

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 industries and geographies, internal modeling assumptions, expectations as to our new merchant pipeline and upsell opportunities and our ability to compete, expectations as to our new or enhanced product suite, management of our cash outflow, and business plans and strategy reflect our current views 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; our history of net losses and anticipated increasing operating expenses; our ability to achieve profitability; our ability to maintain and enhance our brand; our ability to attract new merchants, retain existing merchants and increase the sales of our products to existing enterprises; our dependence on the continued use of credit cards and other payment methods that expose our merchant to the risk of payment fraud; changes in laws and regulations related to the use of credit cards, such as PSD2, which have and may continue to impact our GMV and to change or reduce the use cases for our products; our ability to successfully implement our business plan in light of macroeconomic conditions, such as economic downturn, changes in consumer behavior (including as a result of COVID-19 related restrictions and macroeconomic conditions, including the risking inflationary environment), global supply chain issues and other factors that may impact eCommerce volumes and 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 continue to improve our machine learning models or if our machine learning models contain errors or are otherwise ineffective or do not operate properly; our ability to predict our future revenue given our lengthy sales cycles; seasonality; our ability to operate in a highly competitive industry; merchant concentration; our ability to achieve desired operating margins; our compliance with a wide variety of U.S. and international laws and regulations; our ability to develop enhancements to our products; our dependence on our executive officers and senior management, and our ability to attract new talent, particularly in Israel; our limited experience in determining the optimal pricing for our products; our ability to obtain additional financing on favorable terms or at all; our reliance on Amazon Web Services; 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 effectively expand our sales force to facilitate revenue growth; 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 Annual Report on Form 20-F, filed with the Securities and Exchange Commission (the “SEC”) on February 25, 2022, and other documents filed with or furnished to the SEC, and which are accessible on the SEC’s website at www.sec.gov. 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.



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 constant currency revenues.

“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.

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), 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.

Constant currency revenues, which is a non-GAAP measure of financial performance, compares revenues between periods as if exchange rates had remained constant from the prior period. We define constant currency revenue as total revenue excluding the effect of foreign exchange rate movements, and use it to determine the constant currency revenue growth on a comparative basis. Constant currency revenue is calculated by translating current period revenues using the prior period exchange rate. Constant currency revenue growth (as a percentage) is calculated by determining the increase in current period revenue over prior period revenue, where current period foreign currency revenue is translated using prior period exchange rates. We use constant currency revenue and constant currency revenue growth for financial and operational decision-making and as a means to evaluate comparisons between periods excluding the impact of changes in exchange rates. We believe the presentation of our results on a constant currency basis, in addition to U.S. GAAP results, helps improve the ability to understand our performance because they exclude the effects of foreign currency volatility that are not indicative of our actual results of operations.

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 the appendix for reconciliations of these non-GAAP financial measure 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.



Increase sales approval rates by up to 20%¹



Reduce 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 exceeded 20% and 60%, respectively. See slide 10.



We Operate in Massive Markets With Strong Tailwinds

Solving Problems That Touch eCommerce Orders



2022:
\$100B+²



\$5.4 trillion
global eCommerce
GMV in 2022¹

~\$7.6 trillion global
eCommerce
GMV in 2026¹

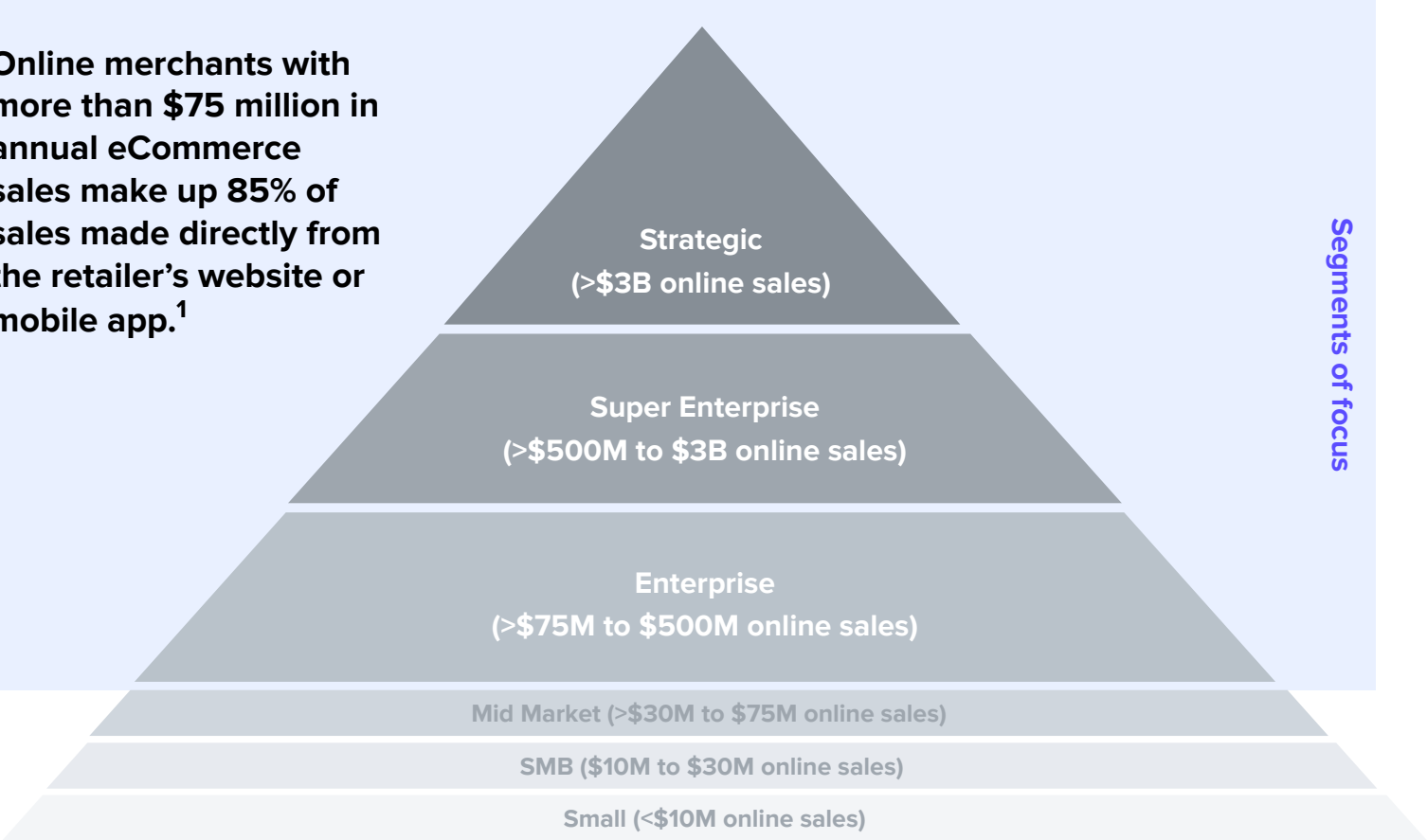
¹ Source: eMarketer (December 2022).

