

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 and expectations as to future adjusted EBITDA margin expansion; expectations with respect to stock based compensation expense and dilution; future growth potential in new verticals and new geographies, anticipated benefits of our share repurchase program, internal modeling assumptions, expectations as to the macroeconomic environment, expectations as to our new merchant pipeline and upsell opportunities, 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; 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, to be filed with the Securities and Exchange Commission (the "SEC"), 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, 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.





01 **Company Overview**

02 **Financial Summary**

01

Company Overview



Unleash ecommerce growth

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

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

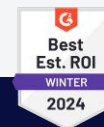
50+

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



\$5.8 trillion
global Ecommerce
GMV in 2023¹

~\$8.0 trillion global
Ecommerce
GMV in 2027¹

¹ Source: eMarketer (January 2024).

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



Ecommerce Has Massive Friction Points

An iceberg diagram illustrating the hidden costs of ecommerce. The tip of the iceberg, which is visible above the water line, is labeled 'Friction & Lost Sales'. The much larger part of the iceberg, which is submerged below the water line, is divided into several sections representing hidden friction points: 'Fraud & Chargebacks', 'Abuse & Policy Enforcement', 'Banking & Payments', and 'Account Security'.

Friction & Lost Sales

Fraud & Chargebacks

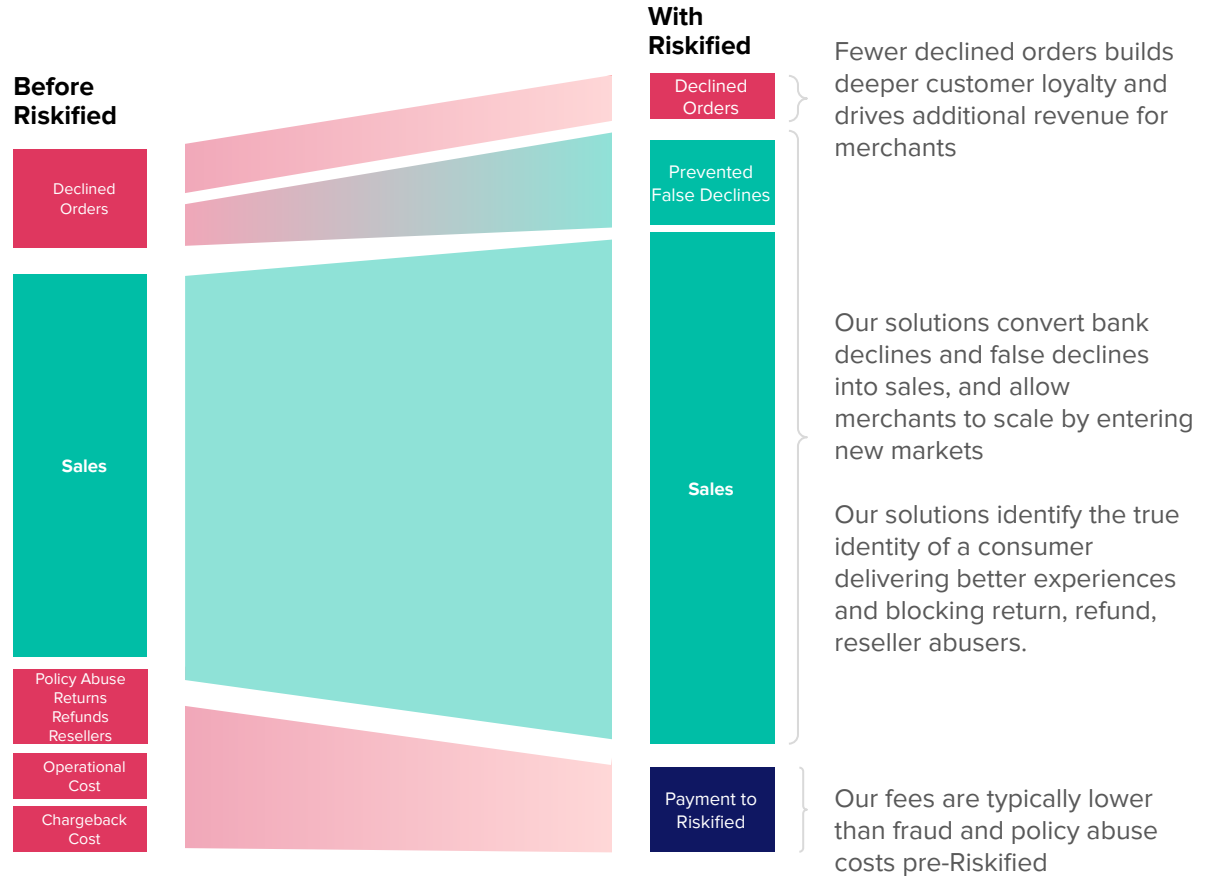
Abuse & Policy Enforcement

Banking & Payments











































Account Security

- 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% ROI**¹.

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



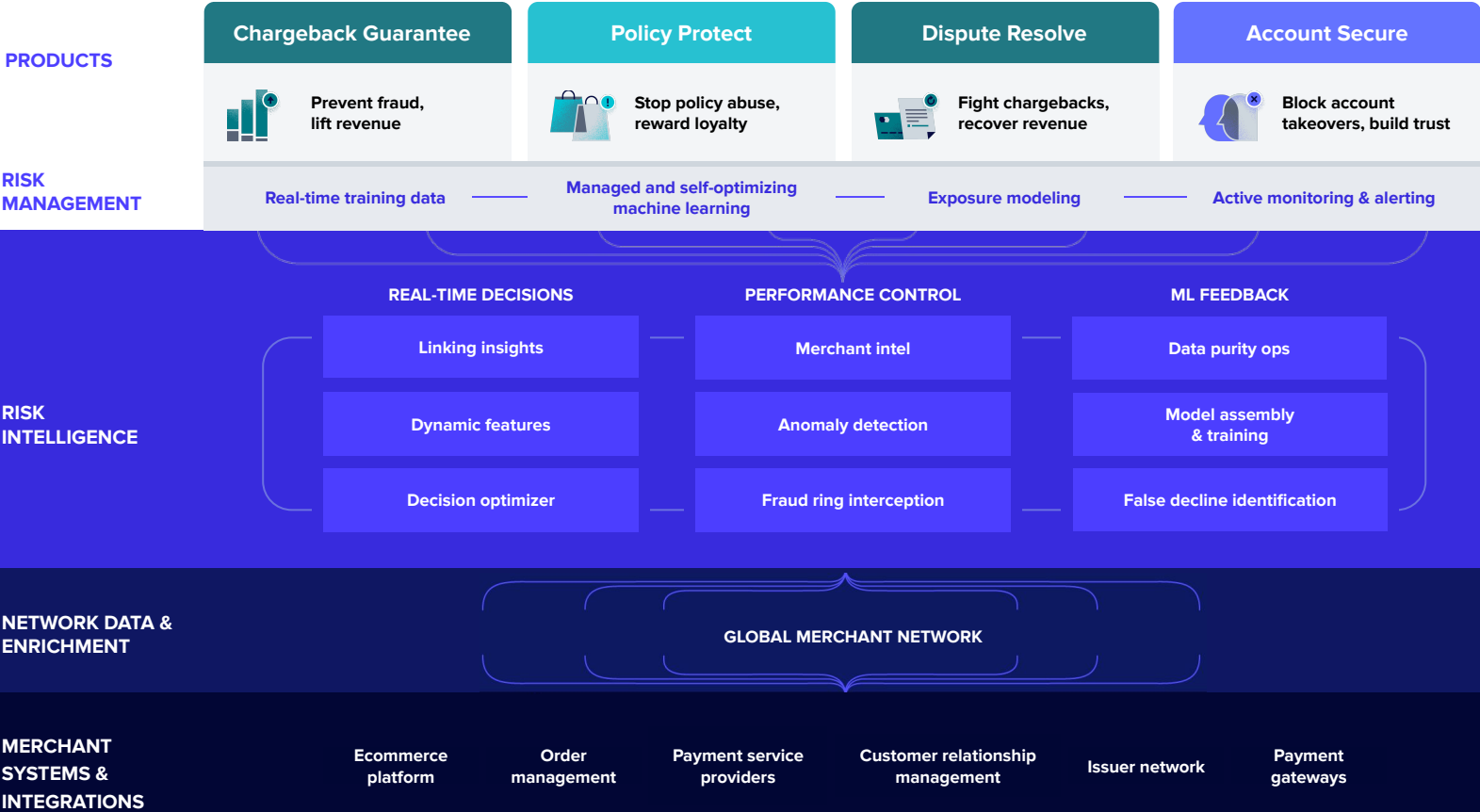
Performance management – Active monitoring, segmentation and optimization



