

PAGAYA TECHNOLOGIES LTD.

3Q24 Earnings Supplement

November 12, 2024

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Financial Metrics

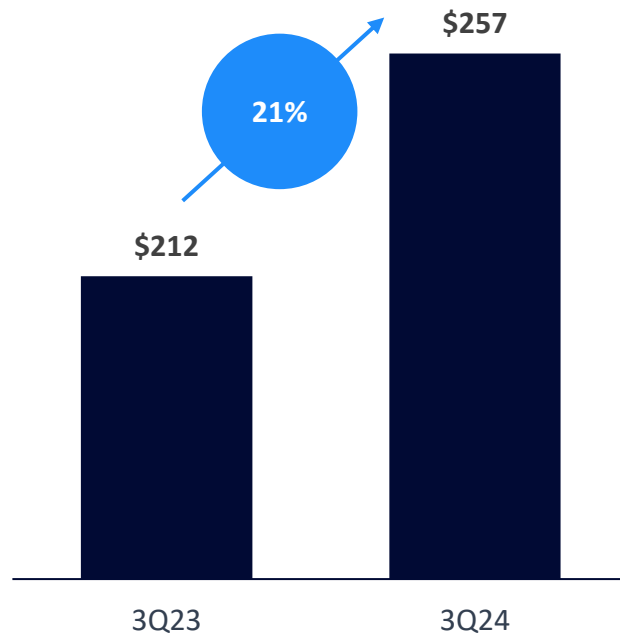
3Q'24 financial highlights

(\$ millions)	Q3 2023	Q3 2024	%Δ
Network Volume	\$2,112	\$2,351	11%
Total revenue & other income	\$212	\$257	21%
Revenue from fees	\$201	\$249	24%
Production costs	\$129	\$149	16%
Revenue from fees less production costs (FRLPC)*	\$73	\$100	38%
Core operating expenses*	\$52	\$53	1%
Net income (loss) attributable to Pagaya Technologies Ltd.	(\$22)	(\$67)	(210%)
Adj. Net Income*	\$14	\$33	132%
Adj. EBITDA*	\$28	\$56	98%

