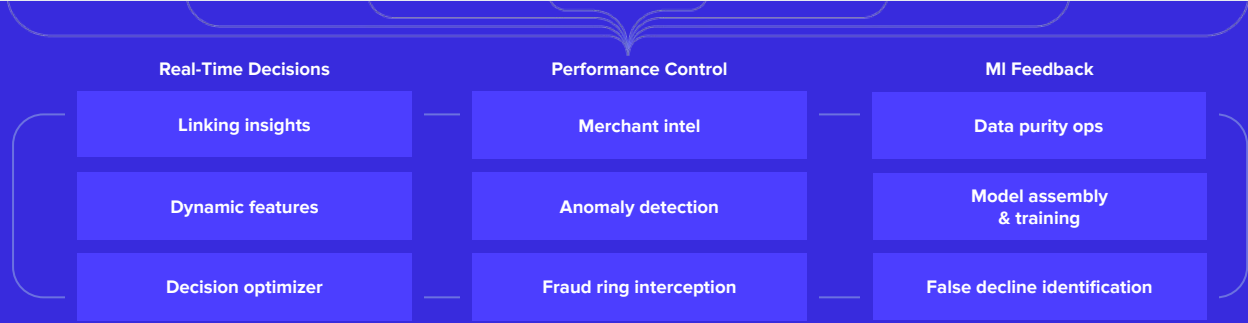
Proprietary AI capabilities applicable to vast use cases

Riskified's AI-powered fraud and risk intelligence platform

Products



Risk Intelligence



Network Data & Enrichment



Merchant Systems & Integrations

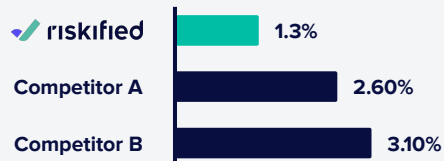


Riskified vs competitors: select head-to-head results



Gift card retailer

Lower chargeback rates



Higher approval rates



Travel merchant

Lower chargeback rates

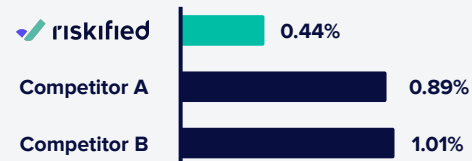


Higher approval rates



Fashion Retailer

Lower chargeback rates



Minimum 95% approval rate target across providers

Source: Based on selected pilot studies conducted by three different merchants in 2022 and 2023 between Riskified and its direct competitors. The studies leveraged data integrations with each merchant to analyze the efficacy of each vendor's fraud detection capabilities.



02

Q1'24 Results and Financial Summary



Continued Execution in our Q1'24 Financial Performance

Second consecutive quarter of Positive Adjusted EBITDA¹

Achieved profitability on an Adjusted EBITDA¹ basis and positive Free Cash Flow² of \$10.5 million in Q1'24

Additional \$75 million Buyback Authorization

Board of Directors authorized up to \$75 million dollars of additional share repurchases.³ Total outstanding authorization is approximately \$92 million.

Consistent Bottom Line Growth

7th consecutive quarter of Y/Y improvement in Adjusted EBITDA¹ performance; Increased 2024 Annual Guidance

Non-GAAP Gross Profit Margin¹ of 56%

As a result of our strong gross margin in the first quarter, we now expect to be on the high end of our annual Gross Margin range of 52-53%




1. A reconciliation of Adjusted EBITDA and Non-GAAP Gross Profit Margin to the most directly comparable GAAP financial measure is provided in the Appendix.

2. A reconciliation of Free Cash Flow to the most directly comparable GAAP financial measure, Net Cash Provided by (Used In) Operating Activities, is provided in the Appendix.



3. Approval subject to completion of required Israeli regulatory procedures.



Q1 2024 Business Highlights

-  **Expanded Leadership Positioning in Tickets and Live Event Sub-Vertical:** Our top new logo win, and largest upsell during the first quarter were both in our Ticketing and Live Events sub-vertical. Each win involved taking volume from a competitor. Many of the top merchants in the Tickets and Live Event space are already leveraging the powerful flywheel effect of our network, which is helping us to build a very strong competitive moat in this category.
-  **Further Geographic Diversification with the Addition of New Merchants:** We continued to have success landing new merchants on the Riskified network, which in turn deepened our vertical and geographic reach. Our top 10 new logos added during the first quarter of 2024 represented three different verticals across three geographies, with seven of our top 10 new chargeback guarantee logos outside of the United States.
-  **Execution of Platform Sales Motion:** Our refined multi-product platform has allowed us to unlock multiple additional entry-points into the eCommerce market, which we believe leads to a more continuous selling cycle and increased merchant coverage. To that end, our largest Policy Protect and Dispute Resolve wins during the first quarter of 2024 were both stand-alone product sales to merchants not currently utilizing our core Chargeback Guarantee product.