² GMV reviewed by Riskified during the twelve months ending December 31, 2022



Direct Sales Force Focused on the World's Largest Merchants

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



¹Source: Management calculations based on data provided by ecommerceDB (2021).



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 four sections: 'Fraud & Chargebacks', 'Abuse & Policy Enforcement', 'Banking & Payments', and 'Account Security'. Dotted lines connect the 'Friction & Lost Sales' section to the first bullet point and the 'Abuse & Policy Enforcement' section to the second bullet point on the right.

Friction & Lost Sales

Fraud & Chargebacks

Abuse & Policy Enforcement

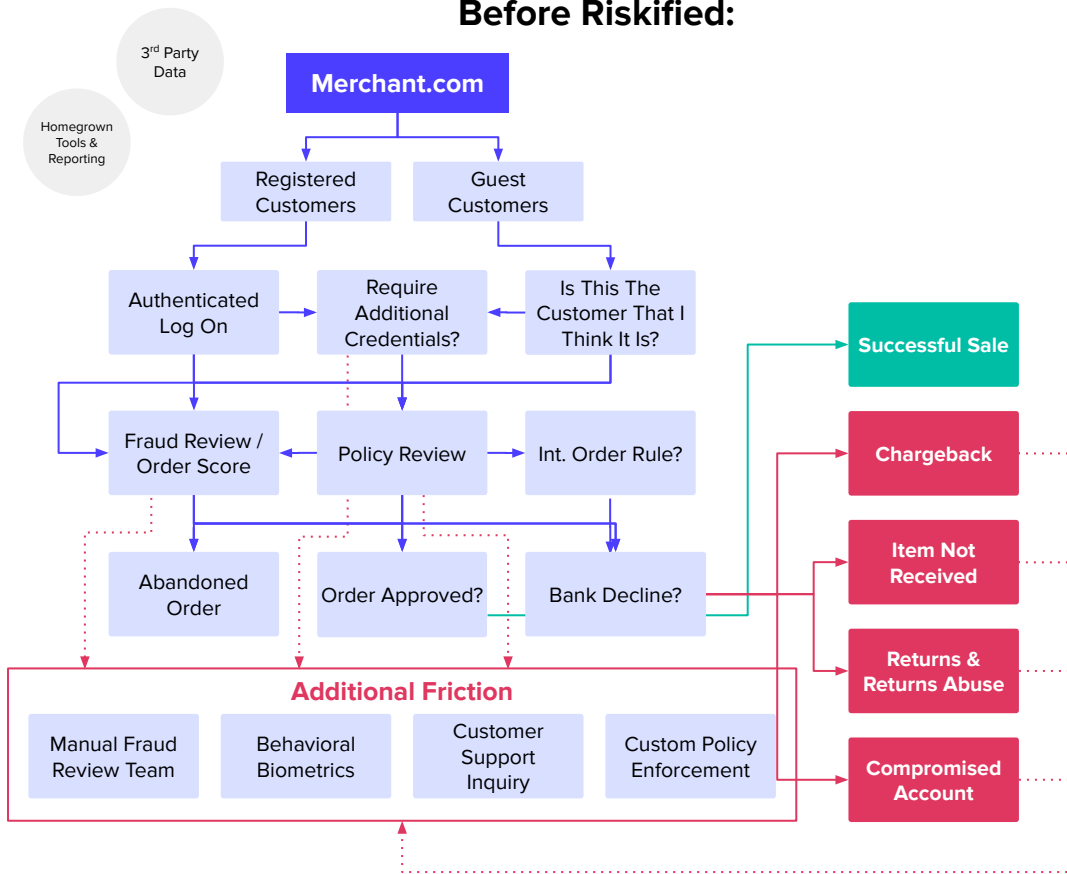
Banking & Payments

Account Security

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

Riskified Enables Frictionless eCommerce

Before Riskified:



