

PAGAYA TECHNOLOGIES LTD.

4Q23 Earnings Supplement

February 21st, 2024

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Financial Metrics

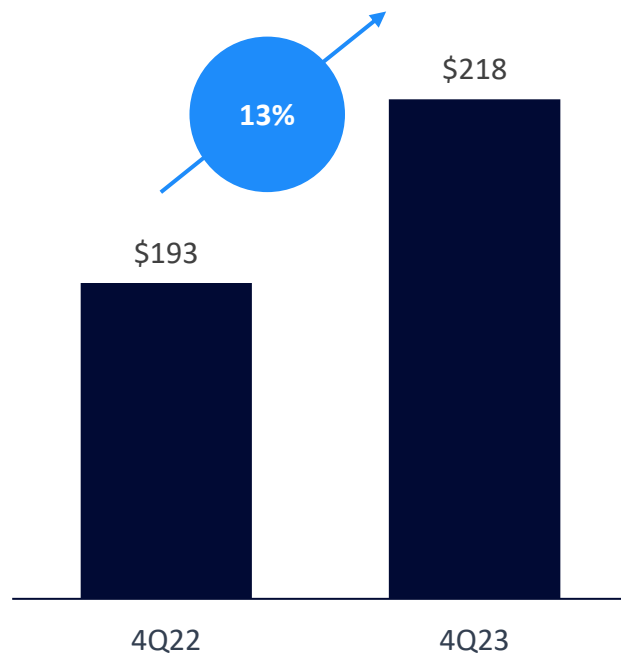
2023 financial highlights

(\$ millions)	FY2023	FY 2022	%Δ	Q4 2023	Q4 2022	%Δ
Network Volume	\$8,299	\$7,307	14%	\$2,380	\$1,786	33%
Total revenue & other income	\$812	\$749	8%	\$218	\$193	13%
Revenue from fees	\$773	\$685	13%	\$210	\$178	18%
Production costs	\$509	\$451	13%	\$134	\$125	8%
Revenue from fees less production costs (FRLPC)*	\$264	\$234	13%	\$76	\$53	42%
Operating Expenses ex. SBC (R&D, S&M, G&A)	\$256	\$308	(17%)	\$53	\$74	(28%)
Net income (loss)	(\$128)	(\$302)	NM	(\$14)	(\$34)	NM
Adj. Net Income*	\$17	(\$33)	NM	\$12	(\$4)	NM
Adj. EBITDA*	\$82	(\$5)	NM	\$34	(\$9)	NM

