

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

This document is intended to supplement our 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 measures”) to their most directly comparable GAAP measures. We define these Non-GAAP measures as the GAAP measure adjusted to remove the effects of depreciation and amortization (including amortization of capitalized internal-use software), share-based compensation expense, payroll taxes related to share-based compensation, and litigation-related expenses that are outside the ordinary course of business, where applicable, included within such GAAP measure. For example, non-GAAP research and development is calculated as GAAP research and development excluding depreciation and amortization and share-based compensation included within GAAP research and development. These Non-GAAP measures 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 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. Non-GAAP financial measures should not be considered in isolation, as an alternative to, or superior to information prepared and presented in accordance with GAAP. These measures are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. By providing these non-GAAP measures together with a reconciliation to the most directly comparable 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.

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

	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
GAAP cost of revenue	\$ 22,455	\$ 22,390	\$ 28,250	\$ 33,075	\$ 28,477	\$ 29,326	\$ 30,493	\$ 37,854
Less: depreciation and amortization	111	165	159	154	171	173	177	359
Less: share-based compensation expense	26	37	73	80	148	146	183	144
Less: payroll taxes related to share-based compensation	—	—	—	—	—	2	2	—
Non-GAAP cost of revenue	<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>	<u>\$ 37,351</u>
GAAP research and development	\$ 11,694	\$ 12,439	\$ 14,251	\$ 16,917	\$ 18,113	\$ 17,947	\$ 17,452	\$ 18,502
Less: depreciation and amortization	155	197	199	201	374	359	387	461
Less: share-based compensation expense	825	1,013	951	1,457	2,432	2,451	2,538	2,584
Non-GAAP research and development	<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>	<u>\$ 15,457</u>
GAAP sales and marketing	\$ 12,672	\$ 14,812	\$ 19,512	\$ 23,169	\$ 23,129	\$ 22,892	\$ 20,534	\$ 21,167
Less: depreciation and amortization	148	158	178	177	248	238	245	282
Less: share-based compensation expense	925	872	4,407	4,506	5,323	4,881	3,872	4,177
Less: payroll taxes related to share-based compensation	—	—	—	153	13	45	41	19
Non-GAAP sales and marketing	<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>	<u>\$ 16,689</u>
GAAP general and administrative	\$ 7,611	\$ 7,701	\$ 18,110	\$ 19,481	\$ 21,952	\$ 22,554	\$ 20,685	\$ 18,802
Less: depreciation and amortization	90	108	119	117	186	179	201	234
Less: share-based compensation expense	773	655	7,745	9,013	10,484	10,658	9,118	8,328
Less: payroll taxes related to share-based compensation	—	—	—	—	—	30	46	21
Less: litigation-related expenses	—	—	—	—	—	—	—	312
Non-GAAP general and administrative	<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>	<u>\$ 9,907</u>