



Q3 2021

Financial Results

Supplemental Slides

November 16, 2021

Forward-Looking Statements

Certain statements in this presentation release may constitute “forward-looking” statements and information, within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or similar words. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. 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 limited operating history and ability to manage our growth; our history of net losses and anticipated increasing operating expenses; 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), global supply chain issues and other factors that may impact eCommerce volume, 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 achieve profitability; our ability to maintain and enhance our brand; our ability to develop enhancements to our products; our ability to attract new merchants, retain existing merchants and increase the sales of our products to large enterprises; merchant concentration; 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 may impact our GMV; our ability to continue to improve our machine learning models or if our machine learning models contain errors or are otherwise ineffective; 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 predict our future revenue given our lengthy sales cycles; seasonality; our ability to operate in a highly competitive industry; our ability to achieve desired operating margins; our compliance with a wide variety of U.S. and international laws and regulations; our reliance on Amazon Web Services; our dependence on our senior management and our ability to attract new talent; our limited experience in determining the optimal pricing for our products; 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 Prospectus filed pursuant to Rule 424(b) with the Securities and Exchange Commission on July 30, 2021, and other documents filed with or furnished to the SEC. 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, after the date on which the statements are made or to reflect the occurrence of unanticipated events.



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 non-GAAP operating expenses.

We define GMV as the gross total dollar value of orders received by our merchants and reviewed through our eCommerce risk management platform during the period indicated, including orders that we did not approve. We define Adjusted EBITDA as net profit (loss) adjusted to remove the effects of the provision for income taxes, interest income, net, other income (expense), net, depreciation and amortization, and share-based compensation expense. We define non-GAAP operating expenses as GAAP operating expenses adjusted to remove the effects of depreciation and amortization, and share-based compensation expense.

Adjusted EBITDA is a non-GAAP metric that management and our board of directors use as a supplemental measure of our performance because it assists us in comparing our operating performance on a consistent basis, as it removes the impact of items that we believe do not directly reflect our core operations. We also use Adjusted EBITDA for planning purposes, including the preparation of our internal annual operating budget and financial projections, to evaluate the performance and effectiveness of our strategic initiatives and to evaluate our capacity to expand our business.

Adjusted EBITDA and non-GAAP operating expenses 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. 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 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.

These non-GAAP metrics should not be construed as an inference that our future results will be unaffected by unusual or other items. Adjusted EBITDA and non-GAAP operating expenses have limitations as analytical tools in that they do 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 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.

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



Riskified Mission

To empower businesses to realize the full potential of eCommerce by making it safe, accessible and frictionless.