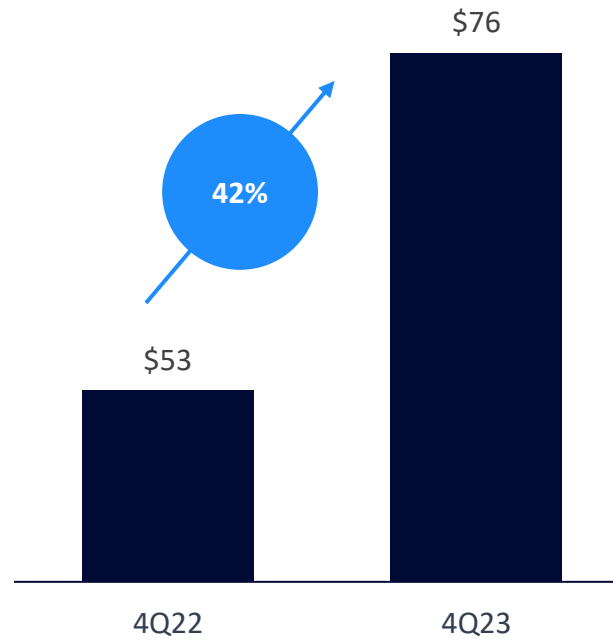
Key financial metrics

In \$ millions; % in YoY growth

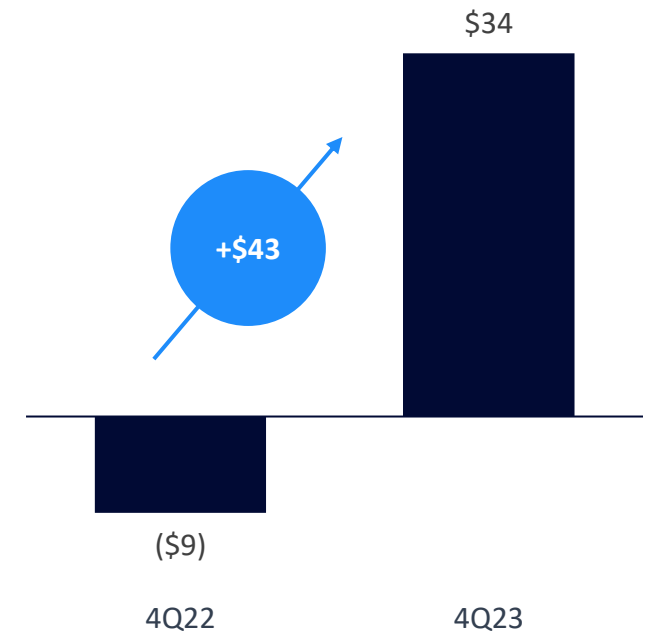
Total Revenue



FRLPC

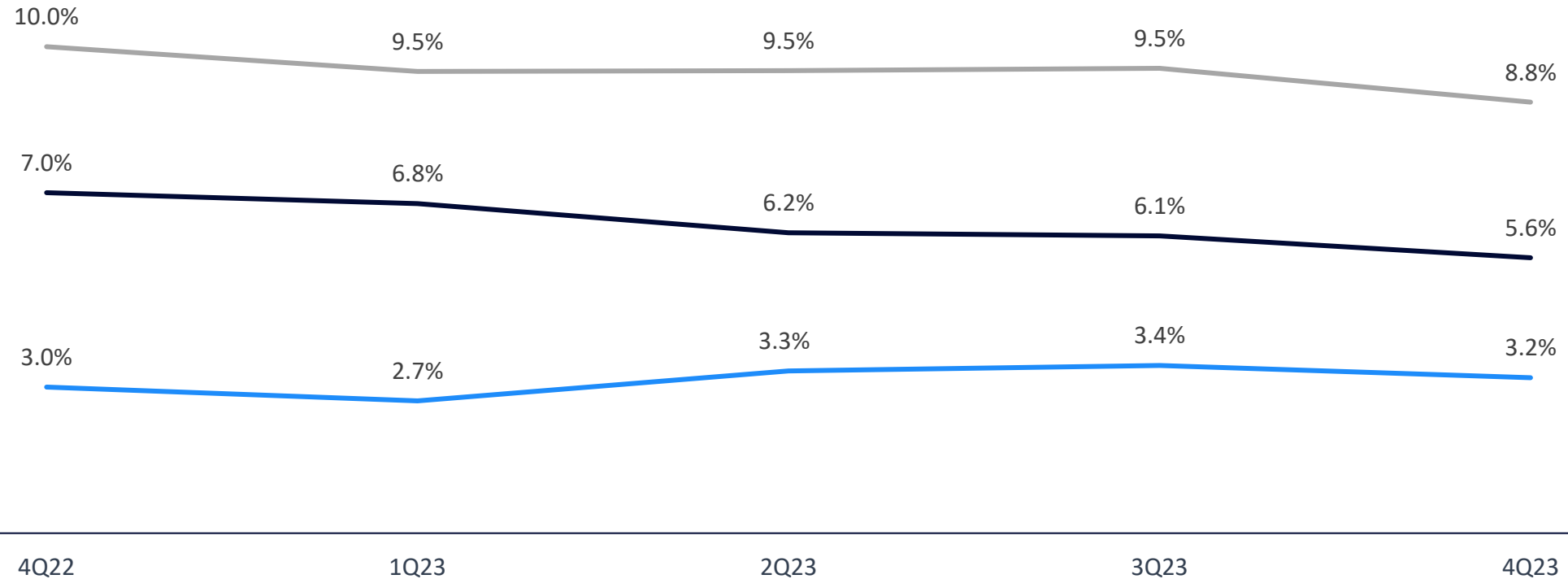


Adjusted EBITDA



Evolution of FRLPC

Components of FRLPC as a % of network volume

