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The Law Offices of Timothy L. Miles Announces Riskified Ltd. (NYSE: RSKD) Sued for Misleading Shareholders

Purchaser of Riskified Ltd. (NYSE: RSKD) filed a class action complaint against the Company for alleged violations of the Securities Exchange Act of 1933.

Nationally Recognized Shareholder Rights Attorney Timothy L. MIles to Be Featured in the Upcoming Eddition of the Top 100 Lawyers Magazine

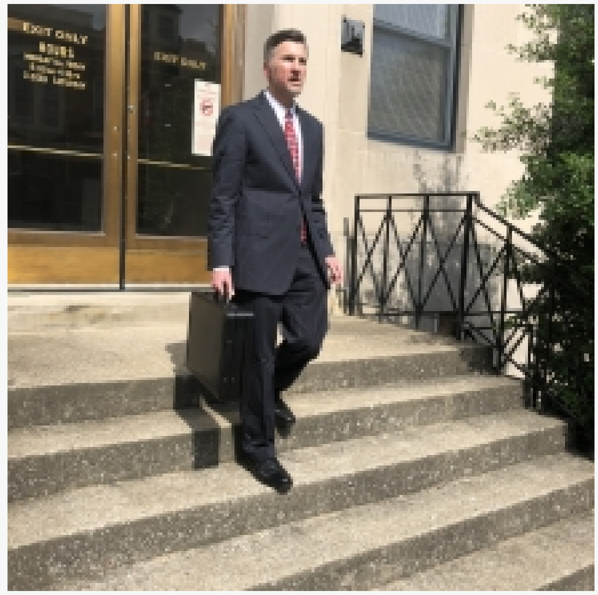
NASHVILLE, TENNESSEE, UNITED STATES, May 12, 2022 /EINPresswire.com/ -- The Law Offices of Timothy L. Miles, who has been leading the fight to protect shareholder rights for over 20 years, notifies investors that a purchaser of Riskified Ltd. (NYSE: RSKD) filed a class action lawsuit seeking to represent purchasers of Riskified Ltd. (NYSE: RSKD) Class A ordinary shares in or traceable to Riskified's July 2021 initial public offering (the "IPO"). Commenced on May 2, 2022, the Riskified class action lawsuit – captioned Thomas v. Riskified Ltd., Case No. 1:22-cv-03545 and filed in the Southern District of New York – charges Riskified, certain of its top executives and directors, as well as the IPO's underwriters with violations of the Securities Act of 1933.

> "Riskified Shareholders Are Urged to Contact the Firm"
>
> *Timothy L. Miles*

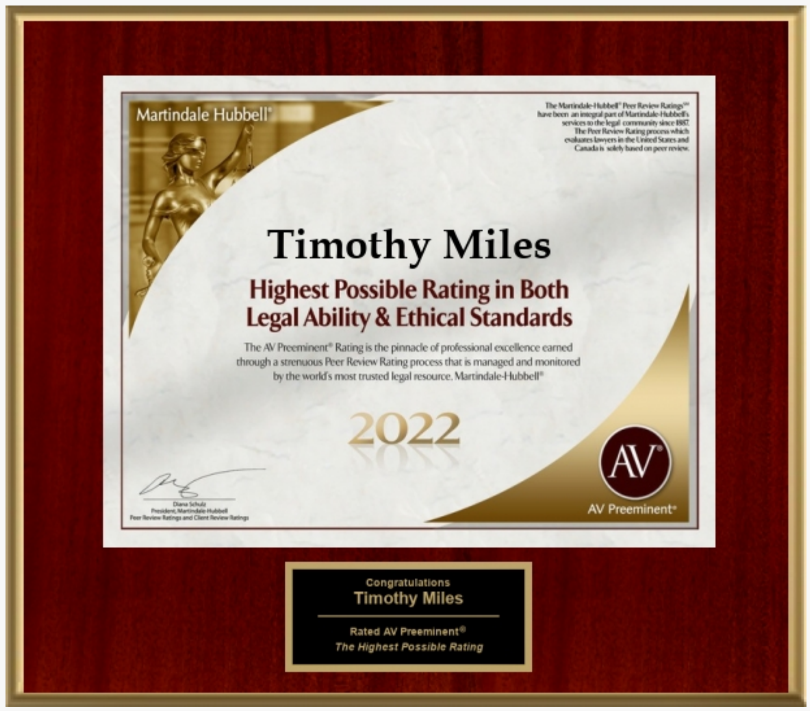
If you suffered losses as a result of Riskified's misconduct, click here.