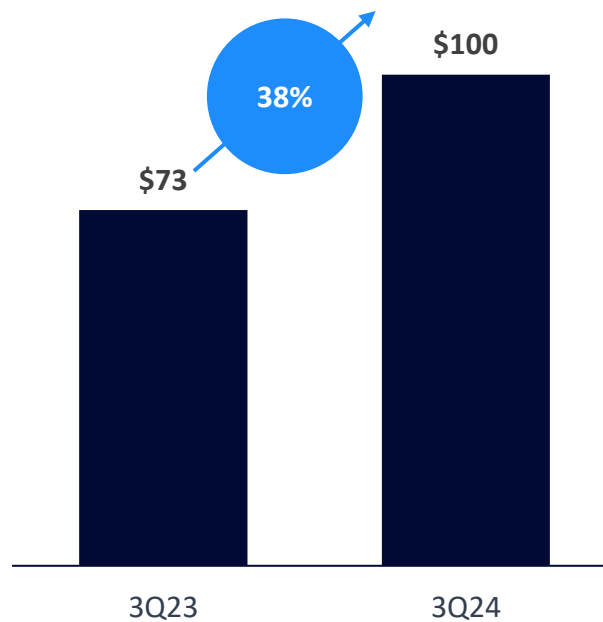
Key financial metrics

In \$ millions; % in YoY growth

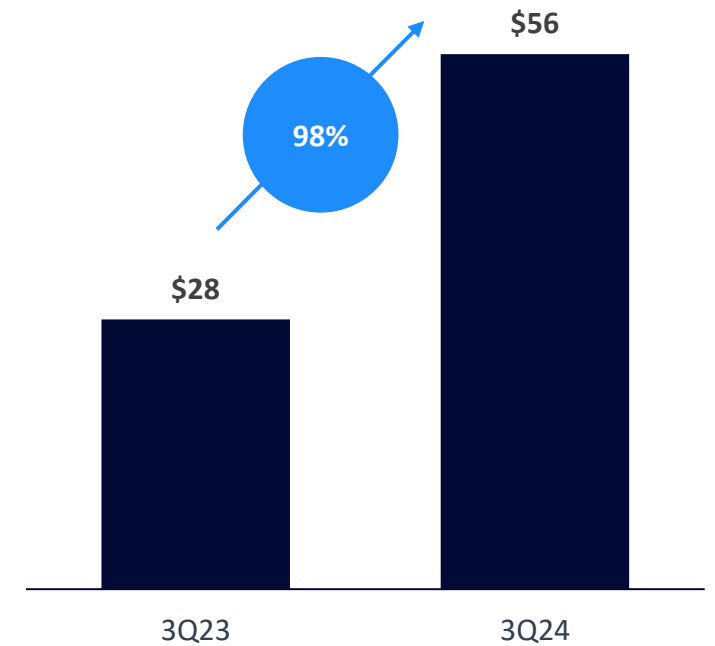
Total Revenue



FRLPC

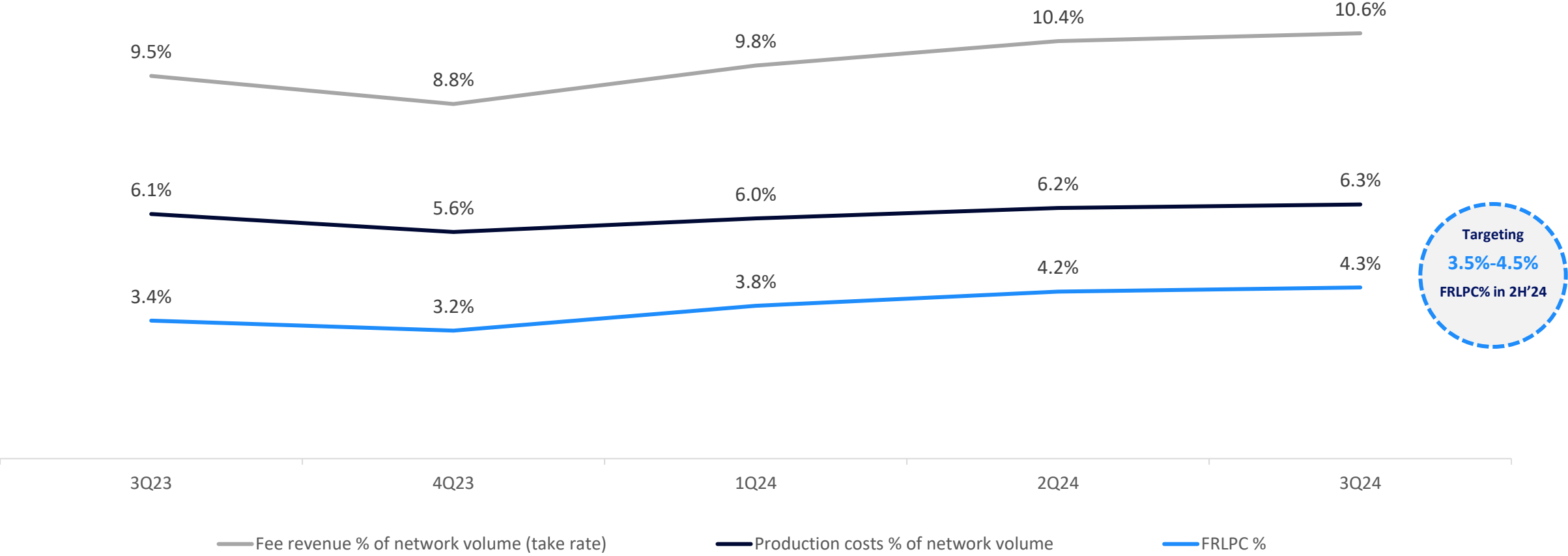


Adjusted EBITDA



Evolution of FRLPC

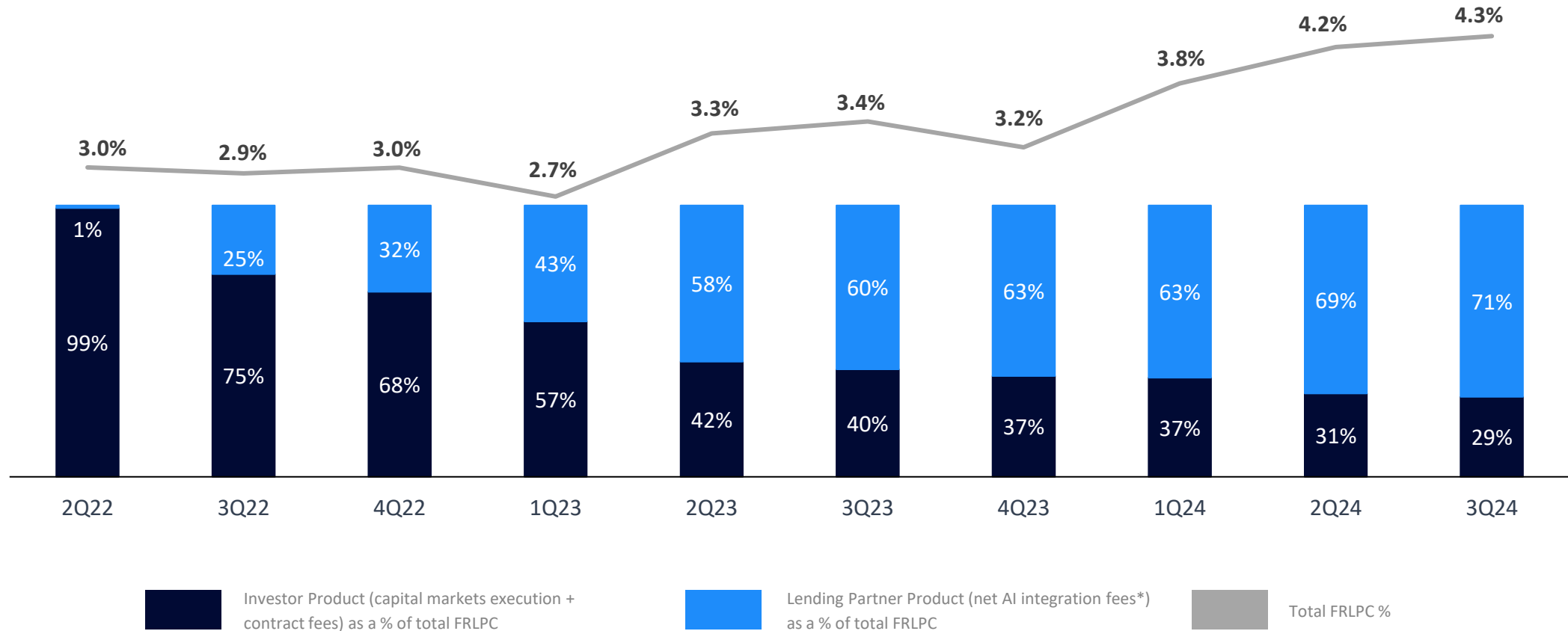
Components of FRLPC as a % of network volume