Continuous innovation – Proprietary AI capabilities applicable to vast use cases



Riskified's AI-powered fraud and risk intelligence platform



02

Q4 & FY'23 Results and Financial Summary

Continued Execution in our Q4'23 Financial Performance

Positive Adjusted EBITDA in Q4'23

Achieved profitability on an Adjusted EBITDA¹ basis in Q4'23 and positive annual Free Cash Flow; guiding to profitability on annual basis in 2024

Consistent Bottom Line Growth

6th consecutive quarter of Y/Y improvement in Adjusted EBITDA¹ performance; Outperformed 2023 Adjusted EBITDA guidance by 37%

Strong Buyback Activity

Since the implementation of our \$75 million share repurchase program in November 2023, we have repurchased approximately 7.6 million shares for a total cost of \$34 million²

58% Gross Margin

Achieved highest Gross Margin in 10 quarters

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

2. As of February 29, 2024.



FY & Q4 2023 Business Highlights



Further Diversification with the Addition of New Merchants: We continued to have success landing new merchants on the platform, which in turn deepened our vertical and geographic reach. Our top 10 new logos added during the fourth quarter of 2023 represented five different categories across three geographies.



Landed New Account in Money Transfer & Remittance Category: During the fourth quarter, we onboarded a multi-billion global money transfer company with a presence in 50 countries. We believe that this category represents an exciting area of potential expansion for Riskified.



Continued Upsell Activity in Fashion and Luxury Vertical: Key existing customers expanded their contractual relationships with us during the fourth quarter. In particular, we successfully executed upsells with one of our top merchants in our Fashion and Luxury category, and had a successful cross-sell of Policy Protect for a Luxury merchant, who was already using our core Chargeback Guarantee product.



Execution of Platform Sales Motion: Our fourth quarter was the strongest quarter ever for our Policy Protect product, as over 50% of the Policy Protect deals that we won during the year went live during the quarter, reflecting increasing momentum and merchant acceptance of these products throughout the year.



FY & Q4 2023 Business Highlights (continued)



Strong Cash Flow Model: We continued to maintain a healthy cash flow model and generated positive free cash flow of \$5.9 million for 2023. We believe we are well positioned to continue generating strong cash flow in 2024. We are confident in our ability to manage our cash position and ended the year with \$474.8 million of cash, deposits, and investments on the balance sheet, with zero debt.



Share Repurchase Program Update: On November 20, 2023, we received Israeli court approval to implement our previously announced \$75 million share repurchase program. Through February 29, 2024, we have repurchased approximately 7.6 million shares at a total cost of approximately \$34 million. We remain committed to repurchasing our shares at what we believe are attractive valuation levels.



Expanded Chargeback Management System: During the year we further expanded our Dispute Resolve platform to streamline chargeback operations for our merchant teams. The expanded solution leverages deeper gateway and artificial intelligence integrations to auto-compile and format Compelling Evidence submissions for every chargeback, saving merchant teams time and enabling them to dispute more chargebacks.

