

PAGAYA TECHNOLOGIES LTD.

# 2Q23 Earnings Supplement

August 10th, 2023

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# 01

## Financial Metrics

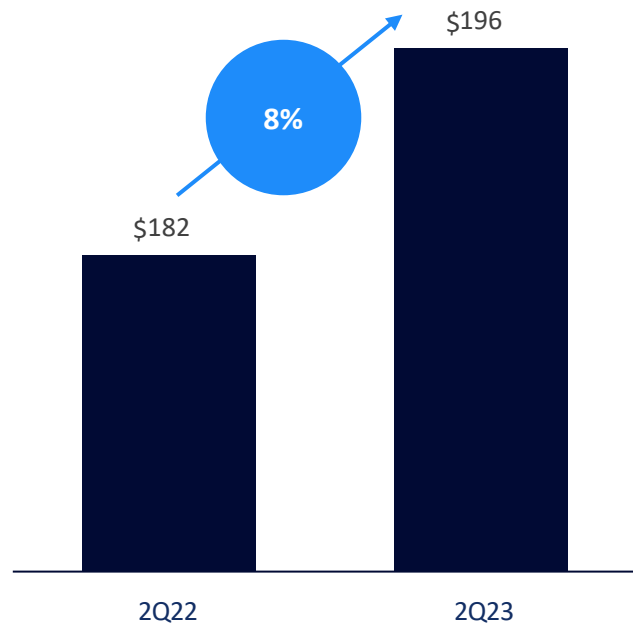
# 2Q23 financial highlights

| (\$ millions)                                    | 2Q23    | 2Q22    | %Δ    |
|--|---------|---------|-------|
| Network Volume                                   | \$1,957 | \$1,947 | 0%    |
| Total revenue & other income                     | \$196   | \$182   | 8%    |
| Revenue from fees                                | \$186   | \$163   | 14%   |
| Production costs                                 | \$121   | \$105   | 15%   |
| Revenue from fees less production costs (FRLPC)* | \$65    | \$58    | 12%   |
| Operating Expenses ex. SBC<br>(R&D, S&M, G&A)    | \$65    | \$81    | (20%) |
| Net income (loss)                                | (\$31)  | (\$175) | NM    |
| Adj. Net Income*                                 | \$1     | (\$19)  | NM    |
| Adj. EBITDA*                                     | \$17    | \$5     | 255%  |