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



Evolution of FRLPC by line item

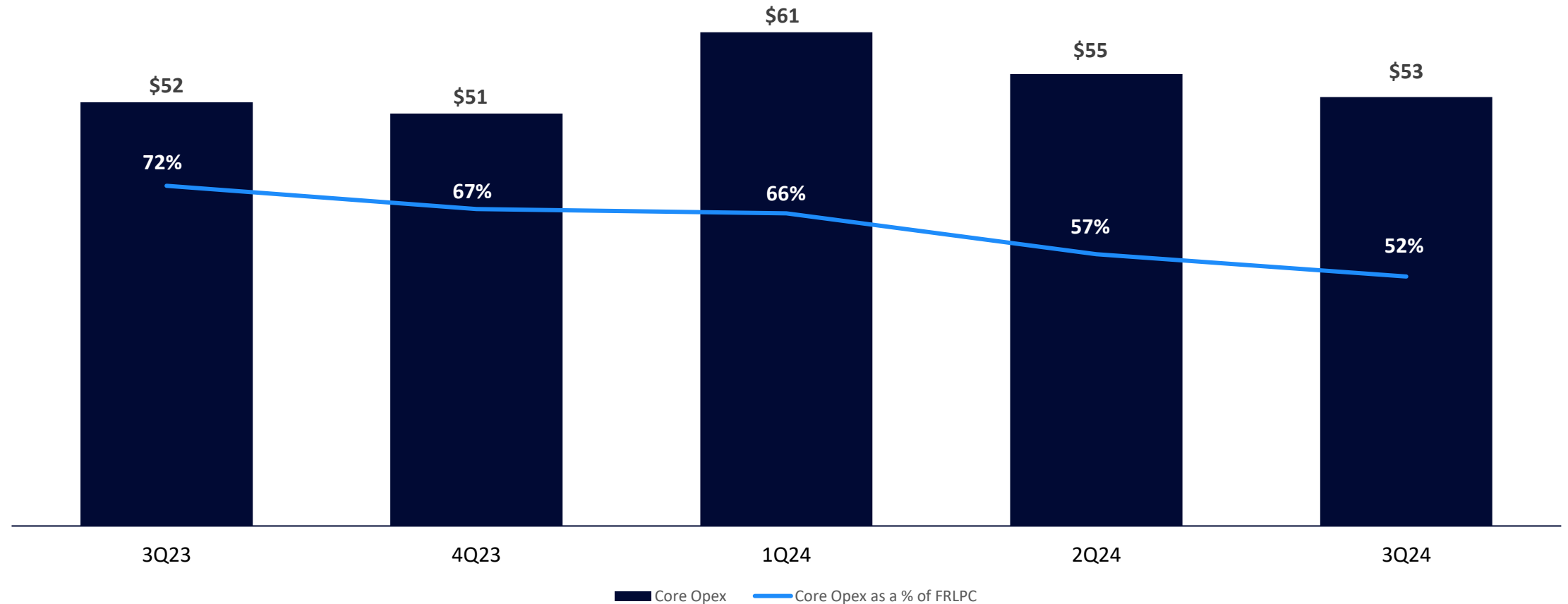
(\$ in millions)

	3Q23	4Q23	1Q24	2Q24	3Q24
AI integration	\$174	\$184	\$206	\$216	\$221
Contract	\$17	\$20	\$22	\$21	\$20
Capital markets	\$10	\$7	\$10	\$6	\$8
Total Fee Revenue	\$201	\$210	\$237	\$243	\$249
Production costs	(\$129)	(\$134)	(\$145)	(\$146)	(\$149)
Total FRLPC	\$73	\$76	\$92	\$97	\$100