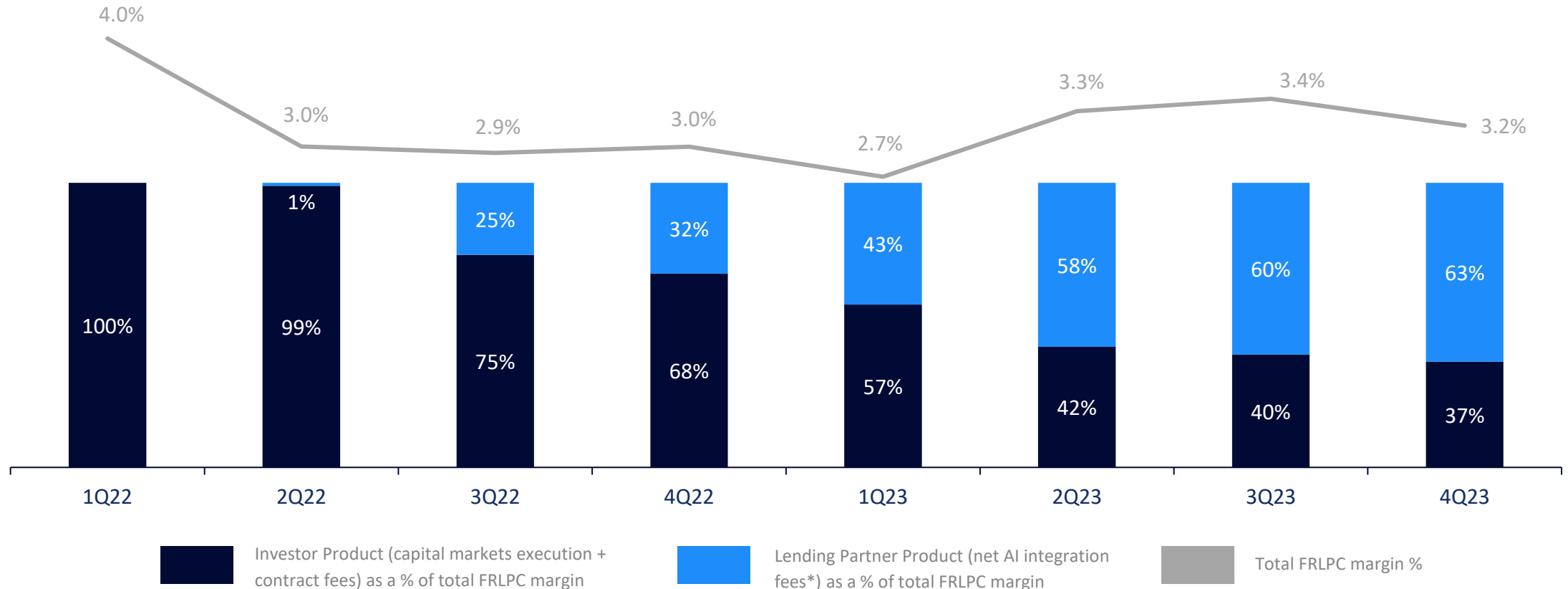


3-4%
FRLPC target range

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

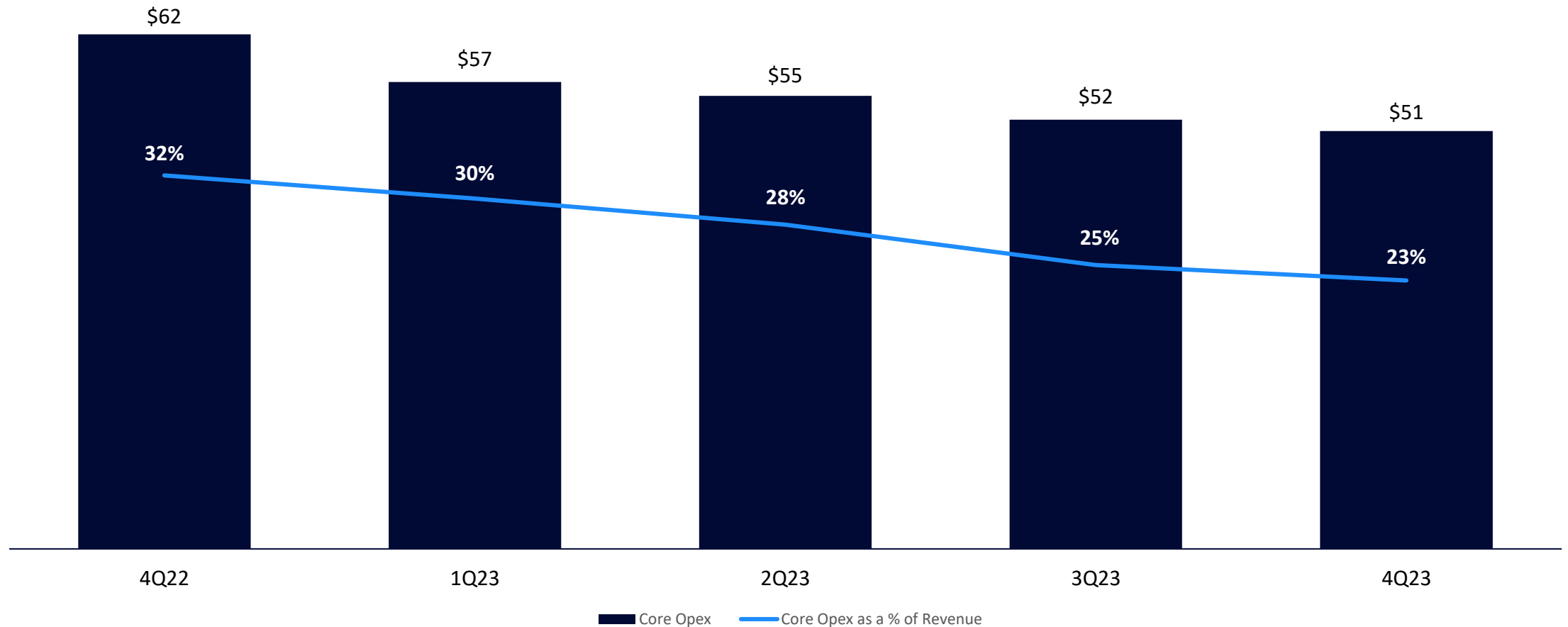
AI integration, contract, and capital markets fees shown gross (\$ in millions)

	4Q22	1Q23	2Q23	3Q23	4Q23
AI integration	\$144	\$148	\$159	\$174	\$184
Contract	\$26	\$21	\$18	\$17	\$20
Capital markets	\$9	\$6	\$9	\$10	\$7
Total Fee Revenue	\$178	\$175	\$186	\$201	\$210
Production costs	(\$125)	(\$125)	(\$121)	(\$129)	(\$134)
Total FRLPC	\$53	\$50	\$65	\$73	\$76