Increased sales approval rates by up to 20%¹



Reduced costs by up to 60%¹



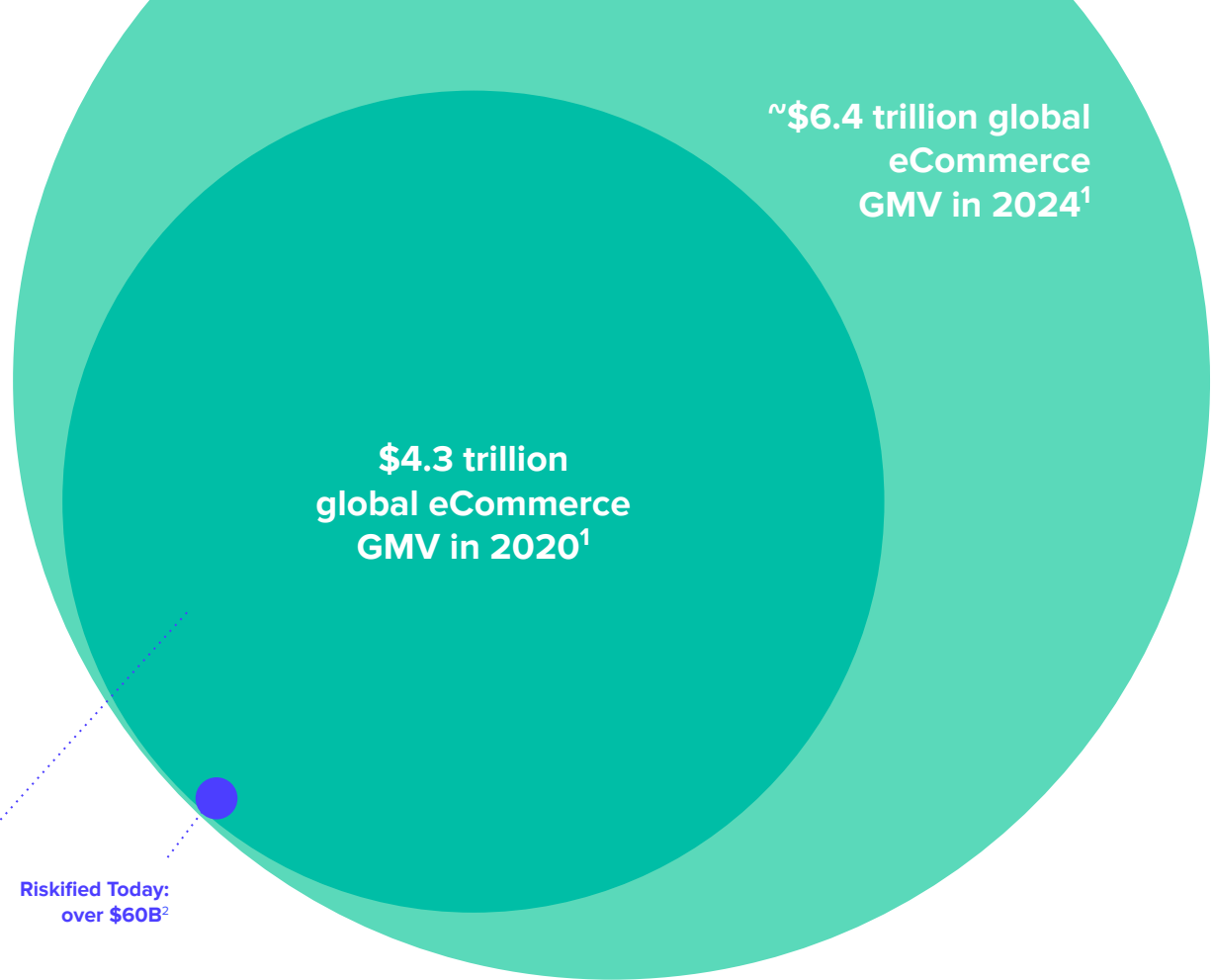
Eliminate significant customer friction, power omnichannel commerce and open new, global markets

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 exceed 20% and 60%, respectively. See slide 7.