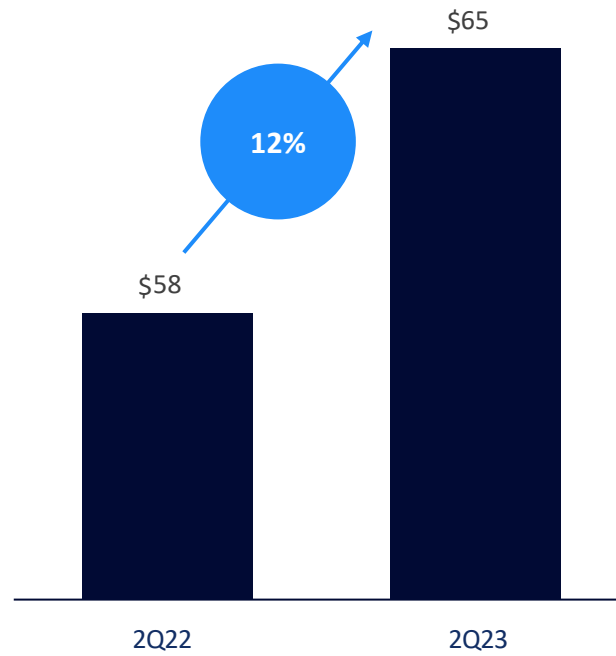
# Key financial metrics

*In \$ millions; % in yoy growth*

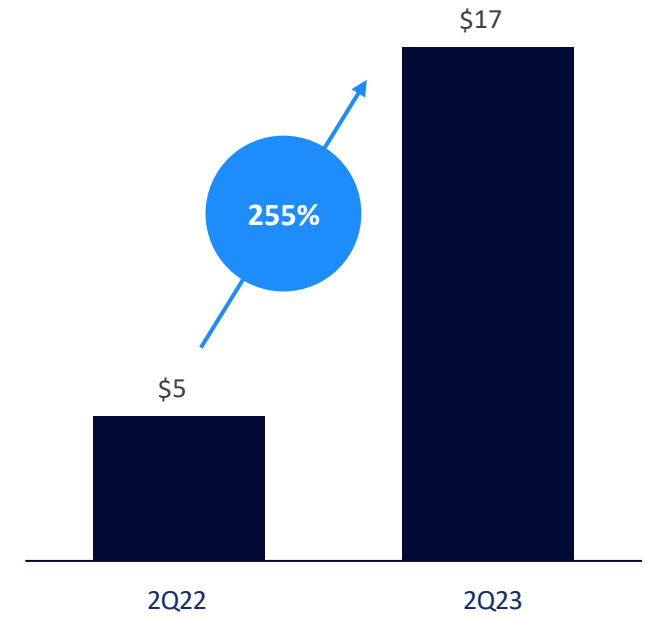
Total Revenue



FRLPC

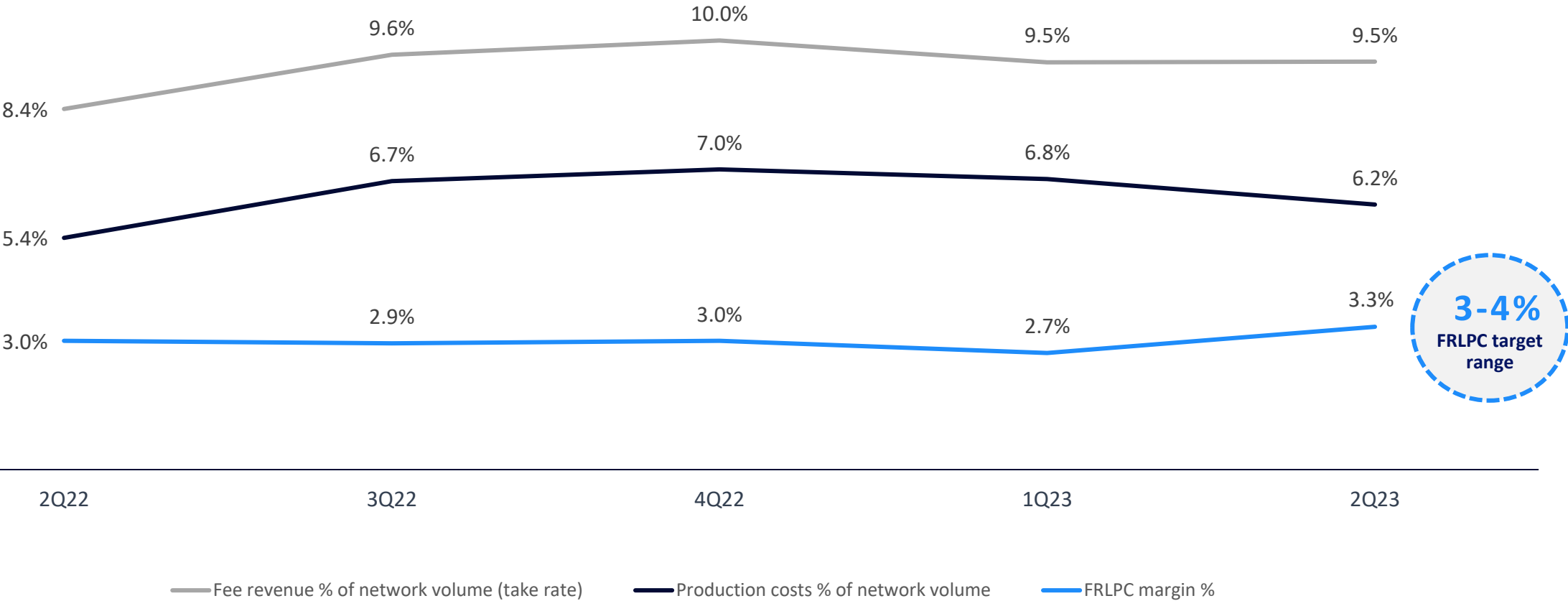


Adjusted EBITDA



# Evolution of FRLPC

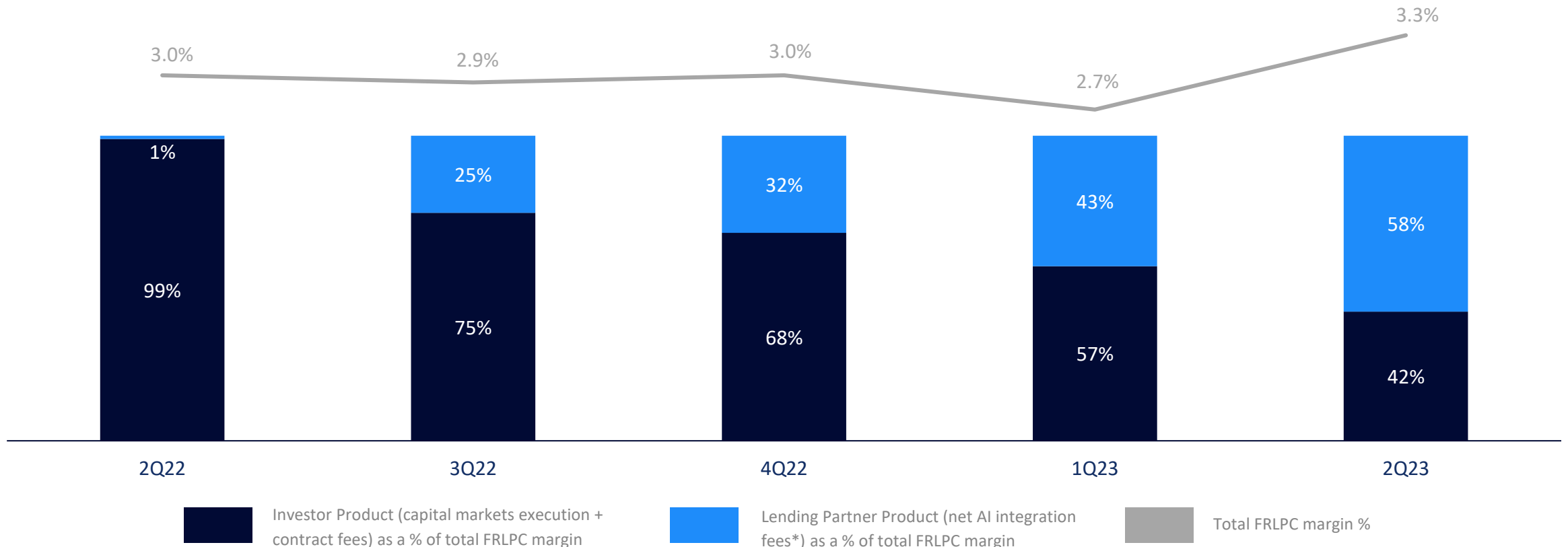