Q1 2024 Business Highlights (continued)

-  **Share Repurchase Program Update:** We repurchased 6.4 million ordinary shares for \$30.3 million during the first quarter. In addition, our Board of Directors authorized the repurchase of an additional \$75 million of the Company's ordinary shares, subject to the completion of required Israeli regulatory procedures. Assuming completion of the required Israeli regulatory procedures, our total outstanding aggregate repurchase authorization is approximately \$92 million, as of May 10th. We remain committed to repurchasing our shares at what we continue to believe are attractive valuation levels.
-  **Winner of Several Prestigious Awards:** We recently won several awards, including the Best Security Solution, VIP Award (Vendors In Partnership) at the 2024 National Retail Federation (NRF) Conference. The Best Security Solution award is an annual recognition given to an organization that excels in protecting operations, customers and employees from fraud, risk, and interruption.

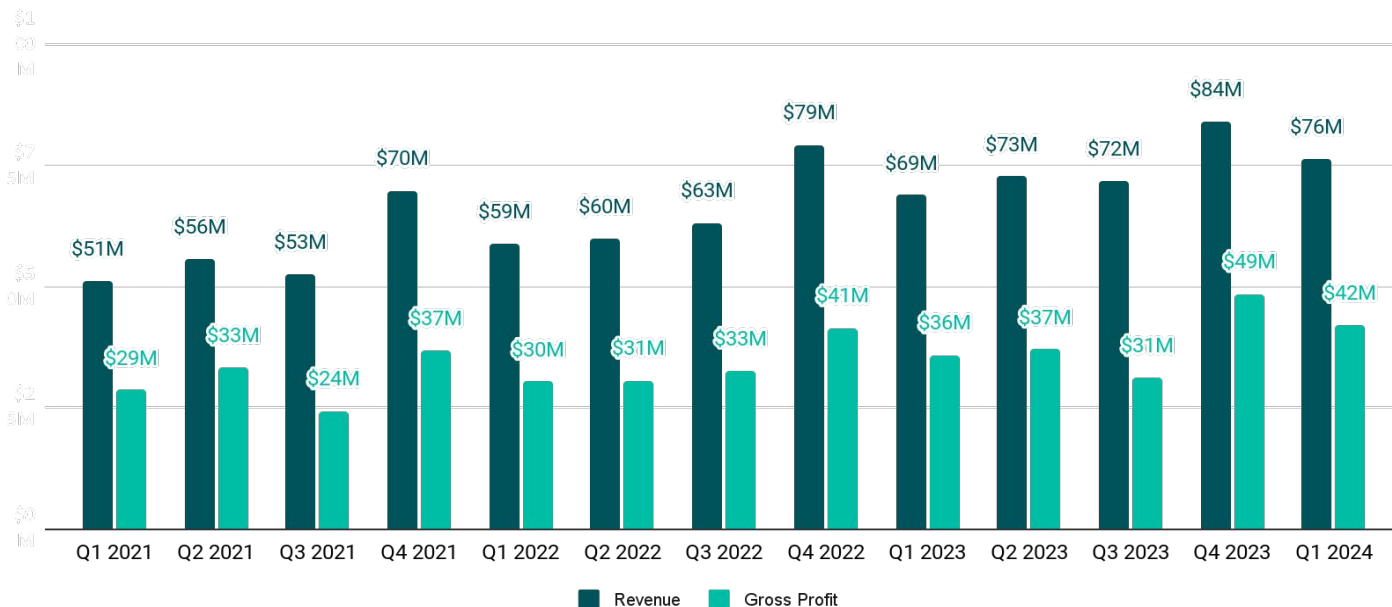
2024 Guidance Outlook

Improved Adjusted EBITDA Guidance for 2024

	Low	Midpoint	High	Change
Revenue	\$323M	\$329	\$335M	No Change to Midpoint
Adjusted EBITDA	\$12M	\$15M	\$18M	Improvement of \$1.5mm to Midpoint
YTD Non-GAAP Weighted Average Shares Outstanding		180.5M		Down ~3.5mm from Prior Year



