

RISKIFIED LTD.
Reconciliation of Non-GAAP Financial Measures
(in thousands)

This document is intended to supplement our prior financial disclosures by providing a reconciliation of non-GAAP cost of revenue and non-GAAP operating expenses by line item (collectively herein referred to as “Non-GAAP metrics”) to their most directly comparable GAAP metrics. We define these Non-GAAP metrics as the GAAP metric adjusted to remove the effects of depreciation and amortization, share-based compensation expense, and payroll taxes related to share-based compensation, where applicable, included within such GAAP metric. For example, non-GAAP cost of revenue is calculated as GAAP cost of revenue excluding depreciation and amortization and share-based compensation included within GAAP cost of revenue. These Non-GAAP metrics have limitations as analytical tools in that they do not reflect certain 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 these non-GAAP metrics as supplemental measures of our performance. The non-GAAP metrics used herein are not necessarily comparable to similarly titled captions of other companies due to different methods of calculation. Non-GAAP financial metrics should not be considered in isolation, as an alternative to, or superior to information prepared and presented in accordance with GAAP. These metrics are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. By providing these non-GAAP metrics together with a reconciliation to the most directly comparable GAAP metric, 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.

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	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
GAAP cost of revenue	\$ 23,856	\$ 22,455	\$ 22,390	\$ 28,250	\$ 33,075	\$ 28,477	\$ 29,326	\$ 30,493
Less: depreciation and amortization	12	111	165	159	154	171	173	177
Less: share-based compensation expense	7	26	37	73	80	148	146	183
Less: payroll taxes related to share-based compensation	—	—	—	—	—	—	2	2
Non-GAAP cost of revenue	<u>\$ 23,837</u>	<u>\$ 22,318</u>	<u>\$ 22,188</u>	<u>\$ 28,018</u>	<u>\$ 32,841</u>	<u>\$ 28,158</u>	<u>\$ 29,005</u>	<u>\$ 30,131</u>
GAAP research and development	\$ 9,890	\$ 11,694	\$ 12,439	\$ 14,251	\$ 16,917	\$ 18,113	\$ 17,947	\$ 17,452
Less: depreciation and amortization	121	155	197	199	201	374	359	387
Less: share-based compensation expense	224	825	1,013	951	1,457	2,432	2,451	2,538
Non-GAAP research and development	<u>\$ 9,545</u>	<u>\$ 10,714</u>	<u>\$ 11,229</u>	<u>\$ 13,101</u>	<u>\$ 15,259</u>	<u>\$ 15,307</u>	<u>\$ 15,137</u>	<u>\$ 14,527</u>
GAAP sales and marketing	\$ 9,964	\$ 12,672	\$ 14,812	\$ 19,512	\$ 23,169	\$ 23,129	\$ 22,892	\$ 20,534
Less: depreciation and amortization	151	148	158	178	177	248	238	245
Less: share-based compensation expense	218	925	872	4,407	4,506	5,323	4,881	3,872
Less: payroll taxes related to share-based compensation	—	—	—	—	153	13	45	41
Non-GAAP sales and marketing	<u>\$ 9,595</u>	<u>\$ 11,599</u>	<u>\$ 13,782</u>	<u>\$ 14,927</u>	<u>\$ 18,333</u>	<u>\$ 17,545</u>	<u>\$ 17,728</u>	<u>\$ 16,376</u>
GAAP general and administrative	\$ 5,921	\$ 7,611	\$ 7,701	\$ 18,110	\$ 19,481	\$ 21,952	\$ 22,554	\$ 20,685
Less: depreciation and amortization	161	90	108	119	117	186	179	201
Less: share-based compensation expense	190	773	655	7,745	9,013	10,484	10,658	9,118
Less: payroll taxes related to share-based compensation	—	—	—	—	—	—	30	46
Non-GAAP general and administrative	<u>\$ 5,570</u>	<u>\$ 6,748</u>	<u>\$ 6,938</u>	<u>\$ 10,246</u>	<u>\$ 10,351</u>	<u>\$ 11,282</u>	<u>\$ 11,687</u>	<u>\$ 11,320</u>