We Operate in Massive Markets With Strong Tailwinds

Solving Problems That Touch All eCommerce Orders



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

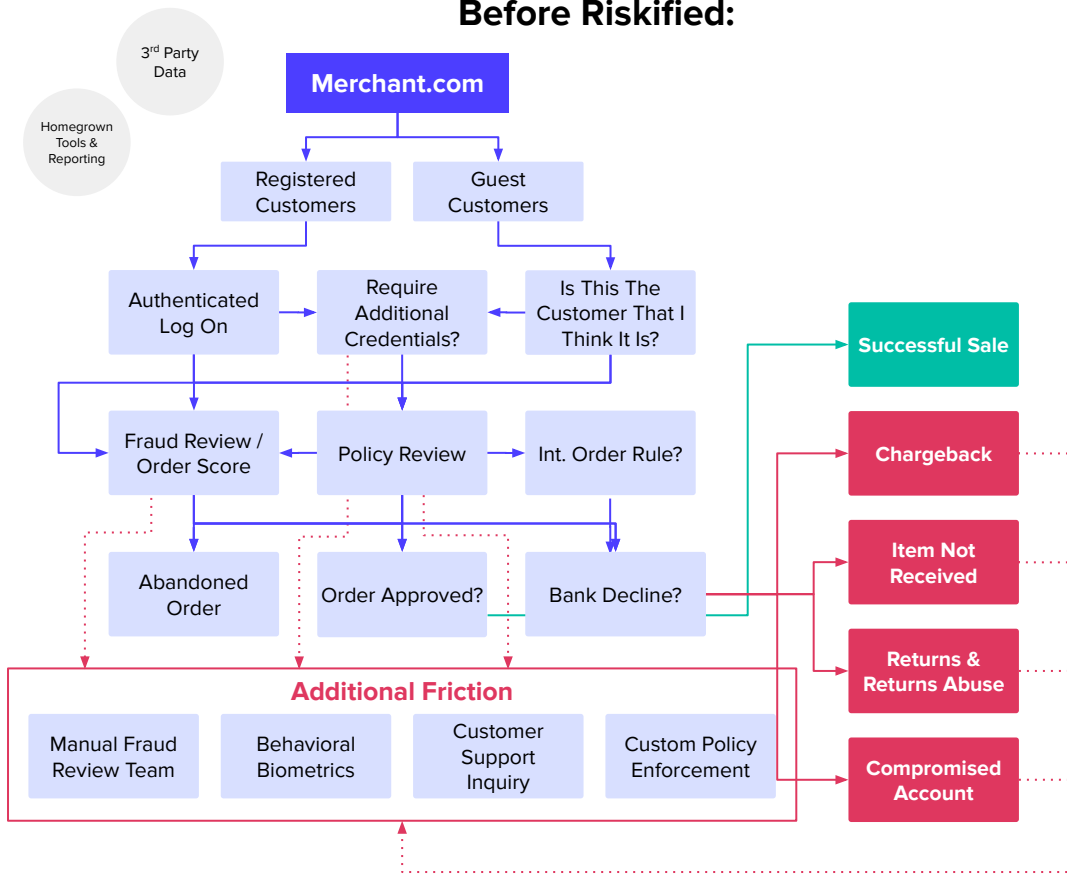
Riskified Today: over \$60B²

¹ Source: eMarketer 2020