With Riskified:



Higher approval rates



Lower operating costs

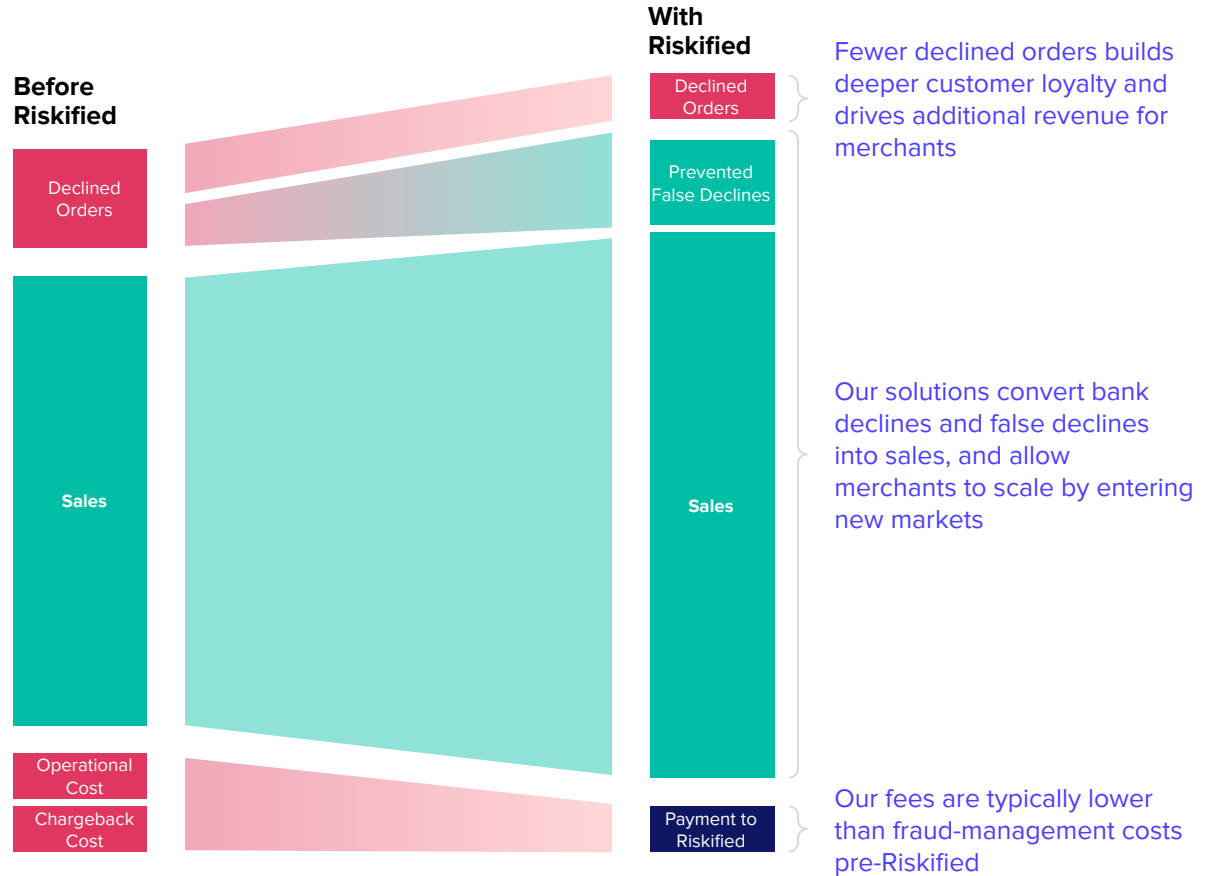


New market penetration

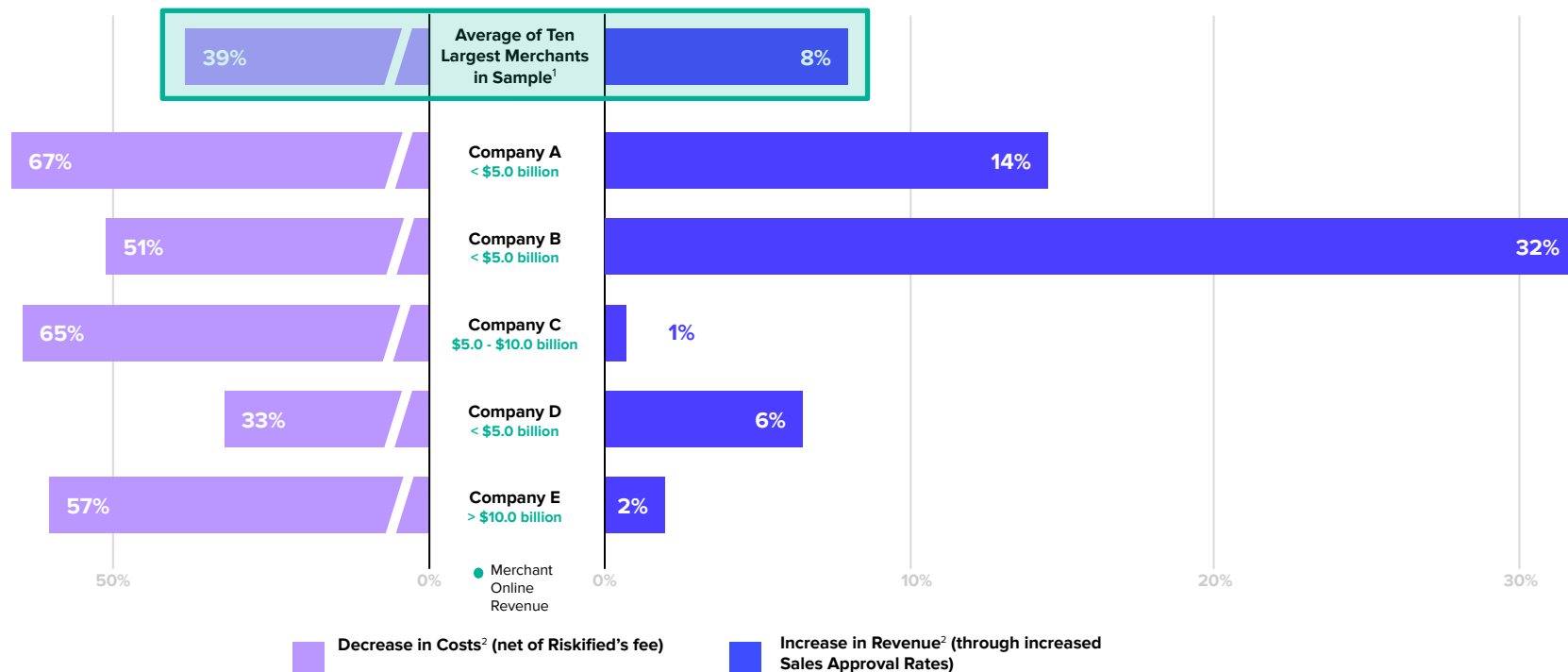


Better user experience

Riskified Value Proposition: Significant Sales Uplift and Attractive ROI



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.