Initial 2024 Guidance

Revenue	\$323M	-	\$335M	<i>\$329M to Midpoint</i>
Adjusted EBITDA	\$10M	-	\$17M	<i>~\$13.5M to Midpoint</i>
YTD Non-GAAP Weighted Average Shares Outstanding	183 Million			<i>Down ~1mm from Prior Year</i>

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 500bps 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**

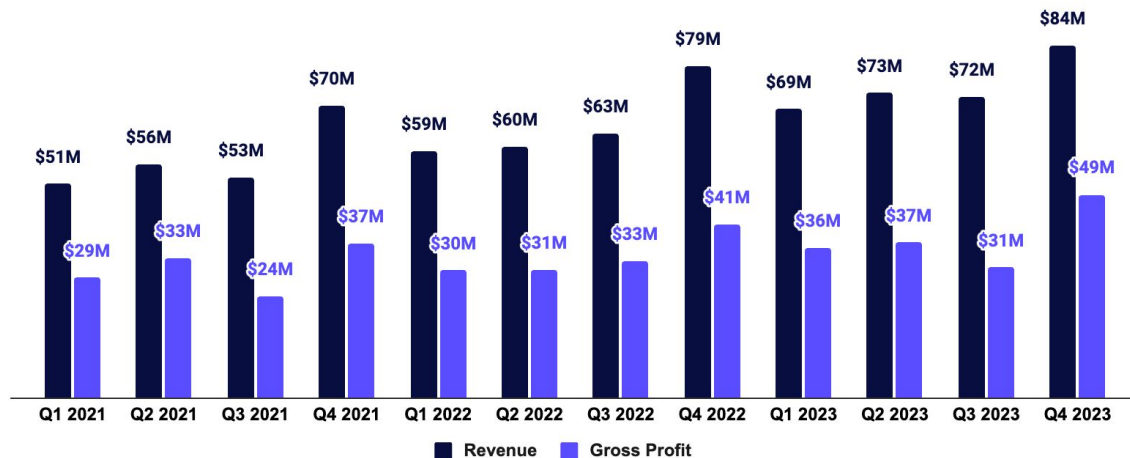
Dilution Outlook

- **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.