Allegations in the Riskified Class Action Lawsuit

Riskified operates a risk management platform that utilizes machine learning to protect its merchant-clients from fraud. On July 1, 2021, Riskified filed with the U.S. Securities and Exchange Commission ("SEC") a registration statement on Form F-1 for the IPO, which, after several amendments, was declared effective on July 28, 2021 (the "Registration Statement"). The Registration Statement was used to sell to the investing public 20.125 million Riskified Class A ordinary shares at $21 per share, generating over $422 million in gross proceeds.



Shareholder Rights Attorney Timothy L. Miles



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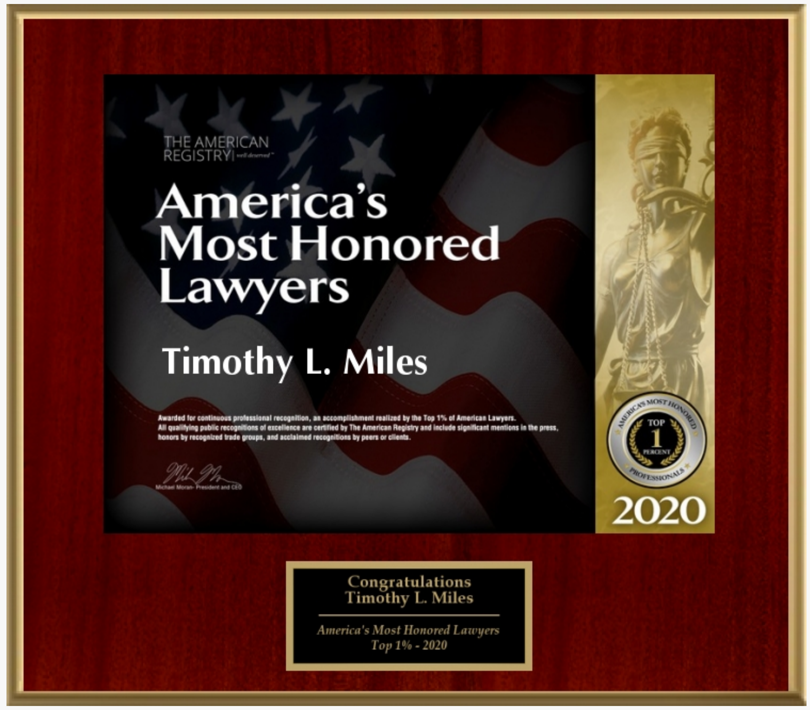
The Riskified class action lawsuit alleges that the IPO's Registration Statement made inaccurate statements of material fact because they failed to disclose the following adverse facts that existed at the time of the IPO: (i) as Riskified expanded its user base, the quality of Riskified's machine learning platform had deteriorated (rather than improved as represented in the Registration Statement), because of, among other things, inaccuracies in the algorithms associated with onboarding new merchants and entering new geographies and industries; (ii) Riskified had expanded its customer base into industries with relatively high rates of fraud – including partnerships with cryptocurrency and remittance businesses – in which Riskified had limited experience and that this expansion has negatively impacted the effectiveness of Riskified's machine learning platform; (iii) as a result, Riskified was suffering from materially higher chargebacks and cost of revenue and depressed gross profits and gross profit margins during its third fiscal quarter of 2021; and (iv) thus, the Registration Statement's representations regarding Riskified's historical financial and operational metrics and purported market opportunities did not accurately reflect the actual business, operations, and financial results and trajectory of Riskified prior to and at the time of the IPO, and were materially false and misleading, and lacked a factual basis.

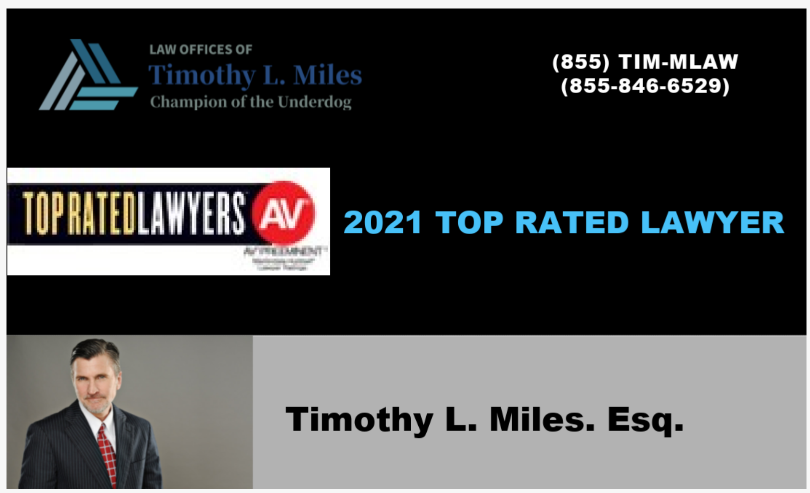
On September 9, 2021, during a conference call to discuss Riskified's financial results for the second quarter ended June 30, 2021, Riskified's CFO, defendant Aglika Dotcheva, stated that Riskified tended "to experience higher chargebacks when we enter a new industry."