Core operating expenses

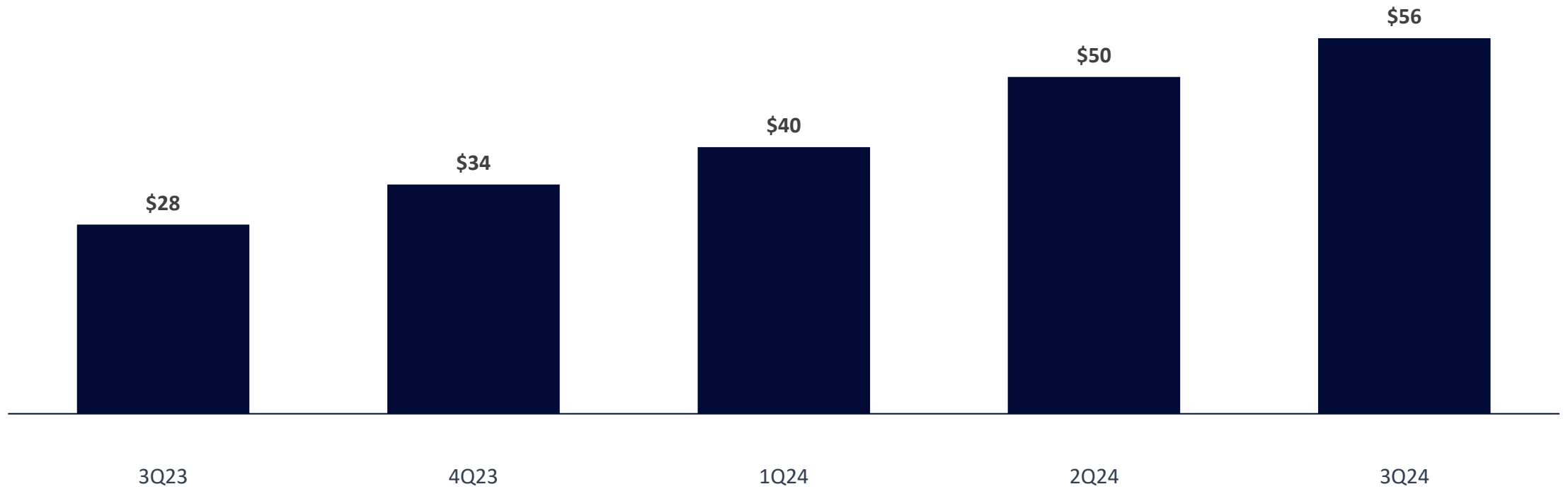
In \$ millions

Total operating expenses excluding share-based compensation expense, one-time expenses, and depreciation