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

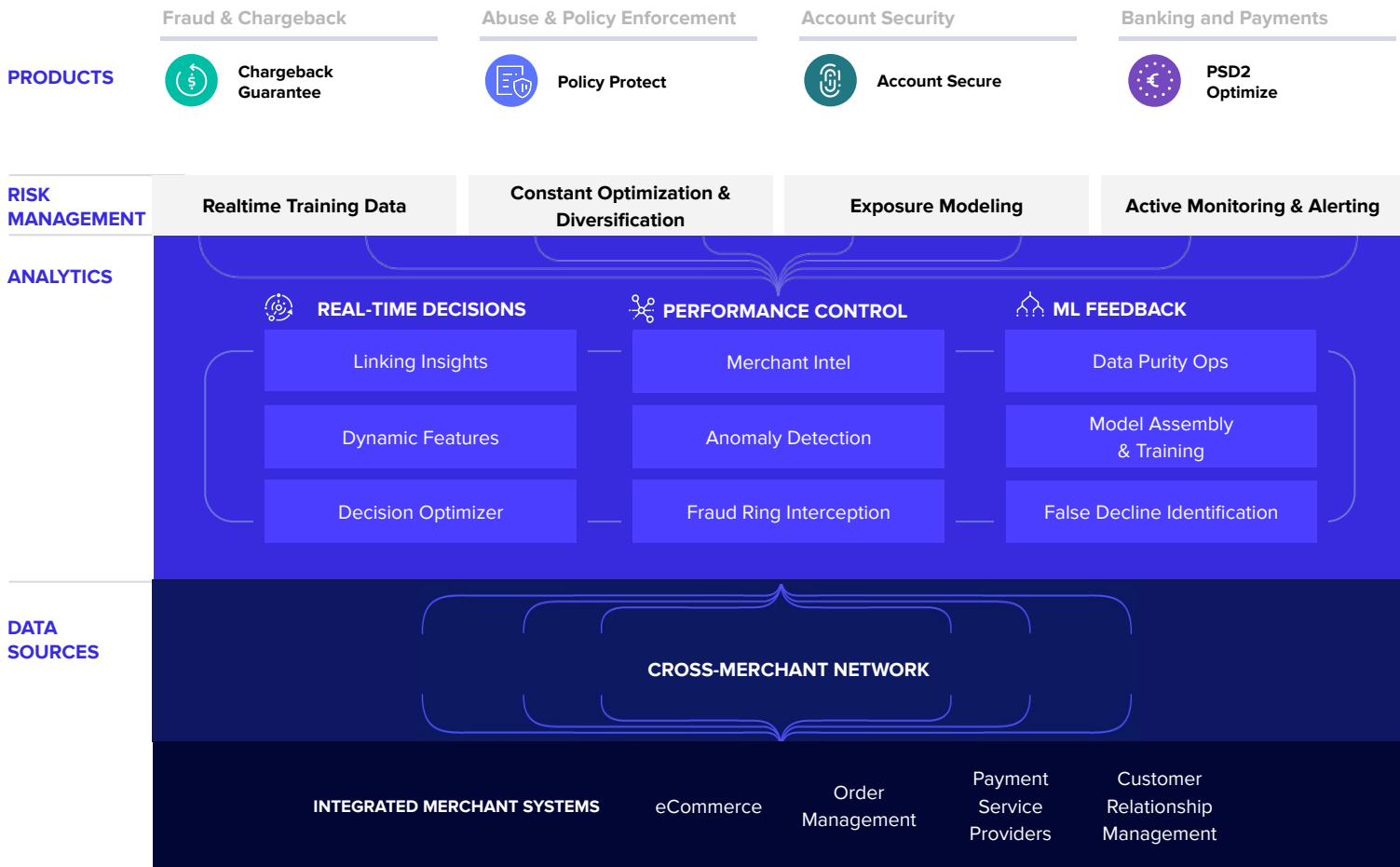


Innovative Tech Platform – Proprietary AI capabilities applicable to vast use cases



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



Our Platform Gets Stronger with Each Transaction Reviewed⁽¹⁾ and Merchant Added

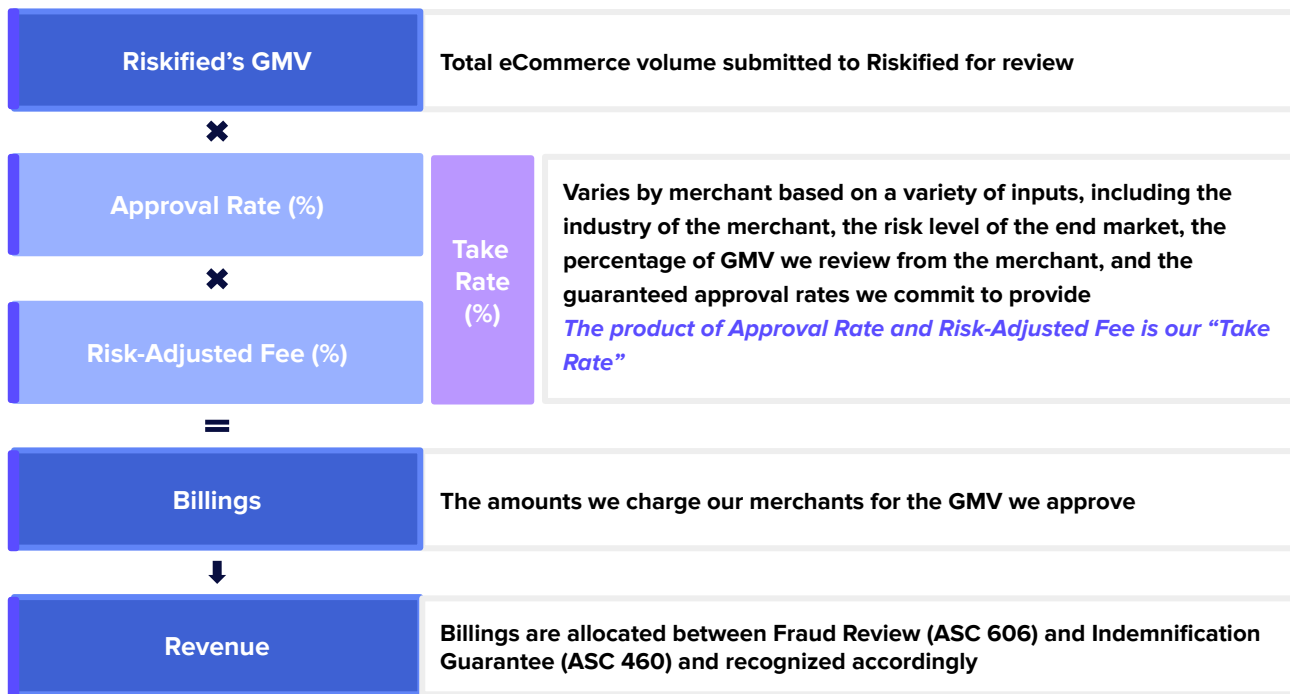


¹including whether or not those transactions result in eligible chargebacks.



Chargeback Guarantee Revenue Model Flow

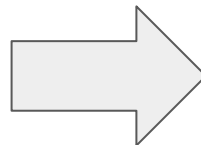
Transforming GMV
into Revenue



Outlook

Initial Guidance for 2023

Revenue	\$297M	-	\$303M
Adjusted EBITDA	(\$27M)	-	(\$22M)
YTD Weighted Average Shares Outstanding	175.4 Million		



Implies 14-16% Year-Over-Year Growth

*Implies 26-40% Year-Over-Year
Improvement*

Q4 & FY 2022 Business Highlights



Success Winning New Logos During Competitive Processes: Our accuracy and positioning as one of the largest fraud-related guarantors of eCommerce transactions in the world has created a distinct competitive advantage for us. This is a key reason why we have disproportionate success during competitive processes, in which we win more often than our competitors.



Strong Execution of Land and Expand Strategy in 2022: We continued to successfully execute our "land-and-expand" strategy in 2022. Our top ten new merchants represented five categories across three regions, and we had strong success in executing upsells to our existing merchant base.



Further Strengthened Leadership Position in Tickets & Travel Vertical: We recently onboarded a key new merchant in the Tickets & Travel vertical. This merchant has one of the most downloaded travel apps in North America and further adds to our second largest and fastest growing vertical.