Components of FRLPC as a % of network volume



# Evolution of FRLPC by product

*% contribution from lending partner and investor products*

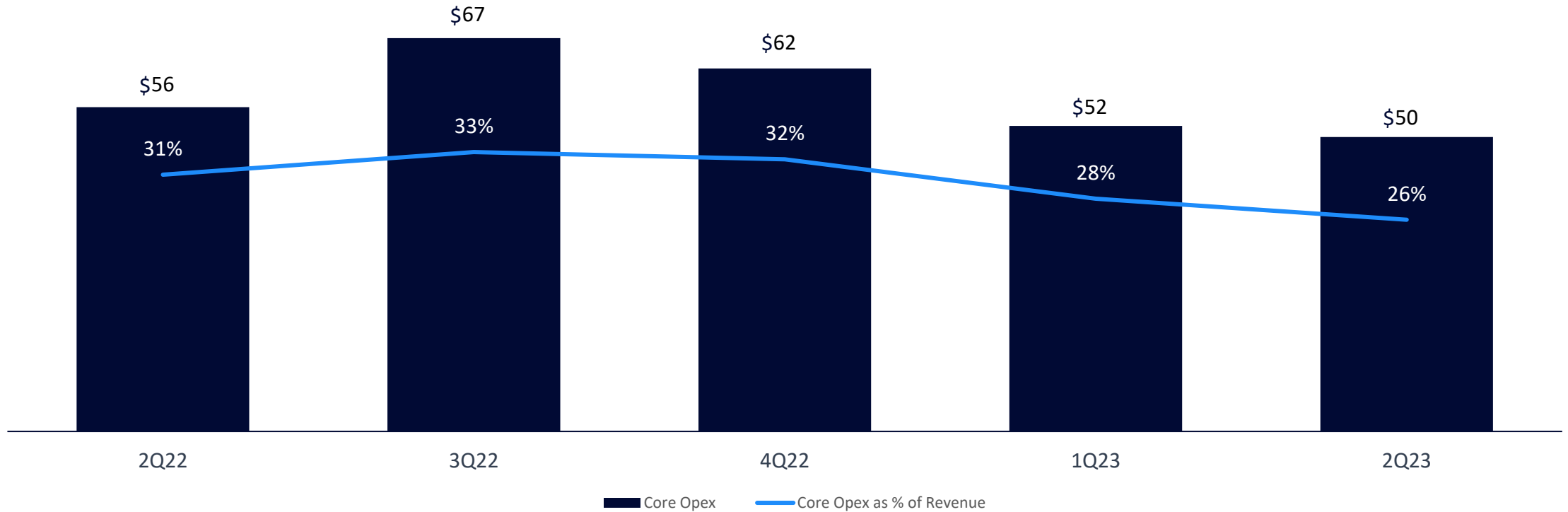
Fee revenue less production costs as a % of network volume – breakdown by product