Q1 2024 Financial Highlights (GAAP)



GMV

\$32.0B

Revenue

\$76.4M

Gross Profit

\$42.1M

Adjusted EBITDA⁽¹⁾

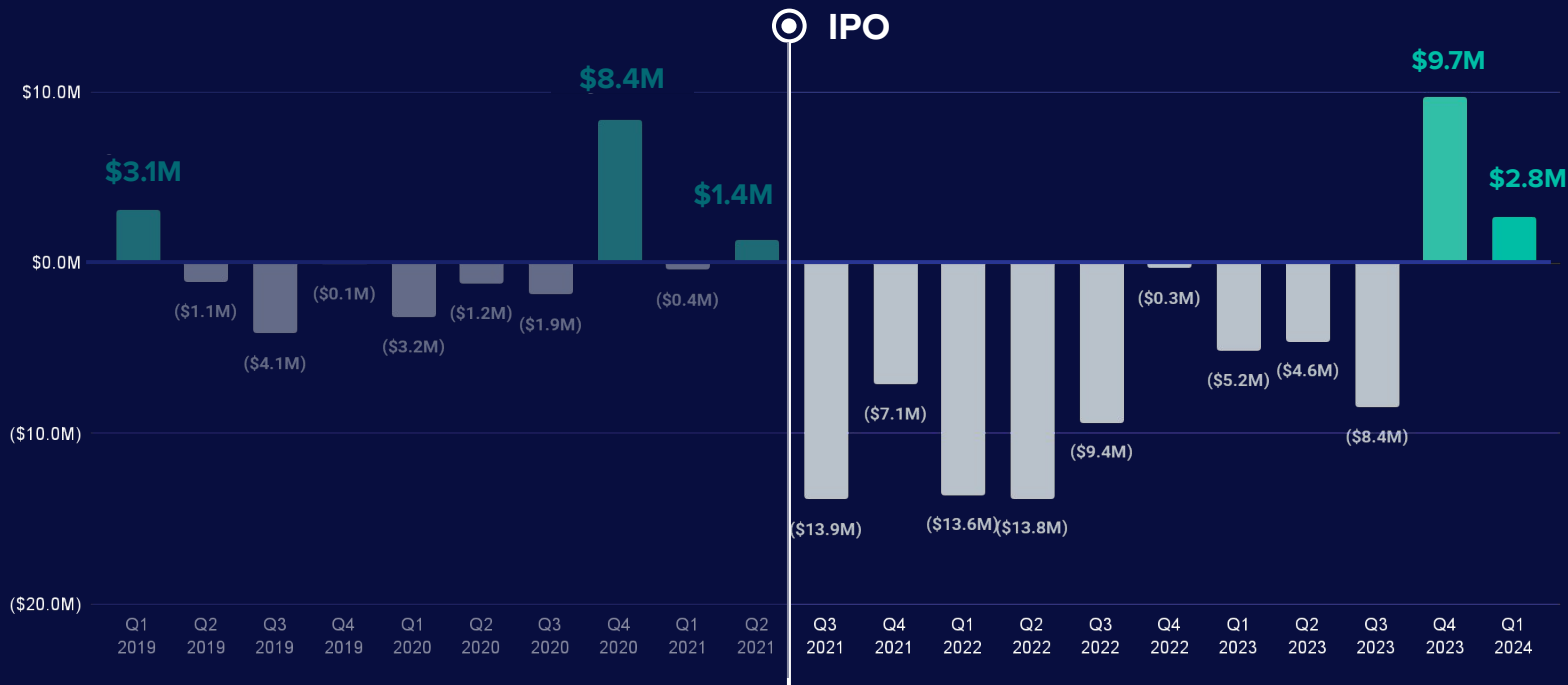
\$2.8M

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



Adjusted EBITDA¹ Over Time

Second consecutive quarter of positive Adjusted EBITDA

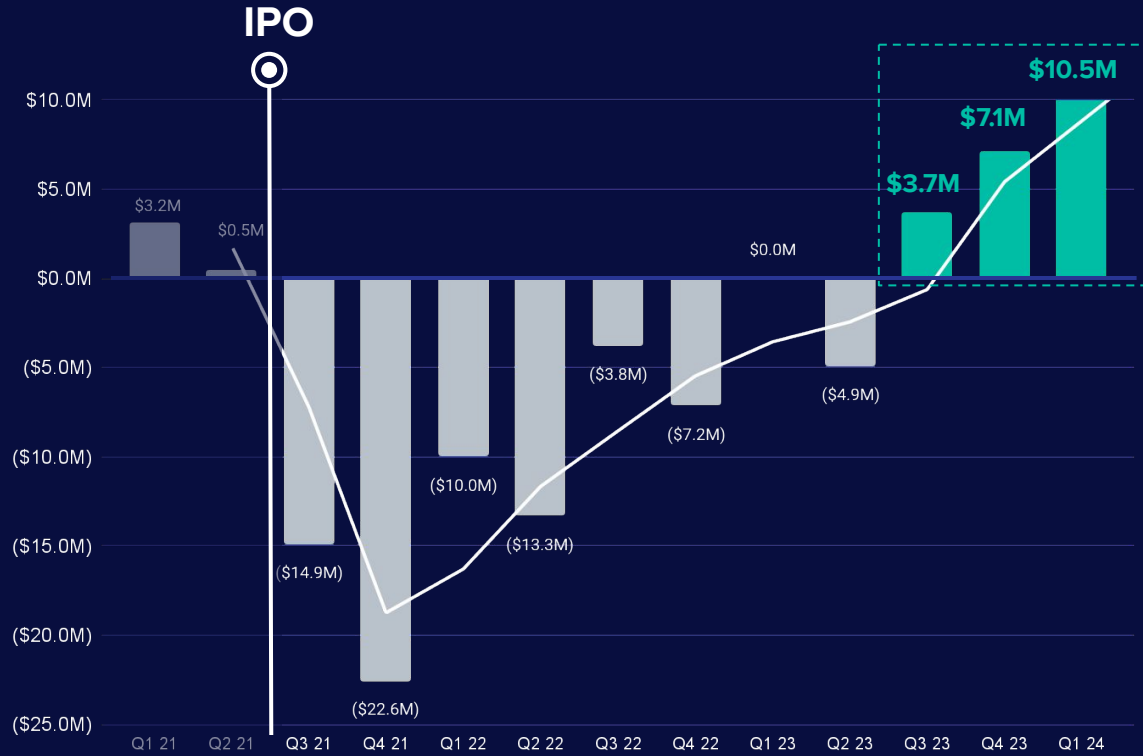