Q4 & FY 2022 Business Highlights (continued)



Improved Cash Flow Model: Our cash used in operating activities and free cash flow both meaningfully improved by approximately 70% in the fourth quarter of 2022. We feel great about our ability to manage our cash position and ended the year with approximately \$483 million of cash, deposits and accrued interest on the balance sheet, with zero debt.



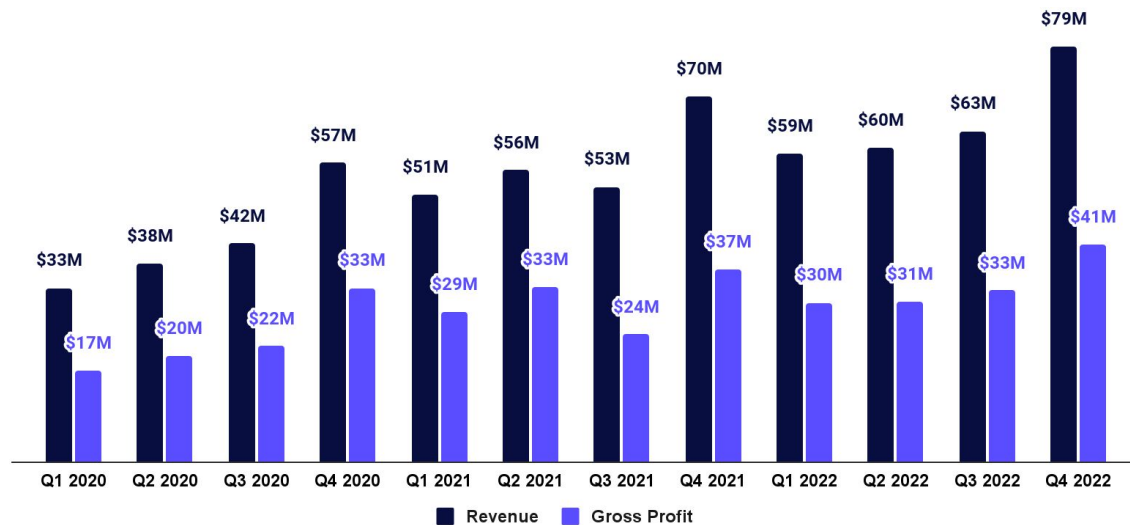
Award Winning Year for Our Platform: We were the winner of multiple prestigious awards, including the recent announcement as the Best Security Solution at the National Retail Foundation (NRF) Vendors in Partnership (VIP) Awards. In addition we were named as the Juniper Research Future Digital Award winner for Fraud & Security Innovation of the Year.



Recently Enhanced Policy Protect Product through the Addition of “Identity Explore”: This new capability allows merchants to visualize customer identities and behavior, tailor customer experience and customize policy decisions. For example, using Policy Protect, merchants have been able to prevent up to 15x more abusive returns and refund claims, detect nearly 95% of unauthorized resellers and may be able to save up to 70% of their promotion budget by thwarting shoppers misusing coupon and promo codes.



Q4 2022 Financial Highlights



GMV

\$32.2B

Revenue

\$79.3M

Gross Profit

\$41.4M

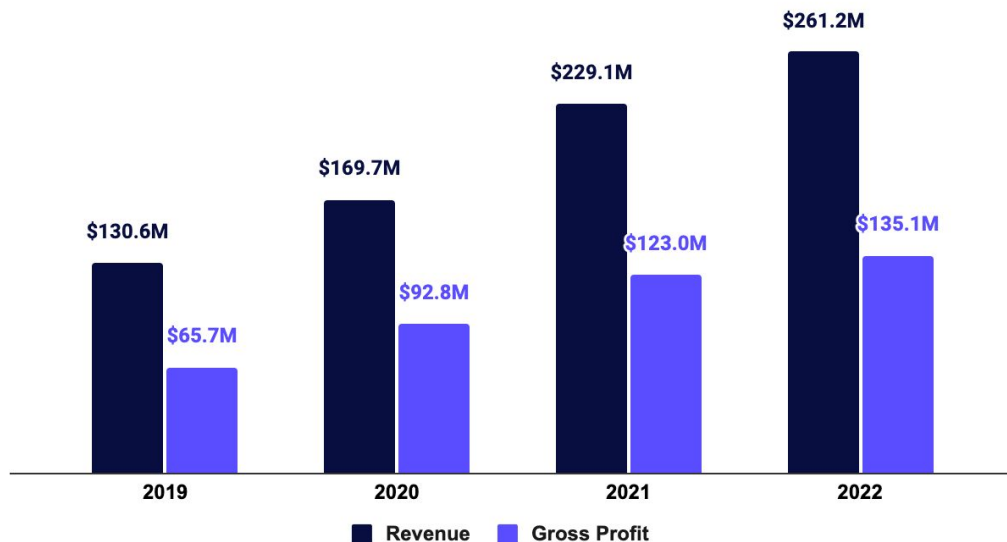
Adjusted EBITDA⁽¹⁾

\$(0.1M)

⁽¹⁾ A reconciliation of Adjusted EBITDA to its 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⁾