# Core operating expenses

*In \$millions*

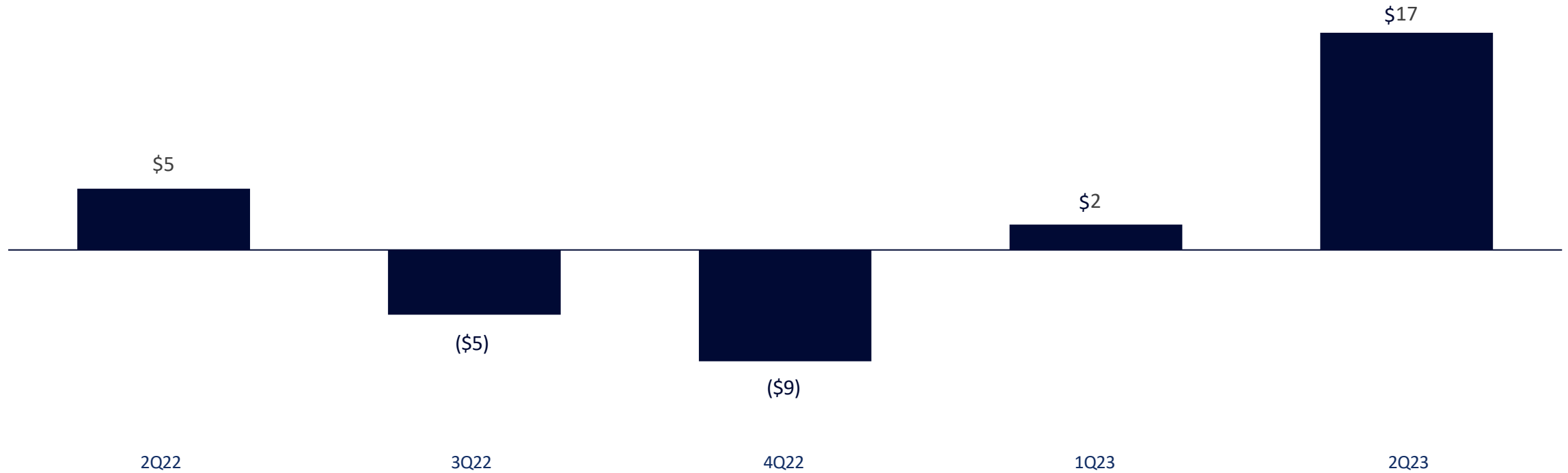
Total operating expenses excluding share-based compensation expense, one-time expenses (including the impact of recent Darwin acquisition), and depreciation