Then, on November 16, 2021, Riskified announced its third quarter ended September 30, 2021 results, revealing that Riskified's revenue growth had declined to 26% year-over-year, Riskified's Gross Merchandise Value ("GMV") growth had declined to 28% year-over-year, Riskified's gross profits had increased only 10% year-over-year, Riskified's gross profit margins had plummeted to just 46% during the quarter, and Riskified's gross profit fell sequentially to $24.3 million. Further, Riskified's cost of revenue had jumped to $28.3 million in the third quarter of 2021, primarily as a result of a sharp increase in chargeback expenses. During the earnings call, defendant Dotcheva blamed Riskified's growing merchant base as a primary cause of increased chargebacks.

Finally, on February 23, 2022, Riskified announced its fourth quarter and year ended December 31, 2021 results, disclosing that Riskified's revenue growth and GMV growth had continued to decelerate, Riskified's gross profit growth remained muted, and Riskified's cost of revenue had continued to climb. Riskified also revealed that it expected to generate only between $254 million and $257 million in 2022 revenues (which would represent only 11.5% year-over-year growth) and an adjusted 2022 earnings before interest, taxes, depreciation, and amortization of between negative $69 million and $66 million (which would more than triple the losses suffered by Riskified in 2021), indicating that the adverse business trends being suffered by Riskified were in fact accelerating. During the earnings call the same day, defendant Dotcheva stated that the



Nationally Recognized Shareholder Rights Attorney Timothy L. Miles Has Achieved the Recognition of American's Most Honored Lawyers 2020 - Top 1%



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year-over-year decline in gross profit margin experienced “was driven primarily by [Riskified’s] expansion into new industries and regions, increase of the tickets in travel industry as a percentage of total billings as well as the onboarding of new merchants."

At the time of the filing of the lawsuit, Riskified Class A shares traded below $6 per share, more than 70% below the IPO price. As a result, investors suffered losses in Riskified stock.

Lead plaintiff motions for the Riskified class action lawsuit must be filed with the court no later than July 1, 2022.

Riskified Shareholders Urged to Contact the Firm

If you purchased Riskified securities, have information, or have any questions concerning this announcement or your rights or interests with respect to these matters, please click here or contact Timothy L. Miles, Esquire, at 615-587-7384, Toll-Free at 855-846-6529, or by email to tmiles@timmileslaw.com. If you inquire by email please include your mailing address, telephone number, and the number shares owned.

About Timothy L. Miles

Timothy L. Miles is a nationally recognized shareholder rights attorney raised in Nashville, Tennessee. Mr. Miles was recentely selected by Martindale-Hubbell® and ALM as a 2022 Top Ranked Lawyer, 2022 Top Rated Litigator and 2022 Elite Lawyer of the South. Mr. Miles also maintains the AV Preeminent Rating by Martindale-Hubbell® (2014-2022), their highest rating for both legal ability and ethics. Mr. Miles is a member of the prestigious Top 100 Civil Plaintiff Trial Lawyers: The National Trial Lawyers Association (2017-2022), a superb rated attorney by Avvo, a recipient of the Lifetime Achievement Award by Premier Lawyers of America (2019) and recognized as a Distinguished Lawyer, Recognizing Excellence in Securities Law, by Lawyers of Distinction (2019). Awards: Top Ranked Lawyer by Martindale-Hubbell® and ALM (2019-2022); Top Rated Litigator by Martindale-Hubbell® and ALM (2019-2022); Elite Lawyer of The South by Martindale-Hubbell® and ALM (2019-2022); Member of the Top 100 Civil Plaintiff Trial Lawyers: The National Trial Lawyers Association (2017-2022); AV® Preeminent™ Rating by Martindale-Hubble® (2014-2020); PRR AV Preeminent Rating on Lawyers.com (2017 & 2019); The Top-Rated Lawyer in Litigation™ for Ethical Standards and Legal Ability (Martindale-Hubble® 2015); Lifetime Achievement Award by Premier Lawyers of America (2019); Superb Rated Attorney (Avvo); Avvo Top Rated Lawyer for (Avvo 2017-2020). Mr. Miles has authored numerous publications advocating for shareholdings including most recently: Free Portfolio Monitoring Services Offered by Plaintiff Securities Firms Provides Significant Benefits To Investors (Timothy L. Miles, Dec. 3, 2019).

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