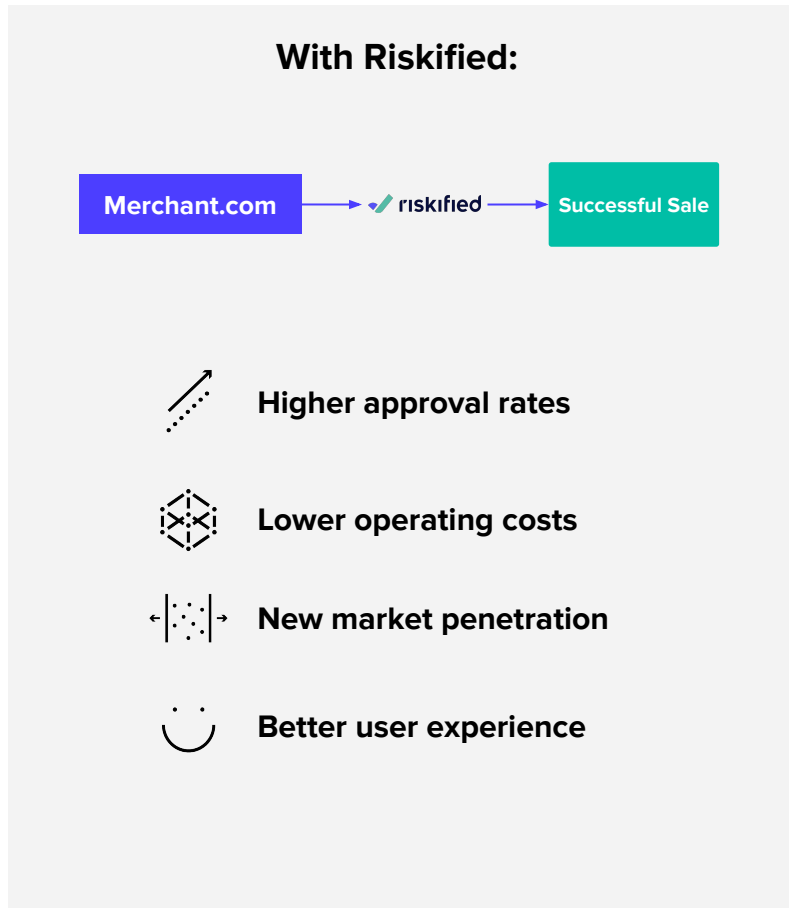
² GMV as of Dec 31, 2020

Riskified Enables Frictionless eCommerce

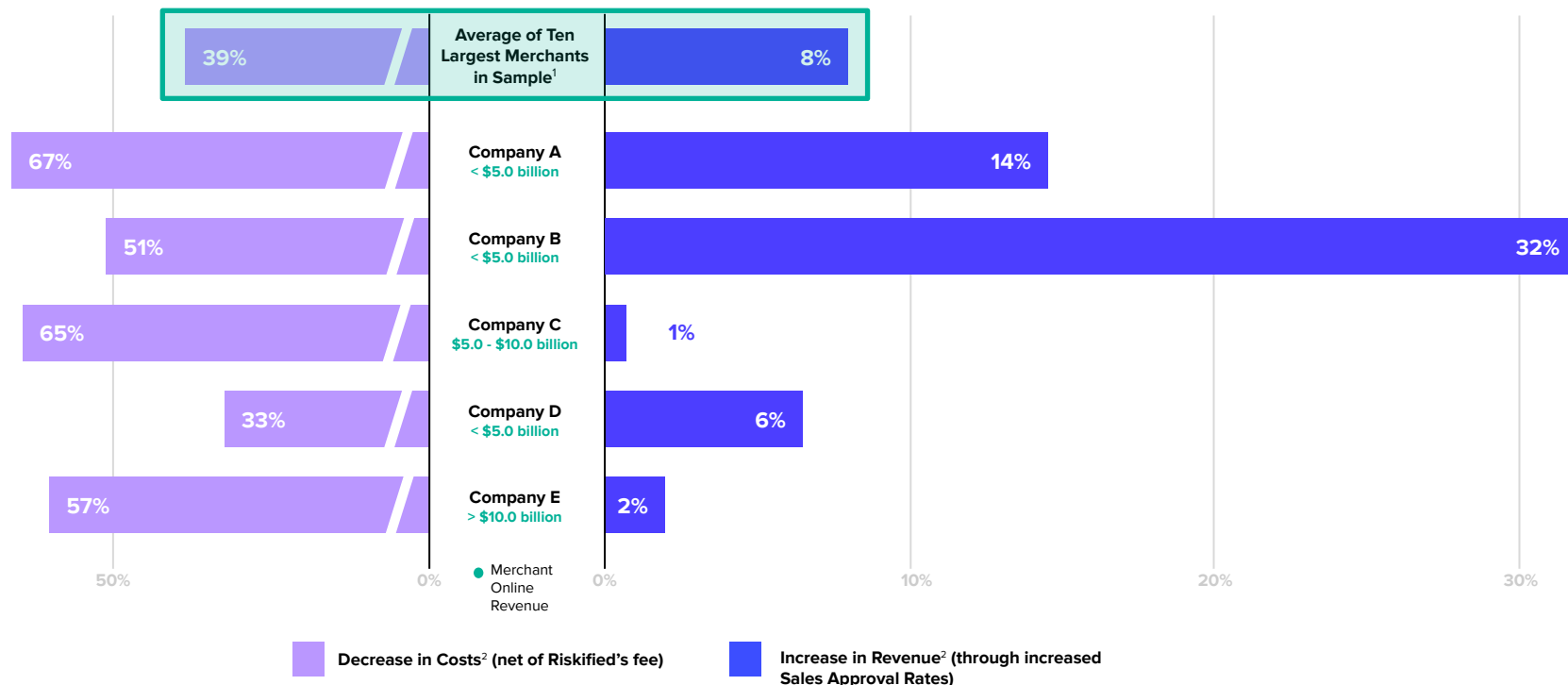
Before Riskified:



With Riskified:



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.