Core operating expenses

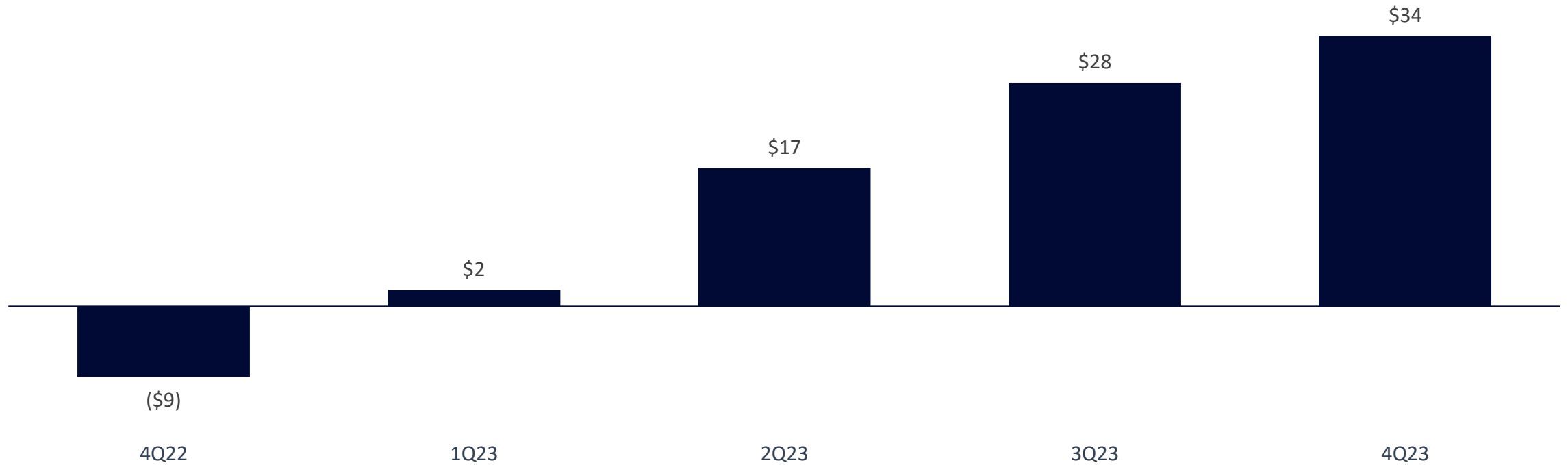
In \$ millions

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



Adjusted EBITDA

In \$ millions

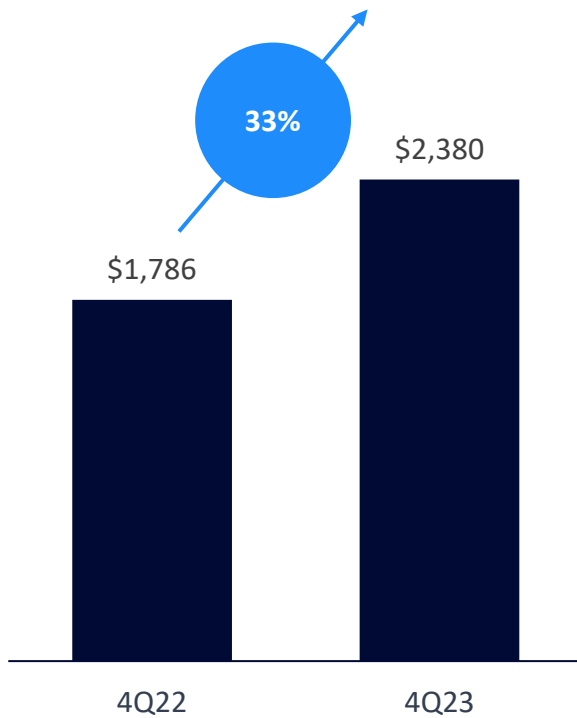


02

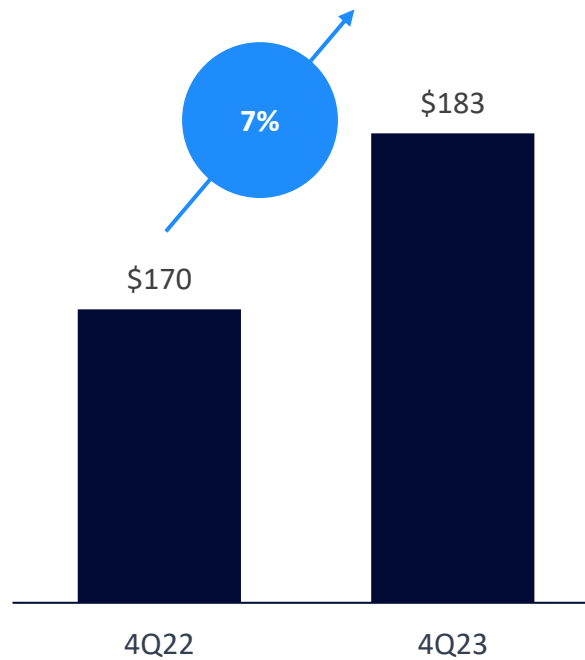
Operating Metrics

Operating highlights

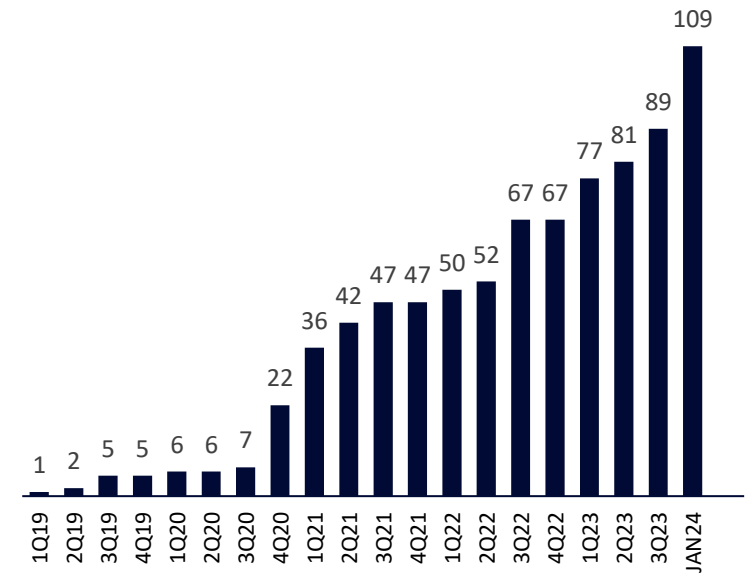
Network volume
(in \$ millions)