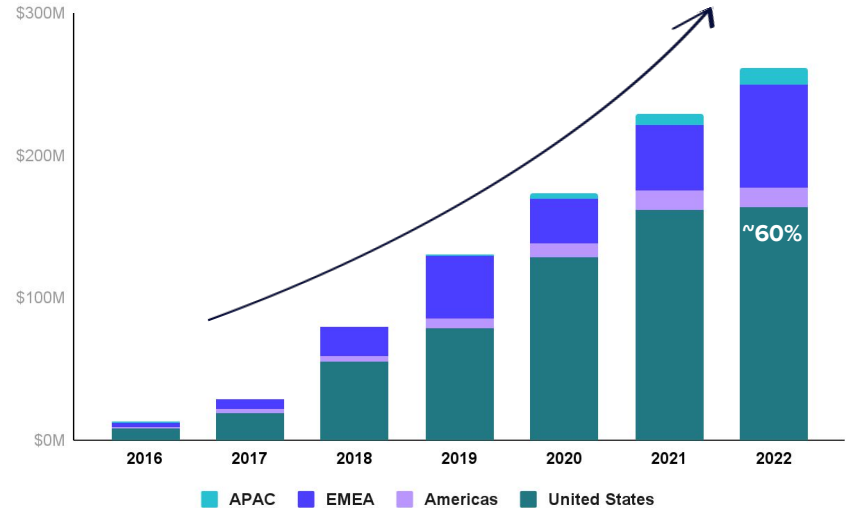
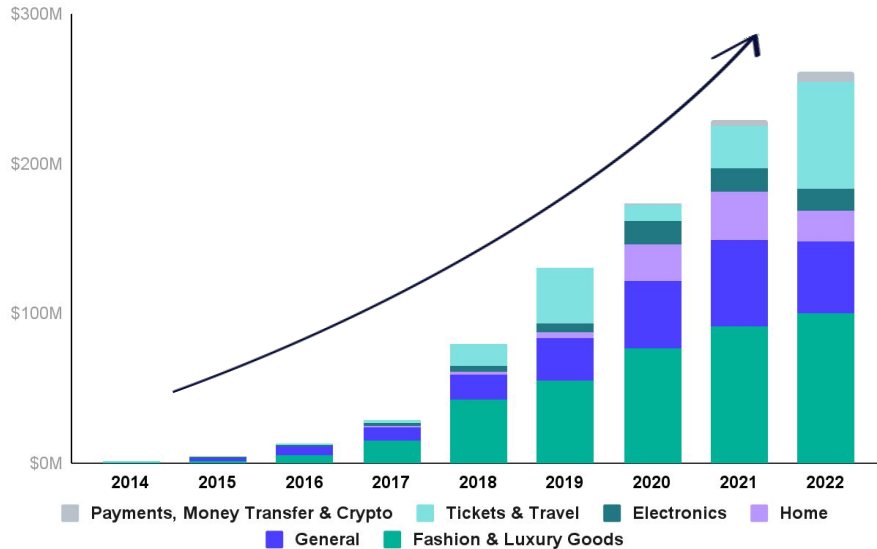
\$(36.4M)

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



Industry and Geo Billings Trends

We continue to diversify across industries and geographies, with accelerated growth in both EMEA and APAC

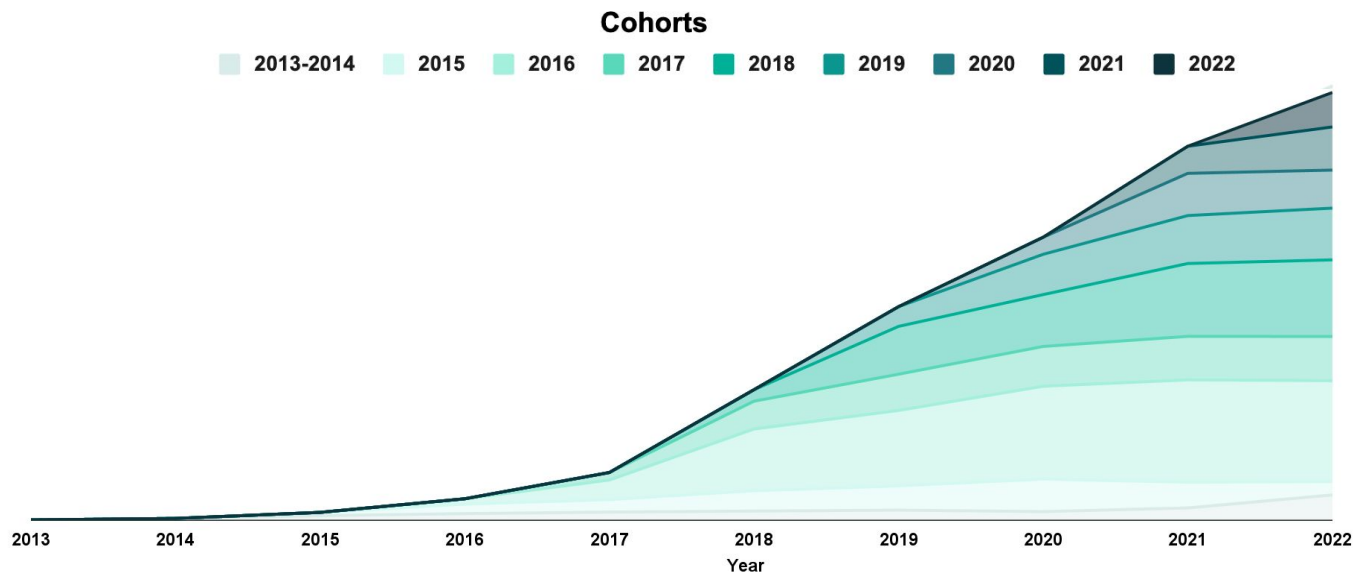


Existing Customer Penetration

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.