Adjusted EBITDA

In \$ millions

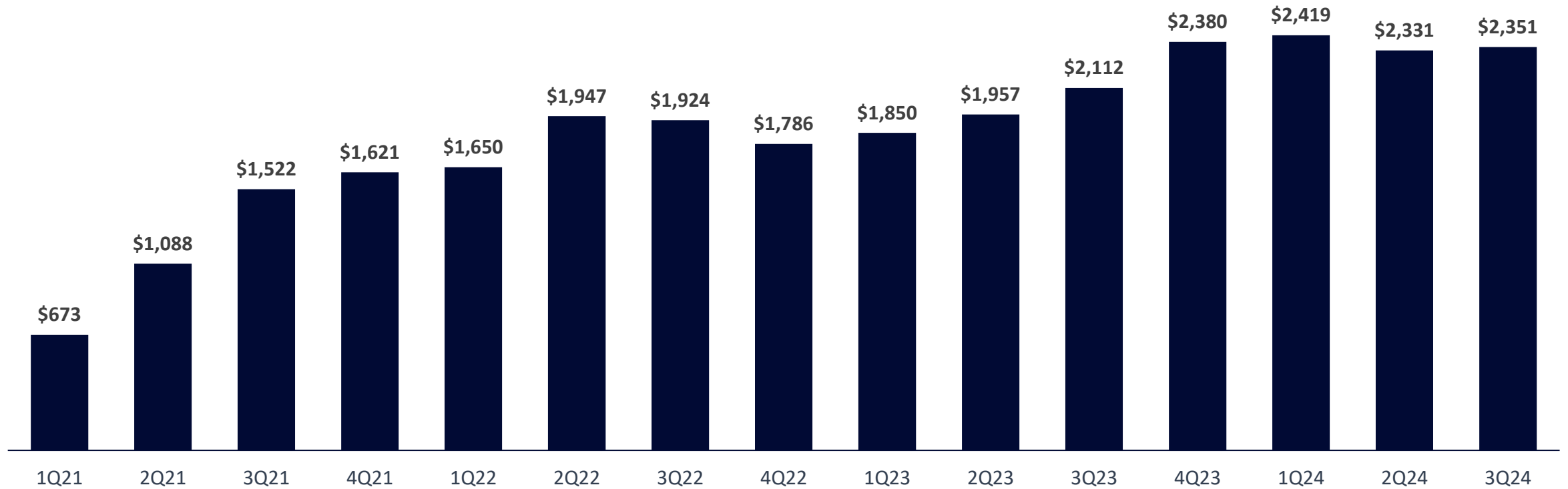


02

Operating Metrics

Network volume

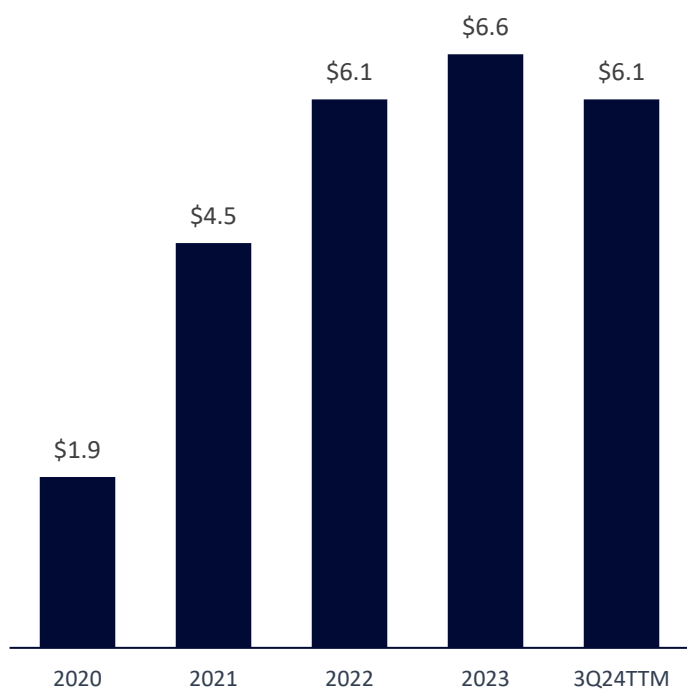
in \$ millions



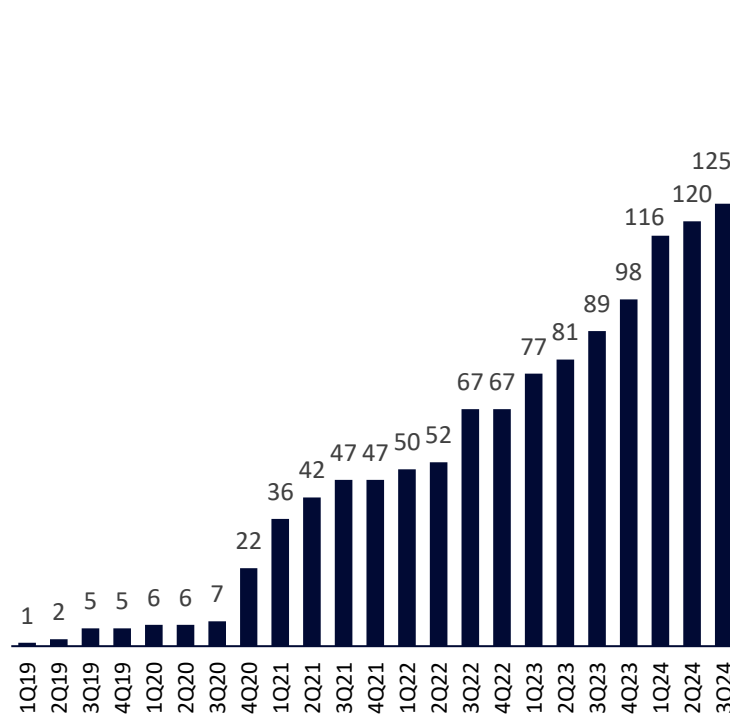
Our ABS funding network

ABS Issuance

Pagaya ABS issuance across all products (in \$billions)