# Adjusted EBITDA

*In \$millions*

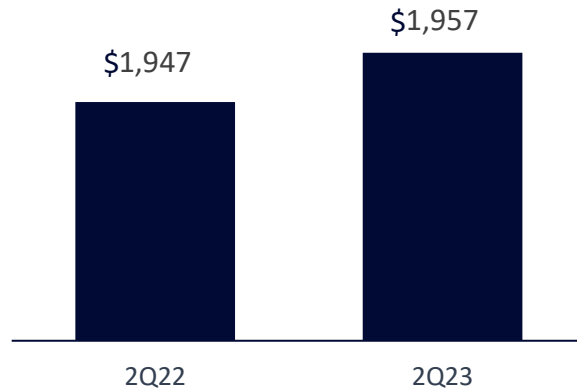


02

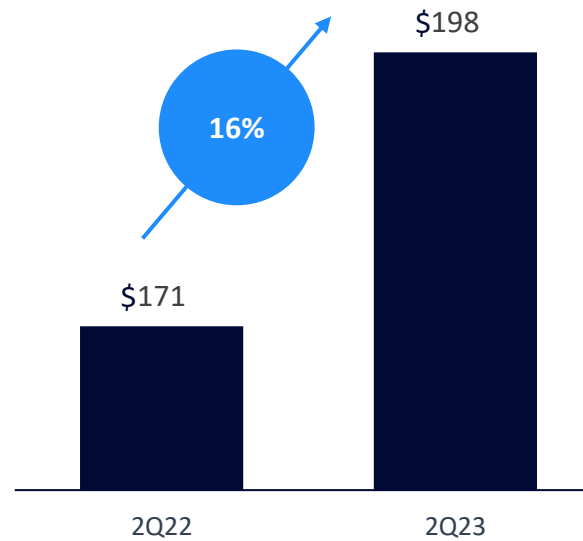
# Operating Metrics

# Operating highlights

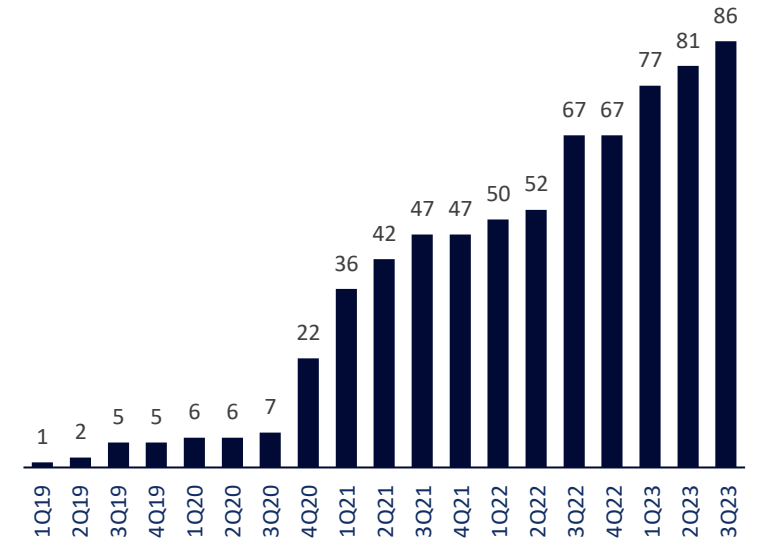
Network volume  
(in \$millions)



\$ application volume from our  
lending partners  
(in \$billions)