1. A reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, Net Profit (Loss), is provided in the Appendix.



Strong Balance Sheet and Cash Flow Model

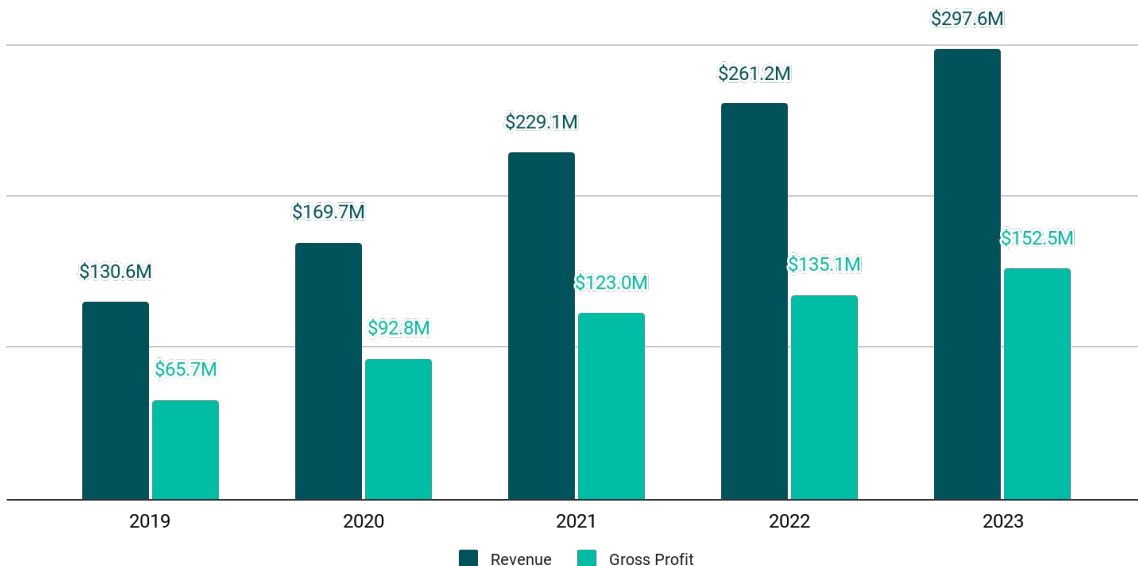
- Meaningfully **improved** our FCF¹ since IPO
- Strong 2024 outlook of approximately \$30mm in + FCF
- \$455mm of cash, deposits and investments
- Zero Debt