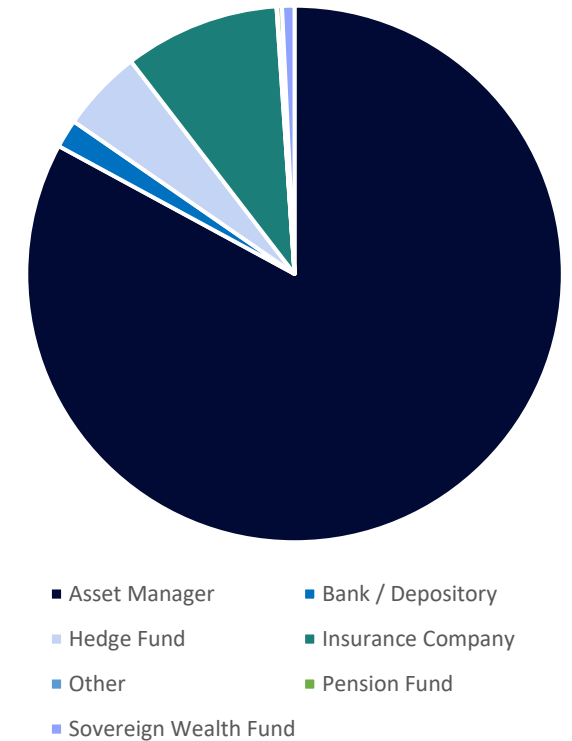


Growing ABS investor base



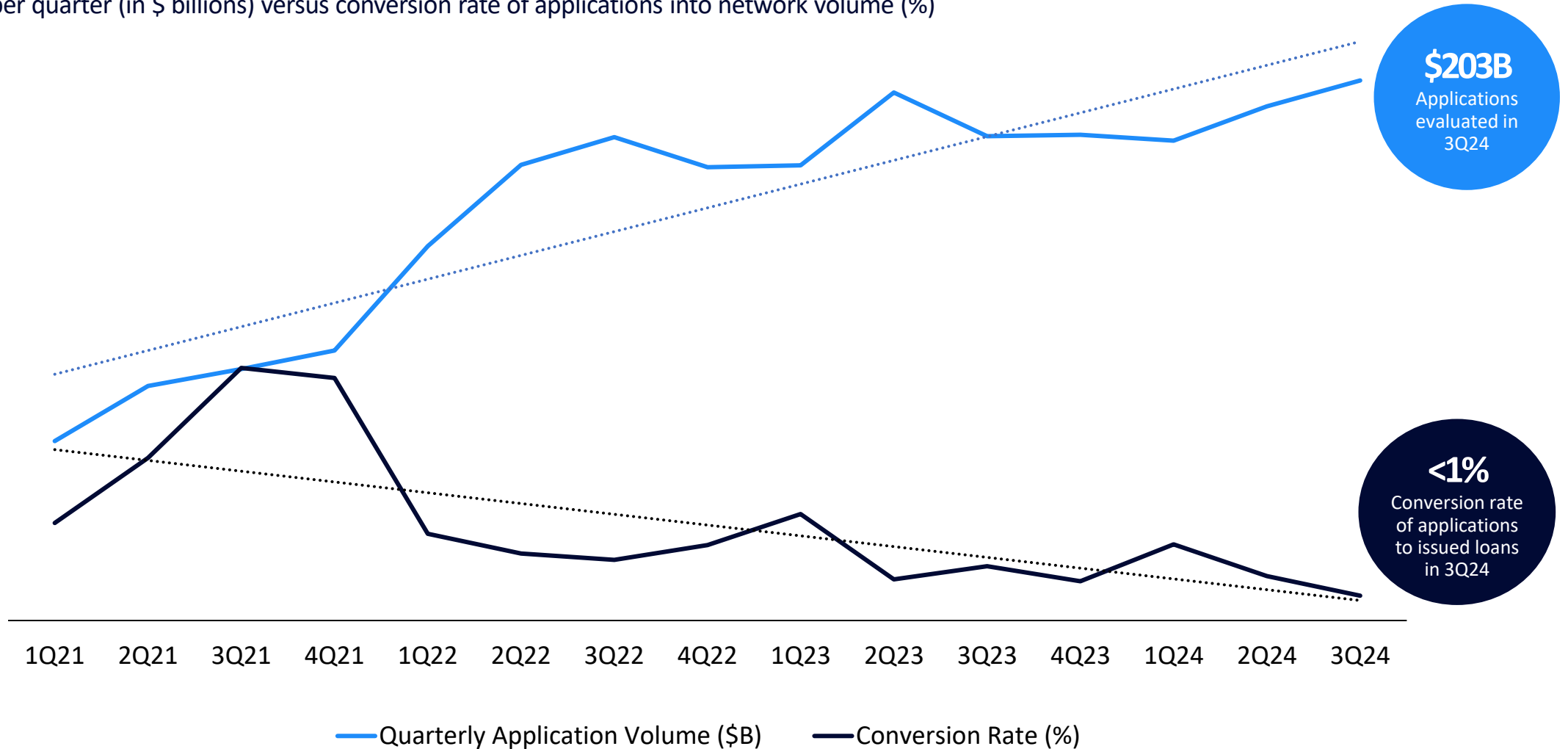
ABS Investor Base

Investors in Pagaya's financing vehicles
Capital contributed in TTM 3Q'24 by investor type



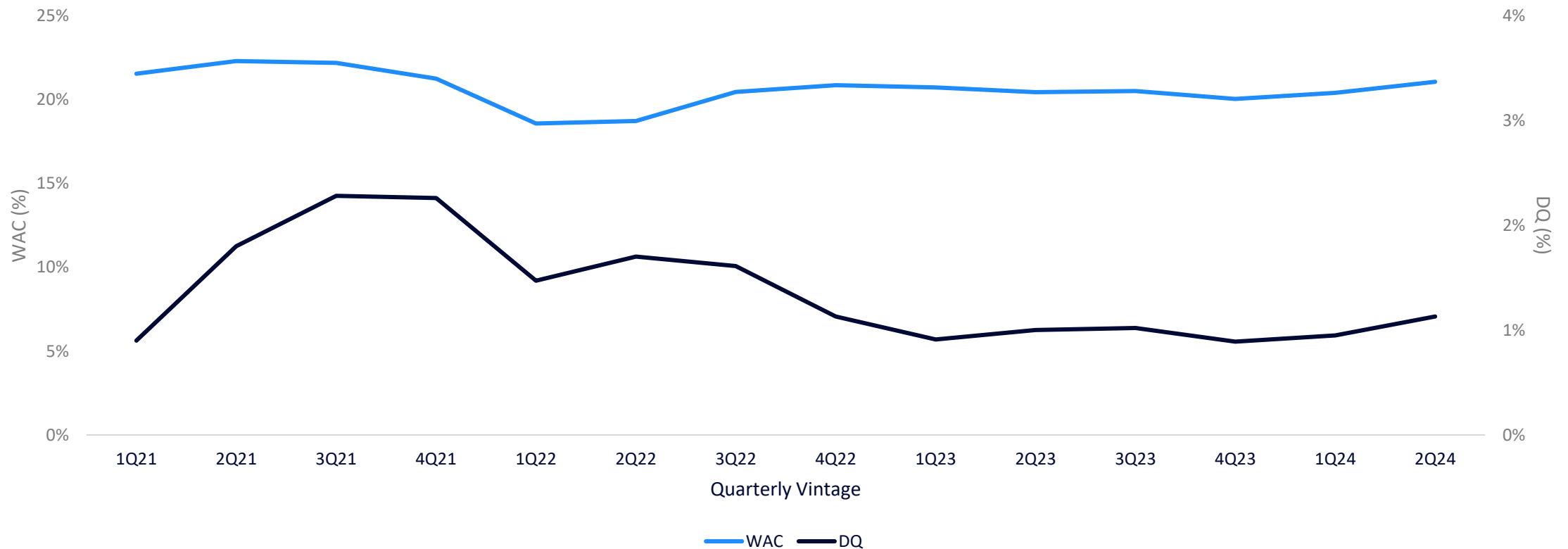
Applications evaluated vs conversion rate %