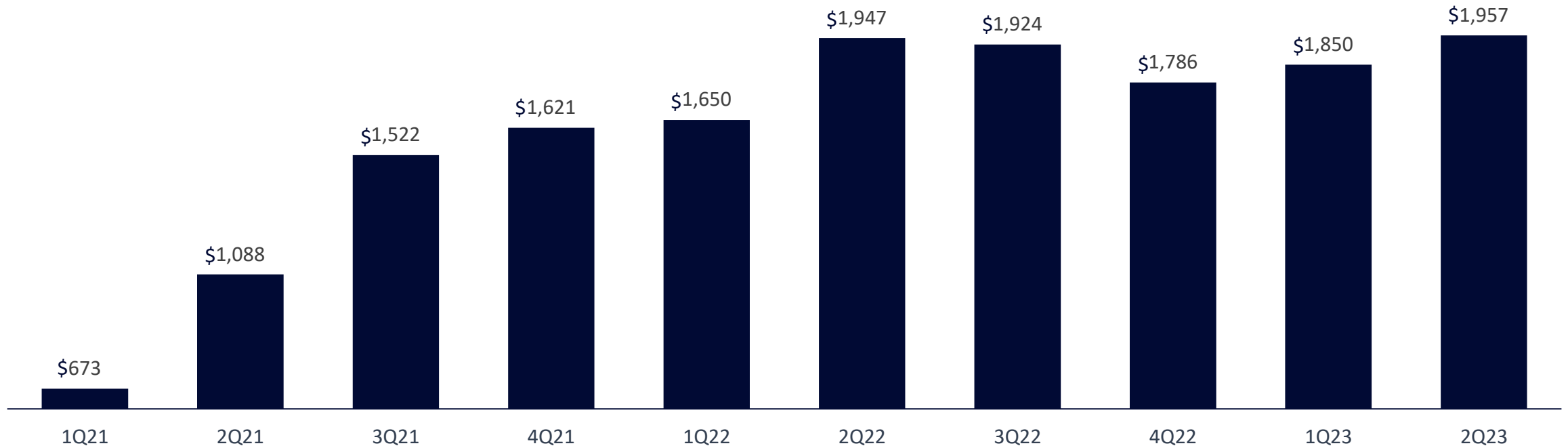


Growing ABS  
investor base



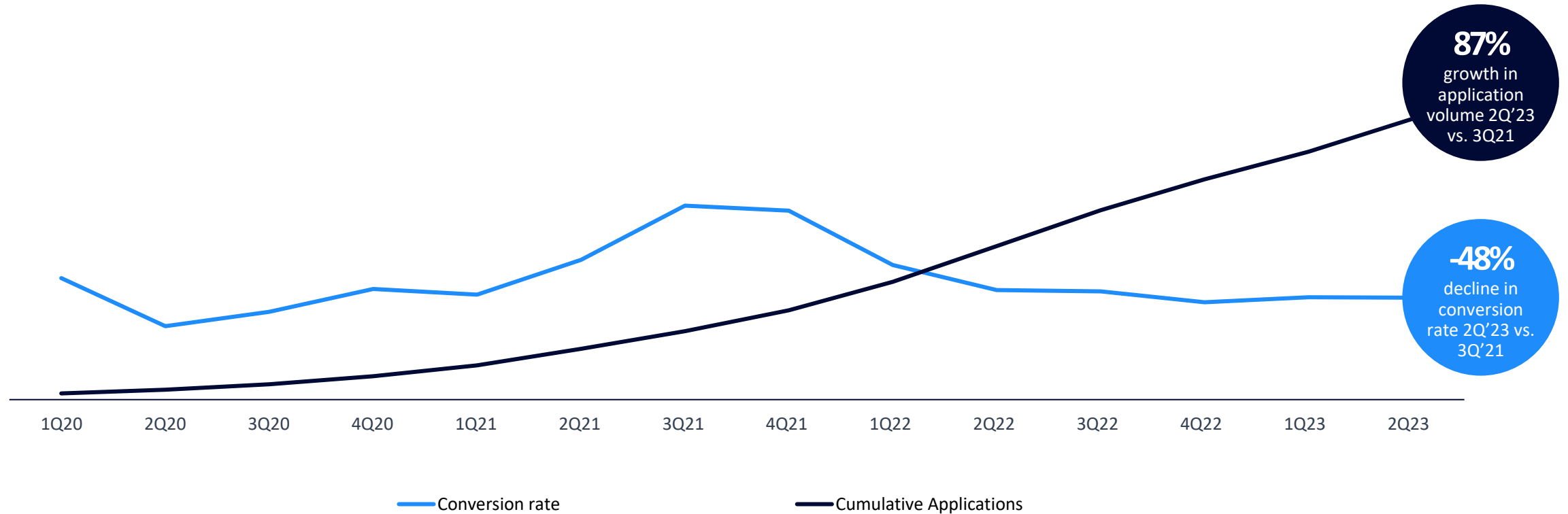
# Network volume

*in \$millions*



# Applications evaluated vs conversion rate %

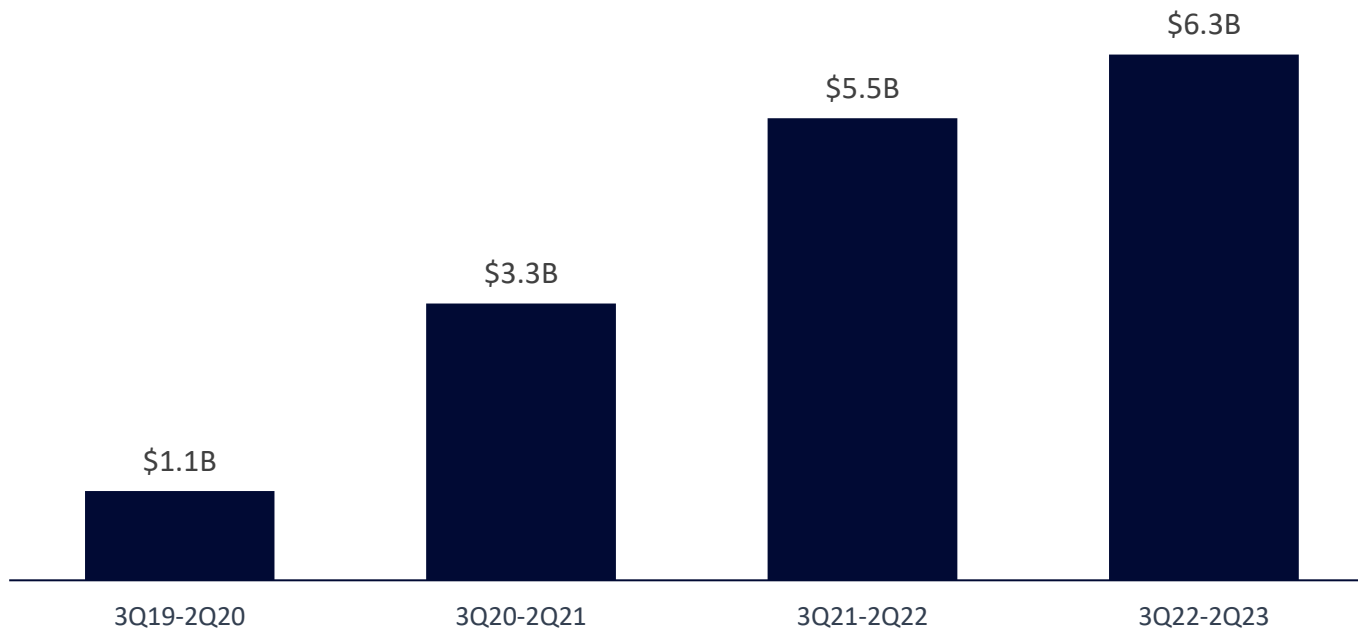
Cumulative applications (#) versus conversion rate (%)