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

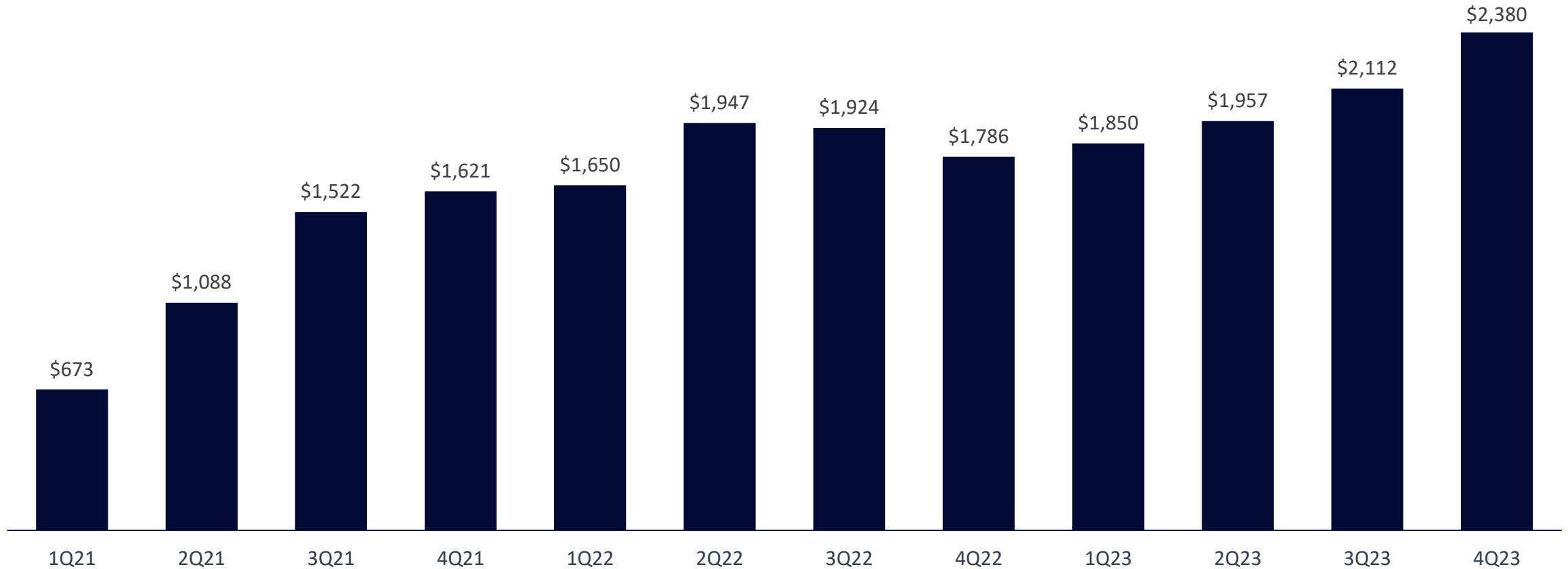


Growing ABS
investor base



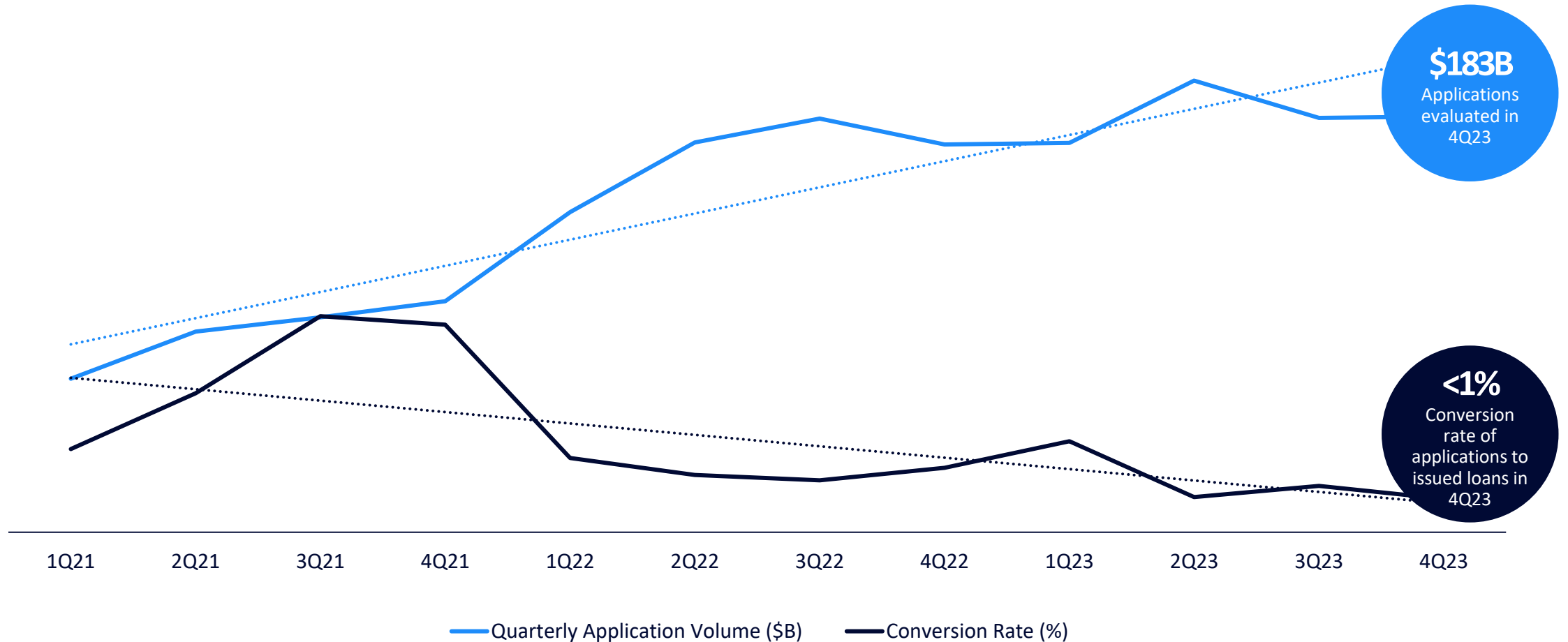
Network volume