Q4 2023 Financial Highlights



GMV

\$35.2B

Revenue

\$84.1M

Gross Profit

\$48.5M

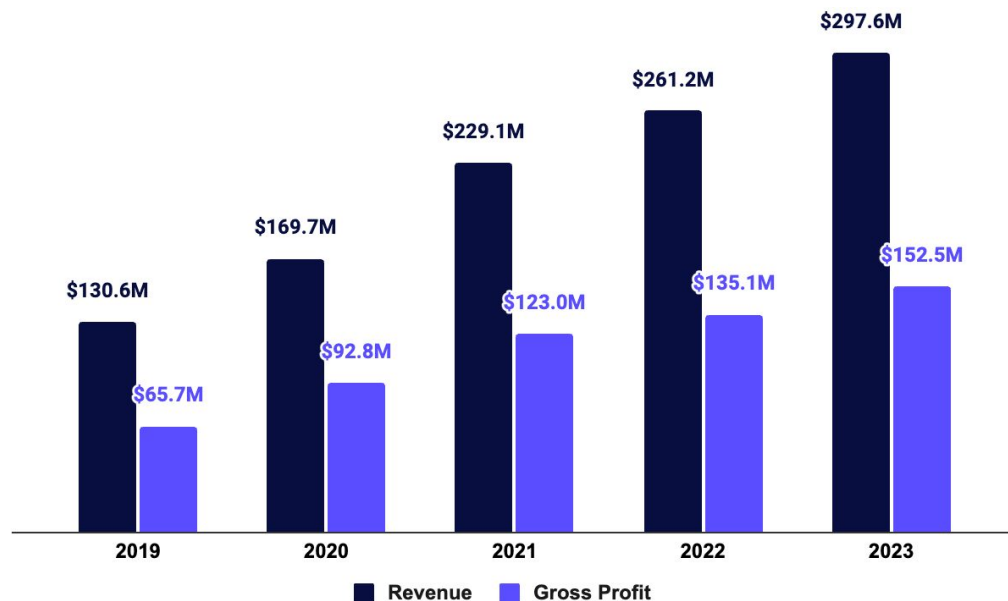
Adjusted EBITDA⁽¹⁾

\$9.7M

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



FY 2023 Financial Highlights



GMV

\$123.1B

Revenue

\$297.6M

Gross Profit

\$152.5M

Adjusted EBITDA⁽¹⁾

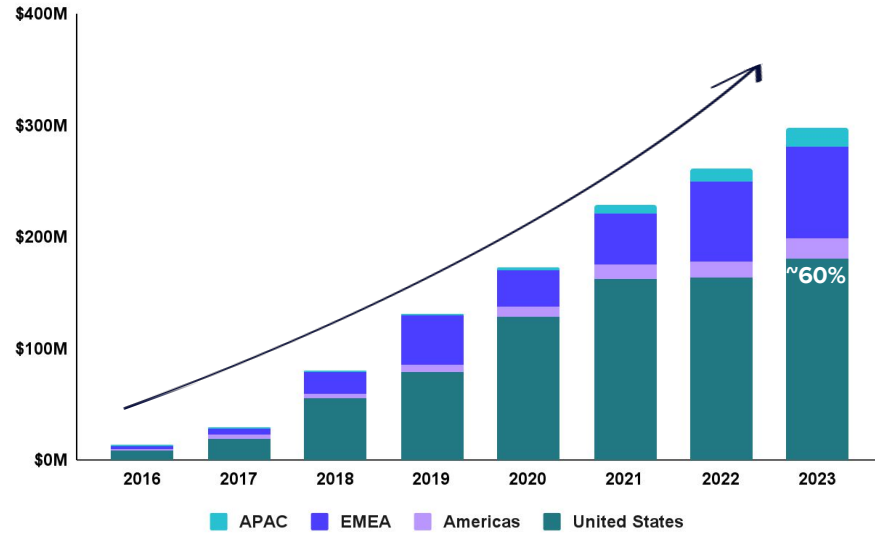
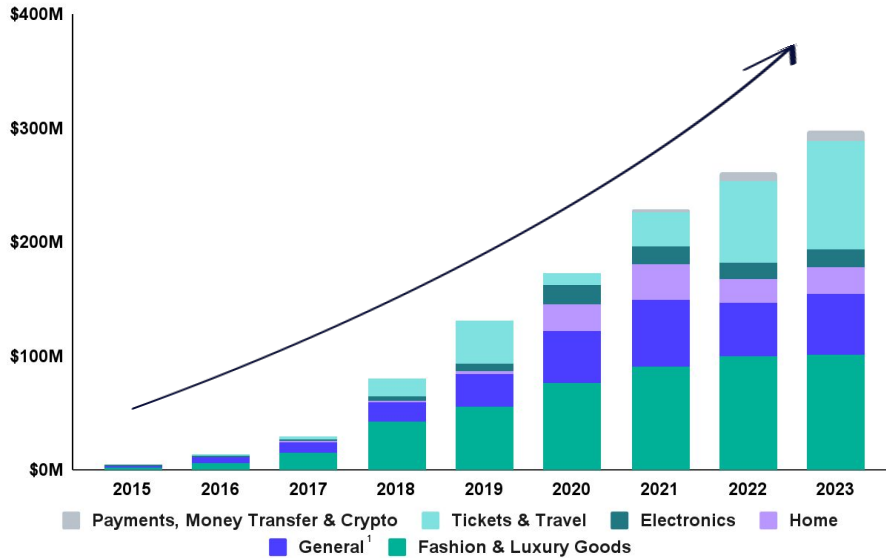
\$(8.5M)