# Our ABS funding network

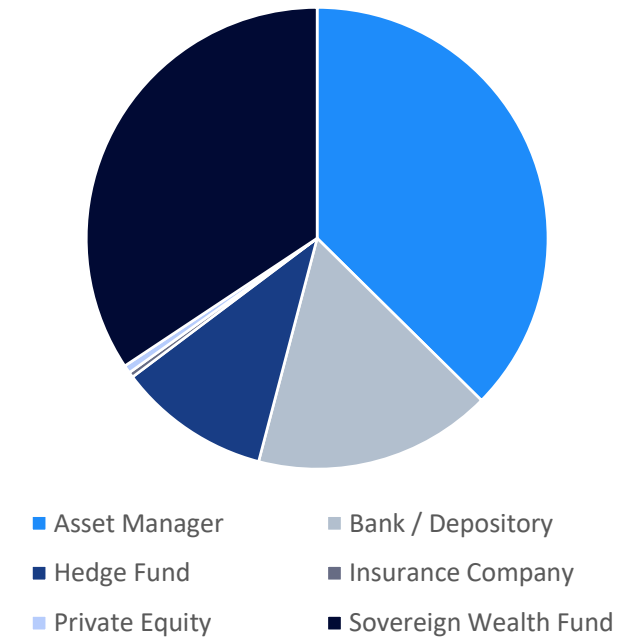
## ABS Issuance

Pagaya ABS issuance across all products TTM beginning 3Q19 (in \$billions)



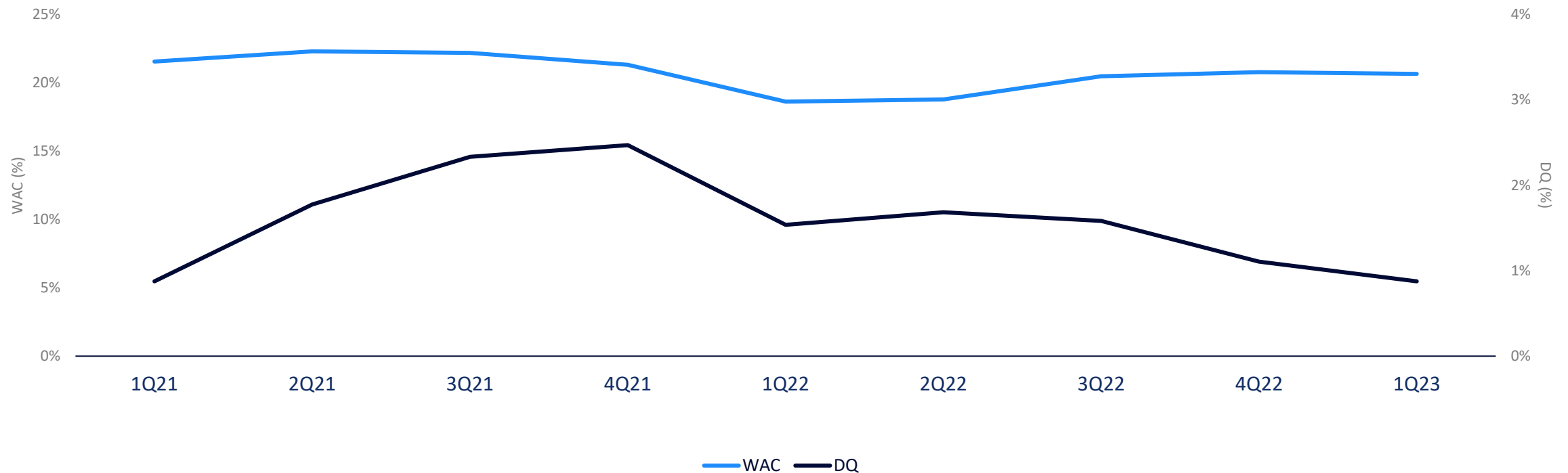
## ABS Investor Base

Investors in Pagaya's financing vehicles  
Capital contributed in 1H23 by investor type



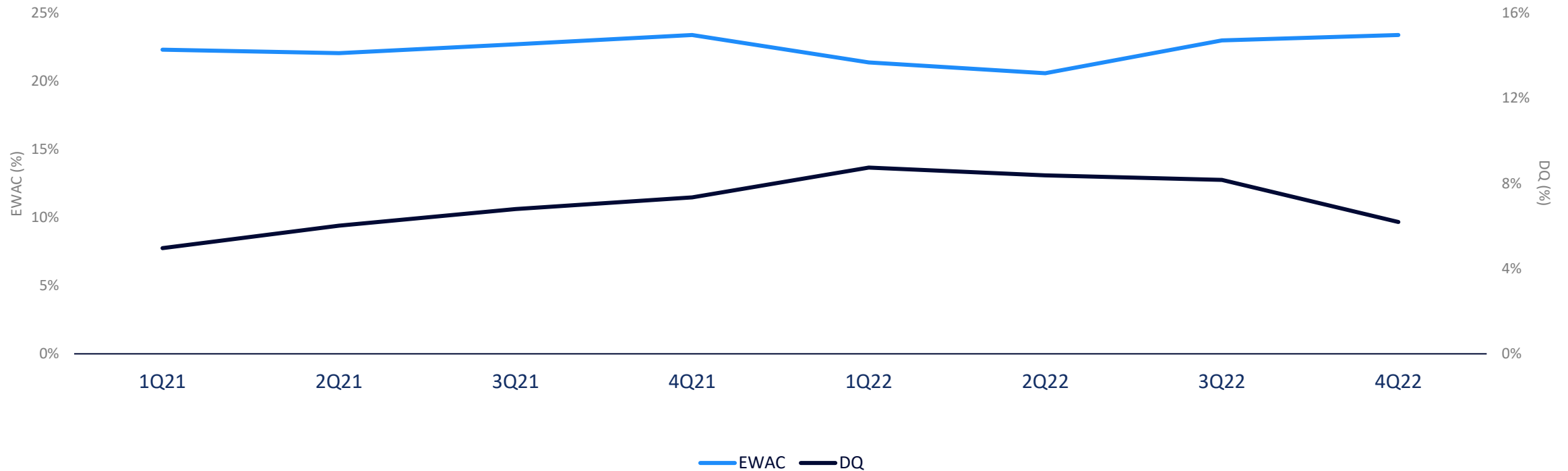
# Credit performance: personal loan portfolio