in \$ millions



Applications evaluated vs conversion rate %

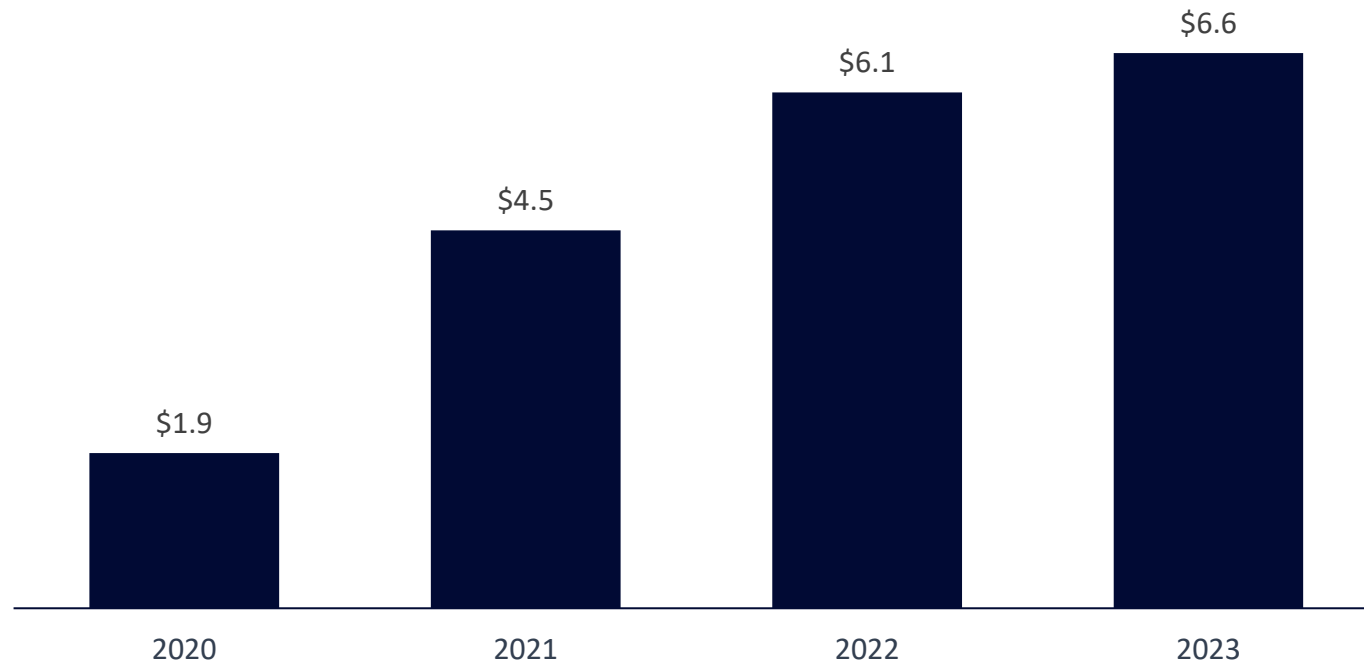
Applications per quarter (in \$ billions) versus conversion rate of