Applications per quarter (in \$ billions) versus conversion rate of applications into network volume (%)



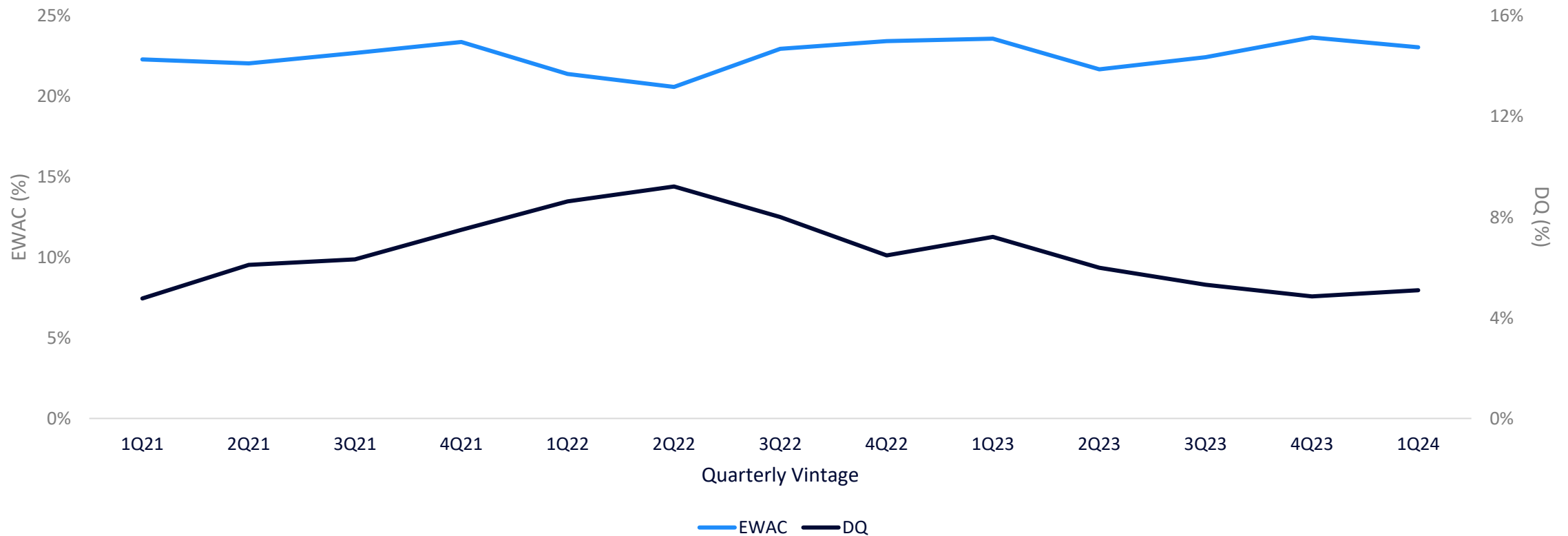
Credit performance: personal loan portfolio

Pagaya personal loan portfolio weighted average coupon (“WAC”) vs. 30-day+ DQs plus cumulative gross loss (“DQ”)
Figures represent performance 3 months from issuance



Credit performance: auto loan portfolio

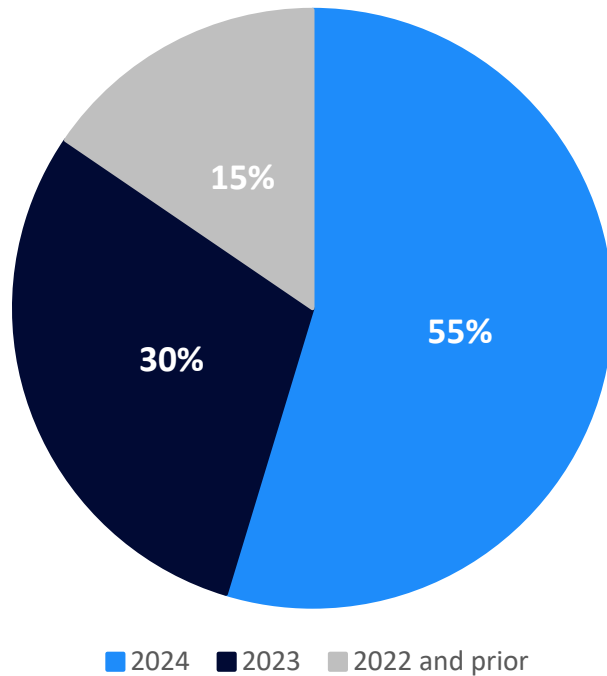
Pagaya auto loan portfolio effective weighted average coupon ("EWAC") vs. 60-day+ DQs plus cumulative gross loss ("DQ")
Figures represent performance 6 months from issuance