⁽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



(1) General Category includes General Retailers & Food Categories



Adjusted EBITDA Over Time

Q4'23 first positive Adjusted EBITDA quarter since IPO and highest since Q4 2020



Strong Balance Sheet and Cash Flow Model

- Meaningfully improved our FCF since IPO
- Strong 2024 outlook of approximately \$30mm in + FCF
- \$475 million of cash, deposits and investments
- Zero Debt

Positive Free Cash Flow Generation in 2023

QUARTERLY FREE CASH FLOW

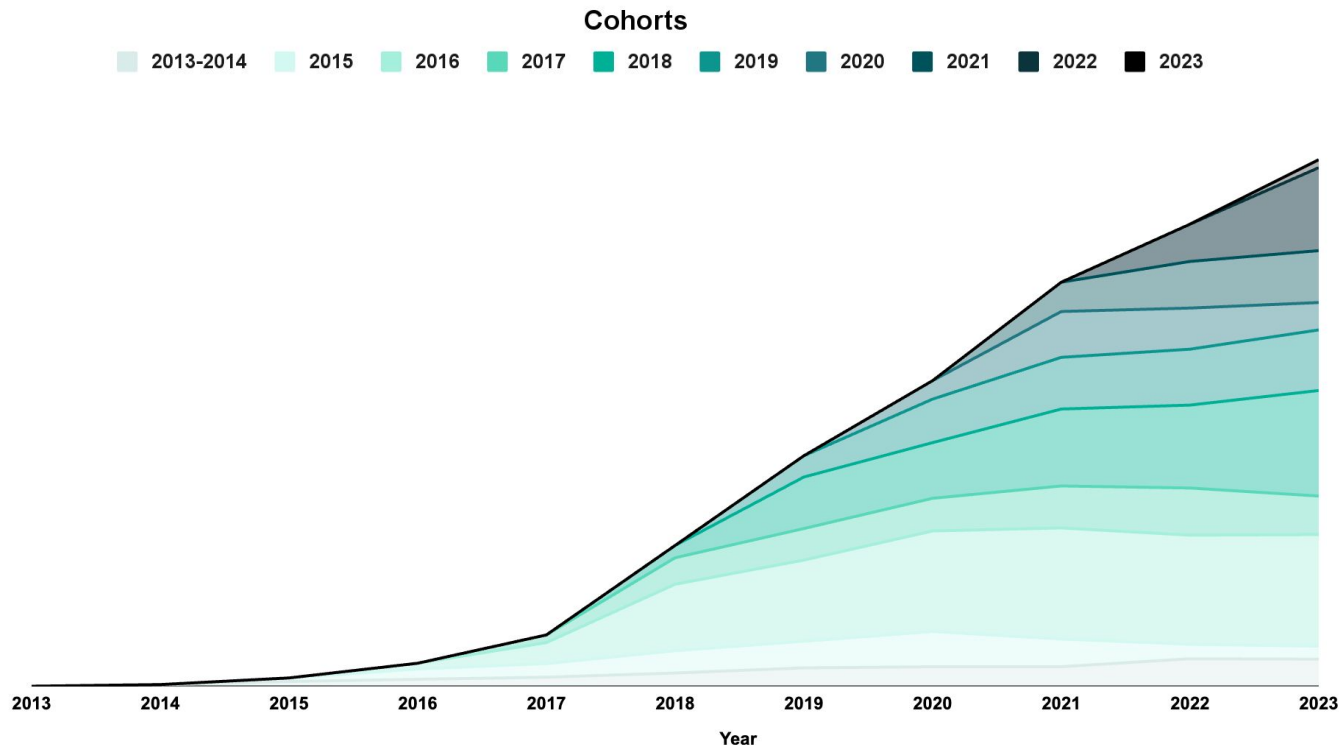


Existing Customer Penetration

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.