1. A reconciliation of Free Cash Flow to the most directly comparable GAAP financial measure, Net Cash Provided by (Used In) Operating Activities, is provided in the Appendix.



FY 2023 Financial Highlights (GAAP)



GMV

\$123.1B

Revenue

\$297.6M

Gross Profit

\$152.5M

Adjusted EBITDA⁽¹⁾

\$(8.5M)

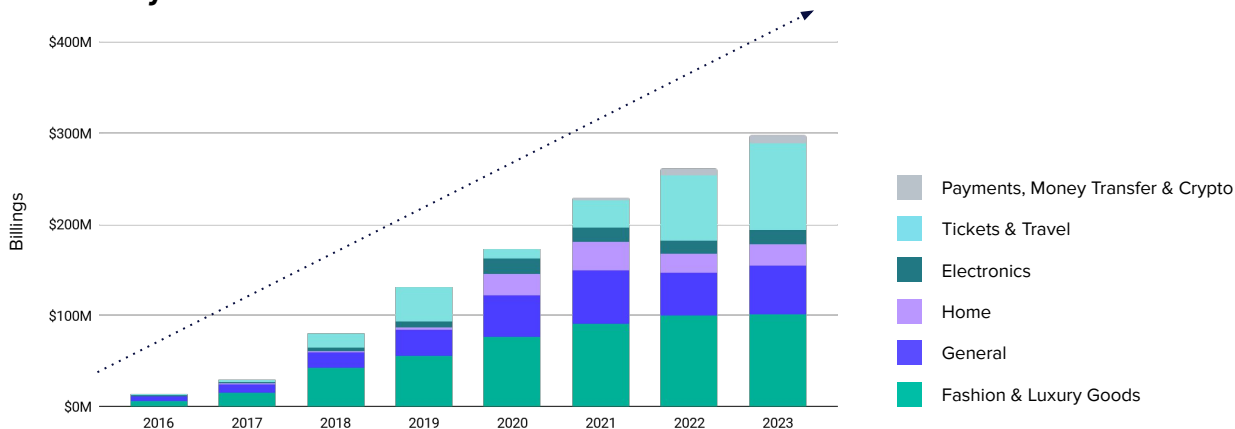
⁽¹⁾ A reconciliation of Adjusted EBITDA to its most directly comparable GAAP financial measure, Net Profit (Loss), can be found in our Q4 2023 Earnings Release on Form 6-K, filed with the SEC on March 5, 2024.