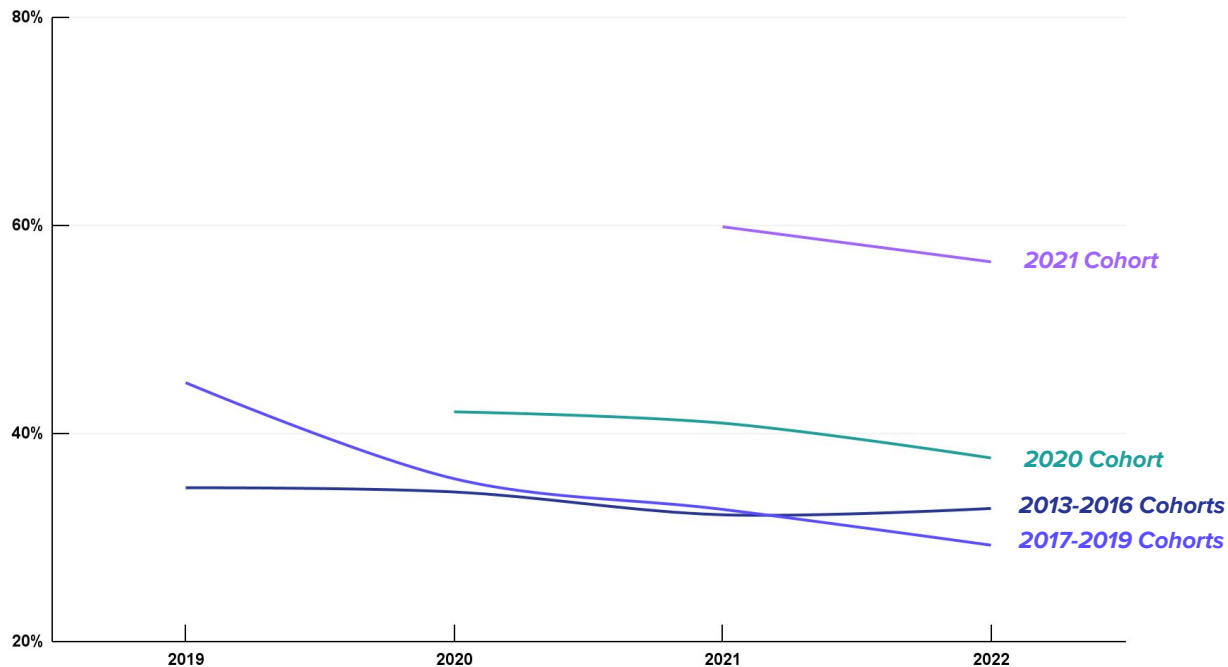
⁽³⁾ Based on 2021 Billings compared with the first full year of Billings for each mature cohort.



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

Q4 and FY 2022 GAAP Financial Results

\$ in thousands	Q4'21	Q4'22	FY'21	FY'22
Revenue	69,833	79,298	229,141	261,247
Cost of revenue	33,075	37,854	106,170	126,150
Gross profit	36,758	41,444	122,971	135,097
Operating expenses:				
Research and development	16,917	18,502	55,301	72,014
Sales and marketing	23,169	21,167	70,165	87,722
General and administrative	19,481	18,802	52,903	83,993
Total operating expenses	59,567	58,471	178,369	243,729
Operating profit (loss)	(22,809)	(17,027)	(55,398)	(108,632)
Interest income (expense), net	377	5,064	591	10,180
Other income (expense), net	368	1,714	(122,520)	505
Profit (loss) before income taxes	(22,064)	(10,249)	(177,327)	(97,947)
Provision for income taxes	993	1,579	1,558	6,042
Net profit (loss)	(23,057)	(11,828)	(178,885)	(103,989)



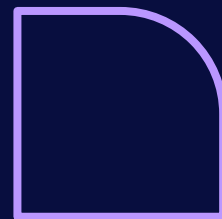
Q4 and FY 2022 Reconciliation of GAAP Net Profit (Loss) to Adjusted EBITDA

\$ in thousands	Q4'21	Q4'22	FY'21	FY'22
GAAP Net profit (loss)	(23,057)	(11,828)	(178,885)	(103,989)
Non GAAP expenses:				
Share-based compensation expense	15,056	15,233	33,358	67,467
Payroll taxes related to share-based compensation	153	40	153	219
Depreciation and amortization	649	1,336	2,436	4,274
Interest income, net	(377)	(5,064)	(591)	(10,180)
Other (income) expense, net	(368)	(1,714)	122,520	(505)
Provision for income taxes	993	1,579	1,558	6,042
Litigation Related Expenses	0	312	0	312
Adjusted EBITDA	(6,951)	(106)	(19,451)	(36,360)





riskified



Investor Relations:

Chett Mandel, Head of Investor Relations

ir@riskified.com

Corporate Communications:

Cristina Dinozo, Senior Director of Communications

press@riskified.com