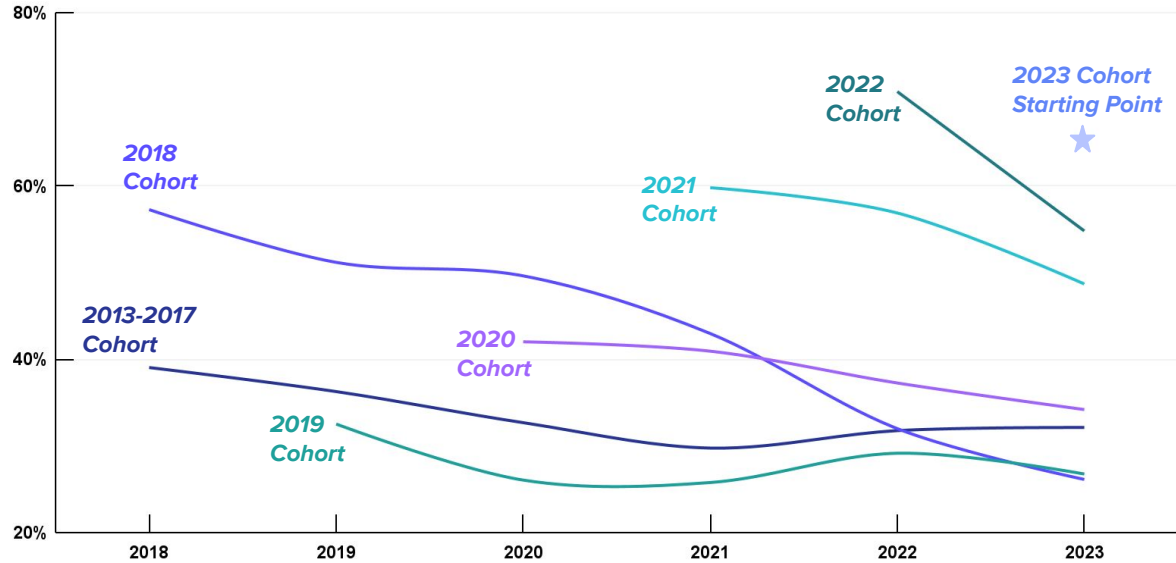
⁽³⁾ Based on 2023 Billings compared with the first full year of Billings for each mature cohort.



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⁾



⁽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.



Appendix

Q4 and FY 2023 Reconciliation of GAAP Net Profit (Loss) to Adjusted EBITDA

\$ in thousands	Q4'22	Q4'23	FY'22	FY'23
GAAP Net profit (loss)	(12,052)	(3,265)	(104,705)	(59,035)
Non GAAP expenses:				
Share-based compensation expense	15,233	14,925	67,467	62,410
Payroll taxes related to share-based compensation	40	73	219	459
Depreciation and amortization	1,336	1,279	4,274	5,100
Interest income, net	(5,064)	(5,994)	(10,180)	(22,775)
Other (income) expense, net	(1,714)	218	(505)	(837)
Provision for income taxes	1,579	2,477	6,042	5,798
Litigation Related Expenses	312	-	312	390
Adjusted EBITDA	(330)	9,713	(37,076)	(8,490)



Q4 and FY 2023 GAAP Financial Results

\$ in thousands	Q4'22	Q4'23	FY'22	FY'23
Revenue	79,298	84,065	261,247	297,610
Cost of revenue	37,854	35,550	126,150	145,091
Gross profit	41,444	48,515	135,097	152,519
Operating expenses:				
Research and development	18,502	17,122	72,014	71,577
Sales and marketing	21,391	21,344	88,438	88,441
General and administrative	18,802	16,613	83,993	69,350
Total operating expenses	58,695	55,079	244,445	229,368
Operating profit (loss)	(17,251)	(6,564)	(109,348)	(76,849)
Interest income (expense), net	5,064	5,994	10,180	22,775
Other income (expense), net	1,714	(218)	505	837
Profit (loss) before income taxes	(10,473)	(788)	(98,663)	(53,237)
Provision for income taxes	1,579	2,477	6,042	5,798
Net profit (loss)	(12,052)	(3,265)	(104,705)	(59,035)