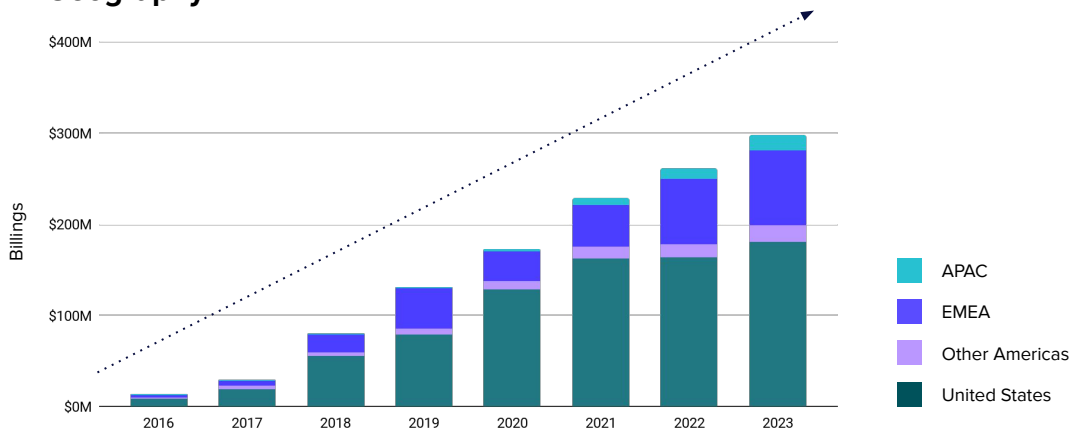
Industry and Geo Billings Trends

Over time, we have continued to **diversify across industries and geographies**, with double digit growth across all geographies in 2023

Industry



Geography



⁽¹⁾ General Category includes General Retailers & Food Categories

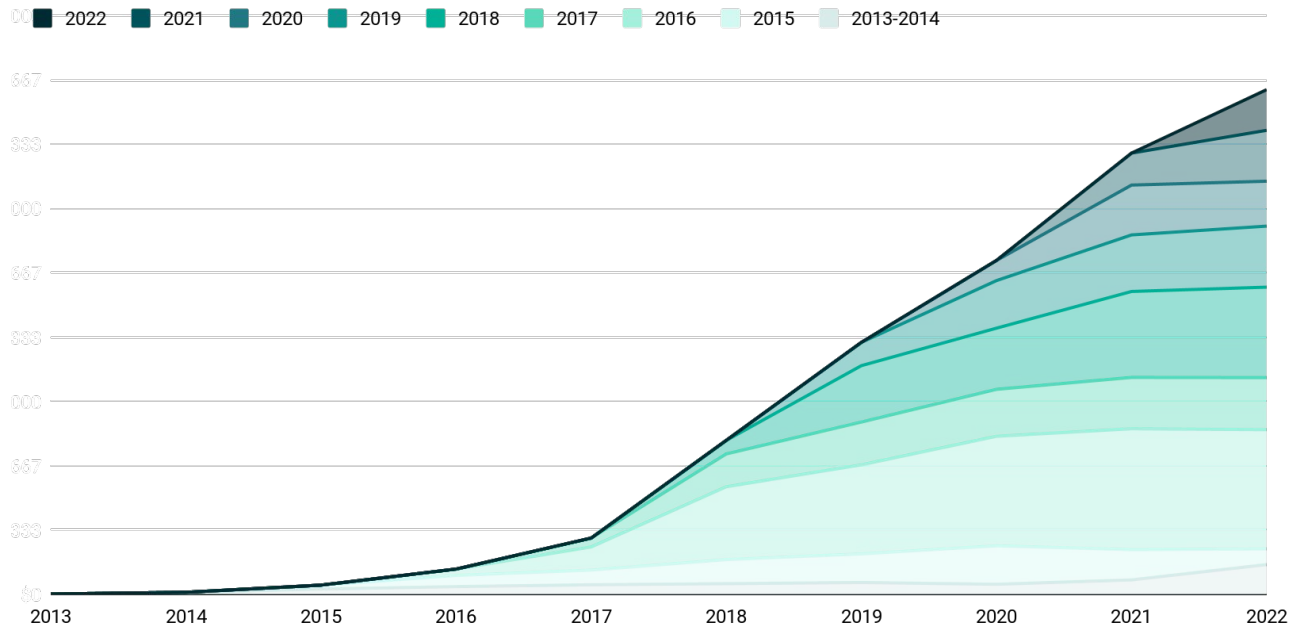


Existing Customer Penetration

We have increased billings from our **mature cohorts**⁽²⁾ by ~270%.⁽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, 2023.
2. Mature cohorts" refers to 2013 - 2017 cohorts.
3. Based on 2023 Billings compared with the first full year of Billings for each mature cohort.