Pagaya Personal Loan portfolio weighted average coupon ("WAC") vs. 30-day+ DQs plus cumulative gross loss ("DQ") at month on book 3



# Credit performance: auto loan portfolio

Pagaya auto loan portfolio effective weighted average coupon ("EWAC") vs. 60-day+ DQs plus cumulative gross loss ("DQ") at month on book 6





03

# Non-GAAP Reconciliations

**PAGAYA TECHNOLOGIES LTD.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**  
**FOR THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022**  
*(In thousands)*

|  | Three Months Ended June 30, |                    | Six Months Ended June 30, |                    |
|--|-----------------------------|--------------------|---------------------------|--------------------|
|  | 2023                        | 2022               | 2023                      | 2022               |
| <b>Net Loss Attributable to Pagaya Technologies Ltd.</b> | <b>(\$31,297)</b>           | <b>(\$175,262)</b> | <b>(\$92,268)</b>         | <b>(\$193,534)</b> |
| <i>Adjusted to exclude the following:</i>                |                             |                    |                           |                    |
| Share-based compensation                                 | 20,208                      | 146,070            | 36,575                    | 162,705            |
| Fair value adjustment to warrant liability               | 2,625                       | (6,878)            | 2,435                     | (6,409)            |
| Impairment loss on certain investments                   | 4,236                       | -                  | 30,648                    | -                  |
| Write-off of capitalized software                        | 106                         | -                  | 1,630                     | -                  |
| Restructuring expenses                                   | 1,146                       | -                  | 4,966                     | -                  |
| Transaction-related expenses                             | 2,025                       | -                  | 2,025                     | -                  |
| Non-recurring expenses                                   | 1,837                       | 17,422             | 3,860                     | 22,696             |
| <b>Adjusted Net Income (Loss)</b>                        | <b>\$886</b>                | <b>(\$18,648)</b>  | <b>(\$10,129)</b>         | <b>(\$14,542)</b>  |
| <i>Adjusted to exclude the following:</i>                |                             |                    |                           |                    |
| Interest expenses  | 7,134                       | 3,177              | 10,014                    | 3,177              |
| Provision for income tax                                 | 5,006                       | 19,725             | 11,673                    | 19,539             |
| Depreciation and amortization                            | 4,468                       | 671                | 7,984                     | 1,148              |
| <b>Adjusted EBITDA</b>                                   | <b>\$17,494</b>             | <b>\$4,925</b>     | <b>\$19,542</b>           | <b>\$9,322</b>     |

**PAGAYA TECHNOLOGIES LTD.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**  
**FOR THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022**  
*(in thousands)*

|  | Three Months Ended June 30, |                 | Six Months Ended June 30, |                  |
|--|-----------------------------|-----------------|---------------------------|------------------|
|  | 2023                        | 2022            | 2023                      | 2022             |
| <b>Fee revenue less production costs (FRLPC)</b> |                             |                 |                           |                  |
| Revenue from fees                                | \$185,685                   | \$163,302       | \$360,939                 | \$321,627        |
| Production costs                                 | (120,613)                   | (104,980)       | (245,670)                 | (197,260)        |
| <b>Fee revenue less production costs (FRLPC)</b> | <b>\$65,072</b>             | <b>\$58,322</b> | <b>\$115,269</b>          | <b>\$124,367</b> |

**Fee revenue less production costs margin (FRLPC margin)**

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| Fee revenue less production costs (FRLPC) <i>(in thousands)</i>    | \$65,072    | \$58,322    | \$115,269   | \$124,367   |
| Network Volume <i>(in millions)</i>                                | \$1,957     | \$1,947     | \$3,807     | \$3,597     |
| <b>Fee revenue less production costs margin % (FRLPC margin %)</b> | <b>3.3%</b> | <b>3.0%</b> | <b>3.0%</b> | <b>3.5%</b> |