Investments in loans and securities: composition

Composition by vintage and security type, as of September 30, 2024

Composition by Vintage Year (% of Total)



Composition by Type of Security

<i>\$ in millions</i>	Fair Value	% of Total
Securitization Notes	\$278	30.1%
Securitization Certificates	\$640	69.3%
Other Loans and Receivables	\$5	0.5%
Total	\$923	100%

Investments in loans and securities: change in fair value

Change in fair value for three months ending September 30, 2024

Change in fair value compared to June 30, 2024

	Three months ended September 30, 2024
Balance, beginning of period	911,425
Additions	130,268
Cash received	(23,083)
Change in fair value	(19,179)
Credit-related impairment loss	(76,049)
Balance, end of period	923,382

Change in key unobservable inputs compared to June 30, 2024

	Weighted Average September 30, 2024	Weighted Average June 30, 2024
Discount Rate	15.0%	15.4%
Loss Rate	16.9%	17.6%
Prepayment rate	10.4%	9.7%

Investments in loans and securities are measured at fair value using a discounted cash flow model. Significant unobservable inputs used for our Level 3 fair value measurement of the loans and securities are the discount rate, loss rate, and prepayment rate.

03

Non-GAAP Reconciliations

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(in thousands)

	Three Months Ended September 30,	
	2024	2023
Net Loss Attributable to Pagaya Technologies Ltd.	(\$67,476)	(\$21,752)
<i>Adjusted to exclude the following:</i>		
Share-based compensation	\$12,333	\$20,737
Fair value adjustment to warrant liability	\$1,213	\$1,328
Credit loss impairment on certain investments	\$69,740	\$9,086
Whole loan allowance for losses	\$12,087	\$44
Write-off of capitalized software	\$584	\$305
Restructuring expenses	\$38	\$484
Transaction-related expenses	\$1,072	\$2,472
Non-recurring expenses	\$3,531	\$1,592
Adjusted Net Income (Loss)	\$33,122	\$14,296
<i>Adjusted to exclude the following:</i>		
Interest expenses	\$27,371	\$9,918
Provision for income tax	(\$11,524)	(\$1,158)
Depreciation and amortization	\$7,116	\$5,205
Adjusted EBITDA	\$56,085	\$28,261

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(in thousands)

Fee revenue less production costs (FRLPC)	Three Months Ended September 30,	
	2024	2023
Revenue from fees	\$249,283	\$201,447
Production costs	(\$148,965)	(\$128,792)
Fee revenue less production costs (FRLPC)	\$100,318	\$72,655

**Fee revenue less production costs as a % of network volume
(FRLPC %)**

Fee revenue less production costs (FRLPC) <i>(in thousands)</i>	\$100,318	\$72,655
Network volume <i>(in millions)</i>	\$2,351	\$2,112
Fee revenue less production costs % (FRLPC %)	4.3%	3.4%

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(in thousands)

	Three Months Ended September 30,	
	2024	2023
Operating expenses	(\$85,885)	(\$82,803)
<i>Adjusted to exclude the following:</i>		
Share-based compensation	\$12,333	\$20,737
Depreciation and amortization	\$7,116	\$5,205
Whole loan allowance for losses	\$12,087	\$44
Write-off of capitalized software	\$584	\$305
Transaction-related expenses	\$1,072	\$2,472
Restructuring expenses	\$38	\$484
Non-recurring expenses	\$35	\$1,592
Core operating expenses	(\$52,618)	(\$51,964)

PAGAYA TECHNOLOGIES LTD.**Summary Cap Table and Diluted Share Calculation**

Cap Table as of September 30, 2024 (Shares in millions)	Shares Outstanding
Preferred Shares	5
Class A ordinary shares	60
Class B ordinary shares	13
Share options with \$6.40 weighted-average exercise price	3
Options to restricted shares with \$19.40 weighted-average exercise price	20
RSUs	3
Ordinary share warrants with \$78.70 weighted-average exercise price	2
Fully Diluted	107

Diluted Shares Outstanding, Treasury Stock Method as of September 30, 2024
(Shares in millions¹)

Ordinary shares outstanding	73
Plus: Share options with \$6.40 weighted-average exercise price	3
Plus: Options to restricted shares with \$19.40 weighted-average exercise price	20
Plus: RSUs	3
Plus: Ordinary share warrants with \$6.81 weighted-average exercise price	2
Less: Treasury stock method reduction ²	(27)
Diluted Shares Outstanding	74

¹Share amounts are on a weighted basis for the number of days they were outstanding during 3Q 2024

²Application of treasury stock method using \$13.14 average stock price for 3Q 2024