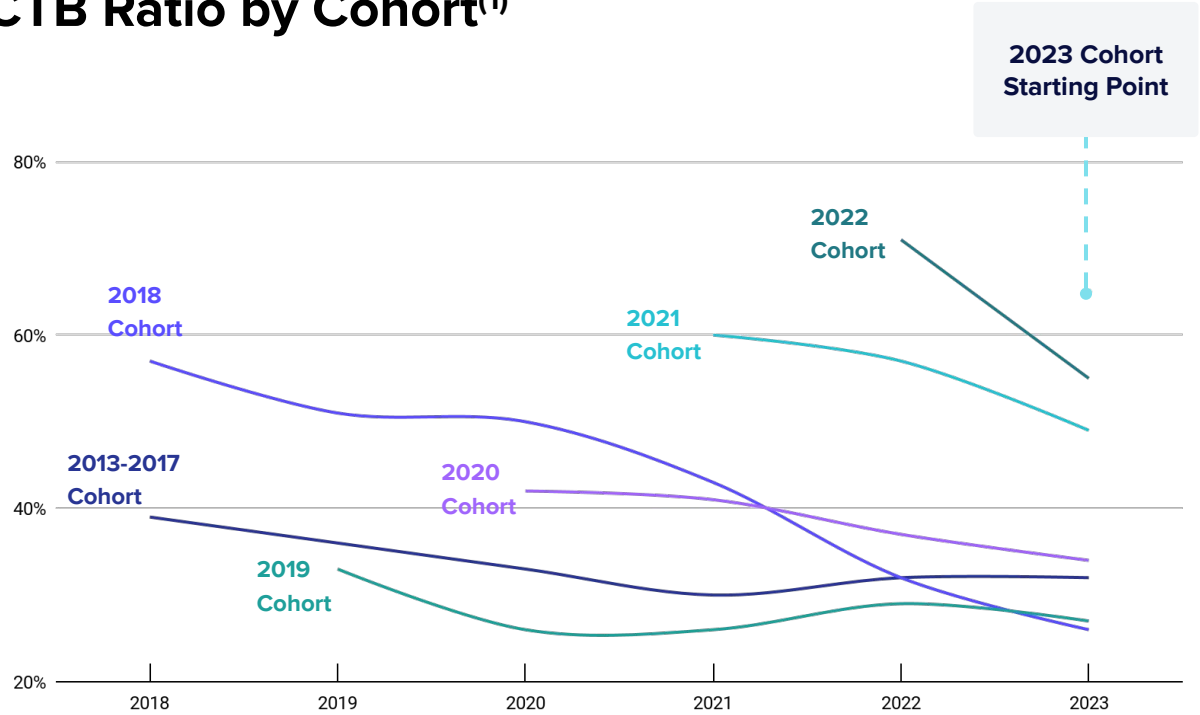


CTB Cohorts Over Time

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⁾



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, based on the commercial terms in effect at the time of submission. 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 in 2022 the same merchant submitted new segments of their eCommerce transaction volume to the Riskified platform, or there was a change to the commercial terms applicable to an existing segment, those additional segments and any incremental Billings and Chargebacks resulting from the revised commercial terms are included in the 2022 cohort.



Share Based Compensation (SBC) & Dilution

Commitment to Manage SBC & Dilution to Lower Levels

SBC as a % of Revenue

- 2023 **SBC** as a **percentage of revenue decreased by approximately 500 bps** from 2022
- In 2023 we **granted approximately 30% fewer equity awards** as compared to 2022

SBC Trajectory

- **SBC** as a **percentage of revenue** is expected to **continue to decline in 2024**
- **Larger awards** that were granted in 2021 through 2023 have a four to five year vesting period
- As these awards fully vest by the end of 2026, we expect to see a **meaningful drop-off in SBC**

Dilution

- In 2023, equity awards granted represented approximately 6% of our weighted average dilutive shares, **down from approximately 9% in 2022**

Dilution Outlook

- We anticipate dilution will be approximately 4-5% in 2024 and beyond ¹

1. Assuming valuation levels similar to today, and absent any unanticipated executive or senior hiring, and any additional buyback authorization, we expect to target similar levels going forward.



03

Appendix



Q1 2024 Reconciliation of GAAP Net Profit (Loss) to Adjusted EBITDA

\$ in thousands	Q1'23	Q1'24
GAAP Net profit (loss)	(17,951)	(11,630)
Non GAAP expenses:		
Share-based compensation expense	16,356	15,522
Payroll taxes related to share-based compensation	148	201
Depreciation and amortization	1,283	1,265
Interest income, net	(5,447)	(5,741)
Other (income) expense, net	(745)	160
Provision for income taxes	1,154	1,298
Restructuring costs	0	1,676
Litigation Related Expenses	33	0
Adjusted EBITDA	(5,169)	2,751