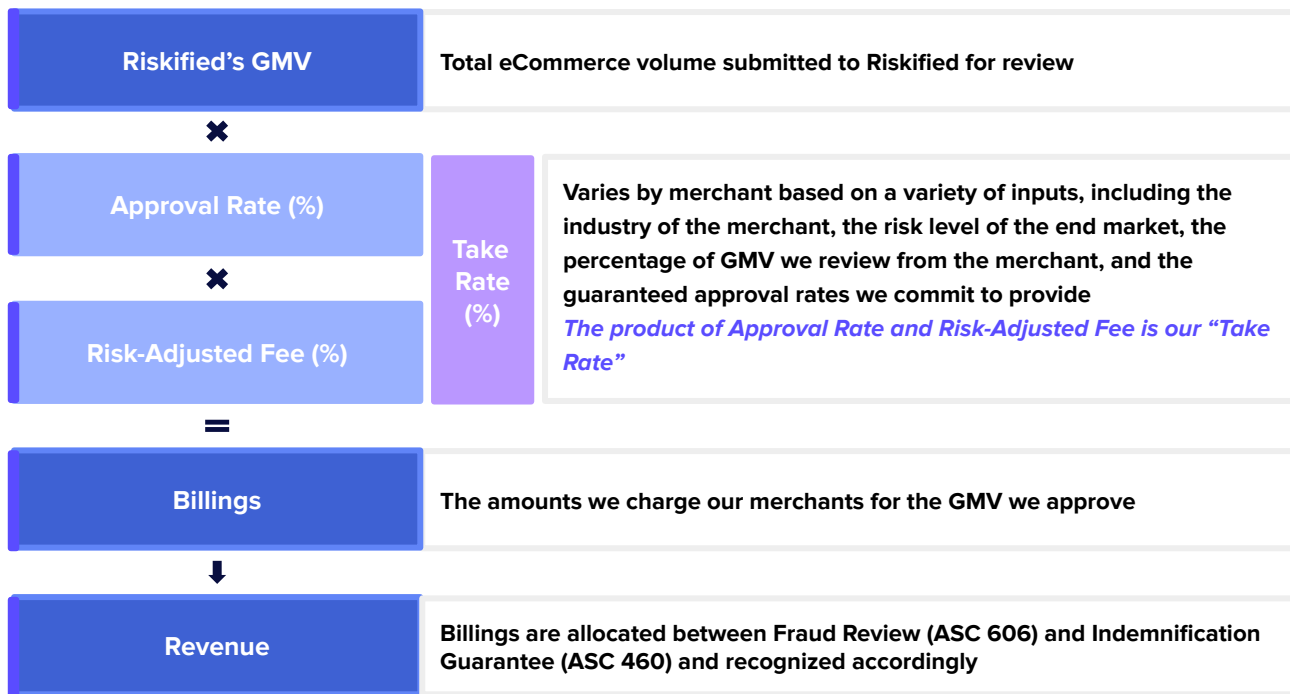


Q4 and FY 2023 Reconciliation of Net Cash Provided by (Used In) Operating Activities to Free Cash Flow

\$ in thousands	Q4'22	Q4'23	FY'22	FY'23
Net cash provided by (used in) operating activities	(4,098)	7,423	(26,252)	7,279
Purchases of property and equipment	(2,713)	(281)	(6,126)	(1,355)
Capitalized software development costs	(351)	-	(1,886)	-
Free Cash Flow	(7,162)	7,142	(34,264)	5,924

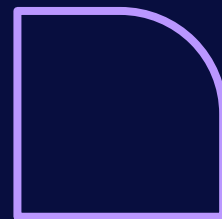
Chargeback Guarantee Revenue Model Flow

Transforming GMV
into Revenue





riskified



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