Q3 2021 Business Highlights



Grew from 20 to 25 the number of different countries in which Riskified processed more than \$100M of GMV in the last 12 months (based on location of the end consumer), reflecting the growing applicability of the Riskified value proposition for the global eCommerce ecosystem



Recently executed a new master agreement with the LVMH group, making it easier for individual LVMH brands to join and benefit from the Riskified platform. Following upon this during Q3, Riskified onboarded the flagship Louis Vuitton brand

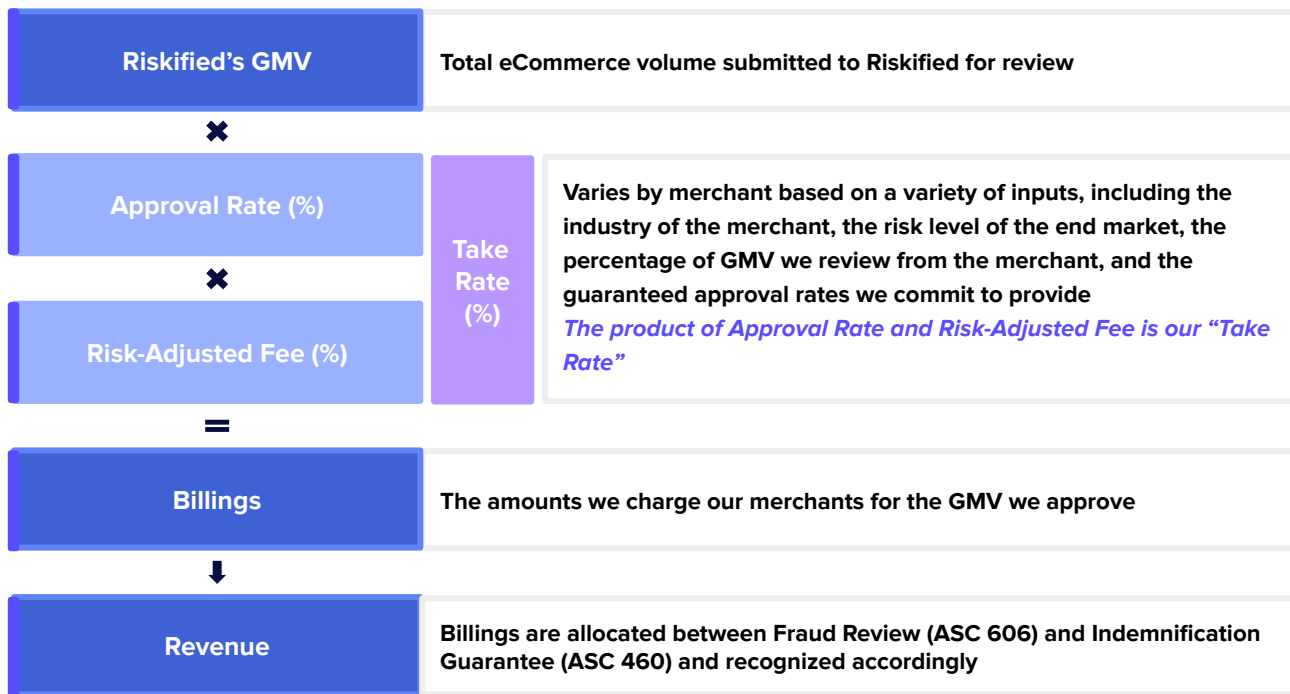


Successfully deployed new Policy Protect product for an existing chargeback guarantee merchant with more than \$10B+ in annual eCommerce volumes, helping to pursue a largely untapped opportunity to assist online merchants in managing return/refund policies and expanding the value proposition of Riskified's platform