Q1 2024 GAAP Financial Results

\$ in thousands	Q1'23	Q1'24
Revenue	68,907	76,408
Cost of revenue	33,066	34,288
Gross profit	35,841	42,120
Operating expenses:		
Research and development	18,794	17,772
Sales and marketing	22,123	23,214
General and administrative	17,913	17,047
Total operating expenses	58,830	58,033
Operating profit (loss)	(22,989)	(15,913)
Interest income (expense), net	5,447	5,741
Other income (expense), net	745	(160)
Profit (loss) before income taxes	(16,797)	(10,332)
Provision for income taxes	1,154	1,298
Net profit (loss)	(17,951)	(11,630)



Q1 2024 Reconciliation of Net Cash Provided by (Used In) Operating Activities to Free Cash Flow

\$ in thousands	Q1'23	Q1'24
Net cash provided by (used in) operating activities	229	10,661
Purchases of property and equipment	(187)	(178)
Free Cash Flow	42	10,483



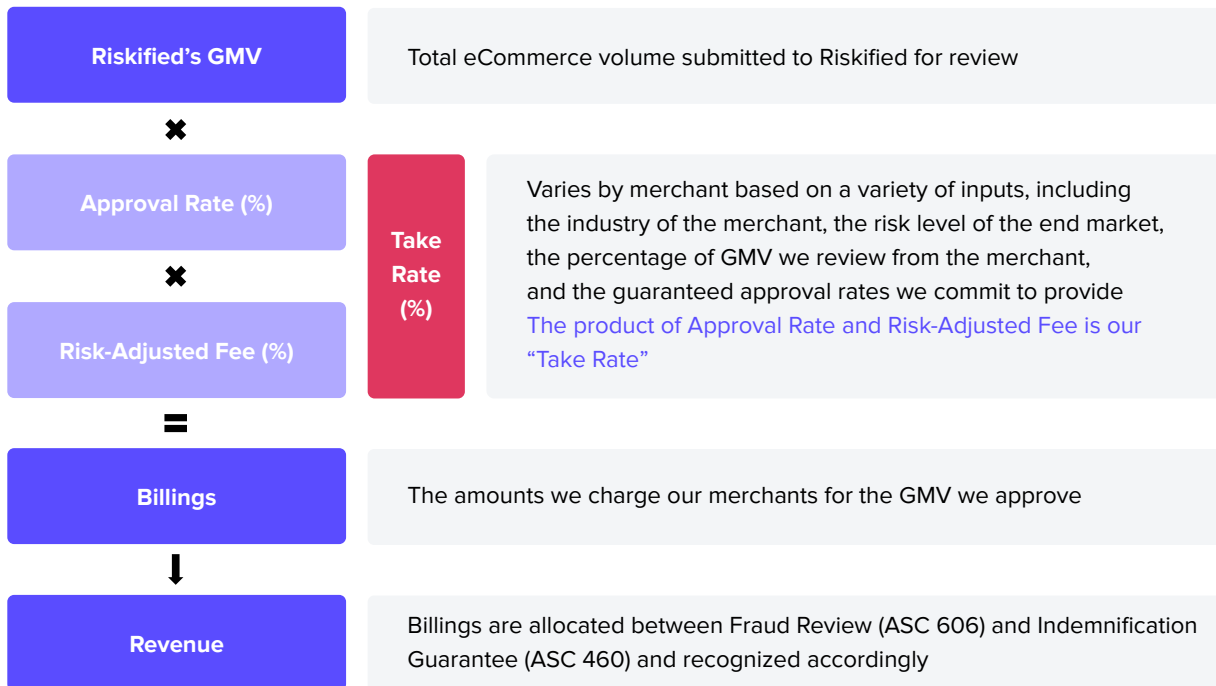
Q1 2024 Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit

\$ in thousands	Q1'23	Q1'24
GAAP Gross Profit	35,841	42,120
Non GAAP expenses:		
Share-based compensation expense	195	211
Payroll taxes related to share-based compensation	2	5
Depreciation and amortization	438	427
Restructuring costs	-	139
Adjusted EBITDA	36,476	42,902
Gross profit margin	52%	55%
Non-GAAP gross profit margin	53%	56%



Chargeback Guarantee Revenue Model Flow

Transforming GMV
into **Revenue**





Thank you for your time!

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