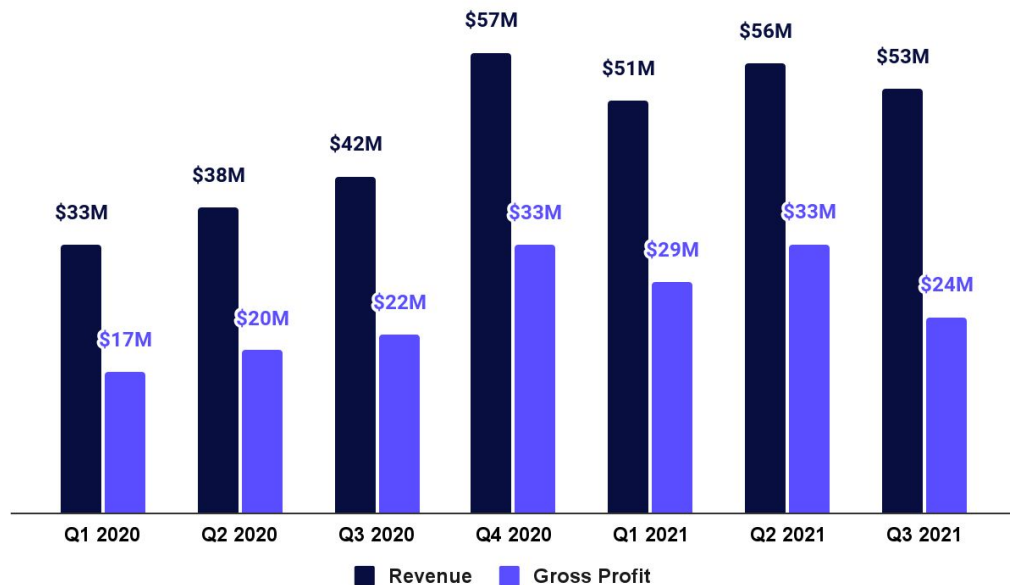


Revenue Model Flow Recap

Transforming GMV into Revenue



Q3 2021 Financial Highlights



GMV

\$20.9B, up 28% YoY

Revenue

\$52.5M, up 26% YoY

Gross Profit

\$24.3M, up 10% YoY

Adjusted EBITDA

\$(13.8M), down from \$(1.8M) in Q3'20



Key Transitory Considerations



Expect PSD2 regulation--which European Union countries have begun to adopt in earnest--to continue to accelerate relative to earlier quarters for the remainder of FY21 and into the start of next year. Q4 could carry a more significant growth impact compared with Q3



Current circumstances around the reopening of economies around the world and global supply chain challenges are temporarily pressuring long-term prospects for eCommerce growth and penetration. As such it is prudent to maintain a cautious stance for the fourth quarter



The overall impact to volumes from PSD2, more modest eCommerce growth trends, and the fairly ubiquitous supply chain issues affecting online merchants is already factored into guidance

Outlook

Full Fiscal Year 2021 Guidance

Updated Guidance

Revenue	\$226.2M - \$227.2M
YoY Revenue Growth	33% - 34%
Adjusted EBITDA	\$(25.5M) - \$(24.5M)

Prior Guidance

Revenue	\$224.4M - \$225.4M
YoY Revenue Growth	32% - 33%
Adjusted EBITDA	\$(26.3M) - \$(25.3M)

Q4'21 QTD GAAP weighted average shares of approximately 163.5M

FY'21 YTD GAAP weighted average shares of approximately 76.4M

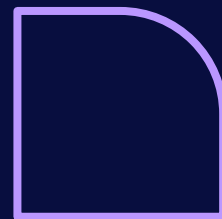
Q4'21 QTD Non-GAAP weighted average shares of approximately 163.5M

FY'21 YTD Non-GAAP weighted average shares of approximately 161.6M





riskified



Investor Relations:

Chris Mammone, The Blueshirt Group for Riskified
ir@riskified.com

Corporate Communications:

press@riskified.com



Appendix

Q3'21 GAAP Financial Results

\$ in thousands	Q3'21	Q3'20
Revenue	52,533	41,695
Cost of revenue	28,250	19,665
Gross profit	24,283	22,030
Operating expenses:		
Research and development	14,251	9,504
Sales and marketing	17,466	9,669
General and administrative	15,486	5,557
Total operating expenses	47,203	24,730
Operating profit (loss)	(22,920)	(2,700)
Interest income (expense), net	145	43
Other income (expense), net	(64,601)	(7,712)
Profit (loss) before income taxes	(87,376)	(10,369)
Provision for income taxes	(523)	311
Net profit (loss)	(86,853)	(10,680)



Q3'21 Reconciliation of GAAP Net Profit (Loss) to Adjusted EBITDA

\$ in thousands	Q3'21	Q3'20
GAAP Net profit (loss)	(86,853)	(10,680)
Non GAAP expenses:		
Share-based compensation expense	8,506	601
Depreciation and amortization	655	327
Interest income, net	(145)	(43)
Other (income) expense, net	64,601	7,712
Provision for income taxes	(523)	311
Adjusted EBITDA	(13,759)	(1,772)