applications into network volume (%)



Our ABS funding network

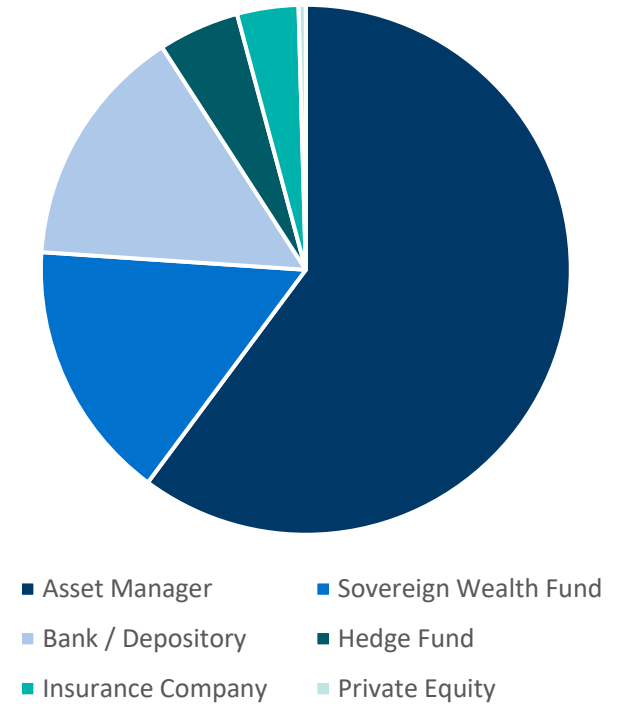
ABS Issuance

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



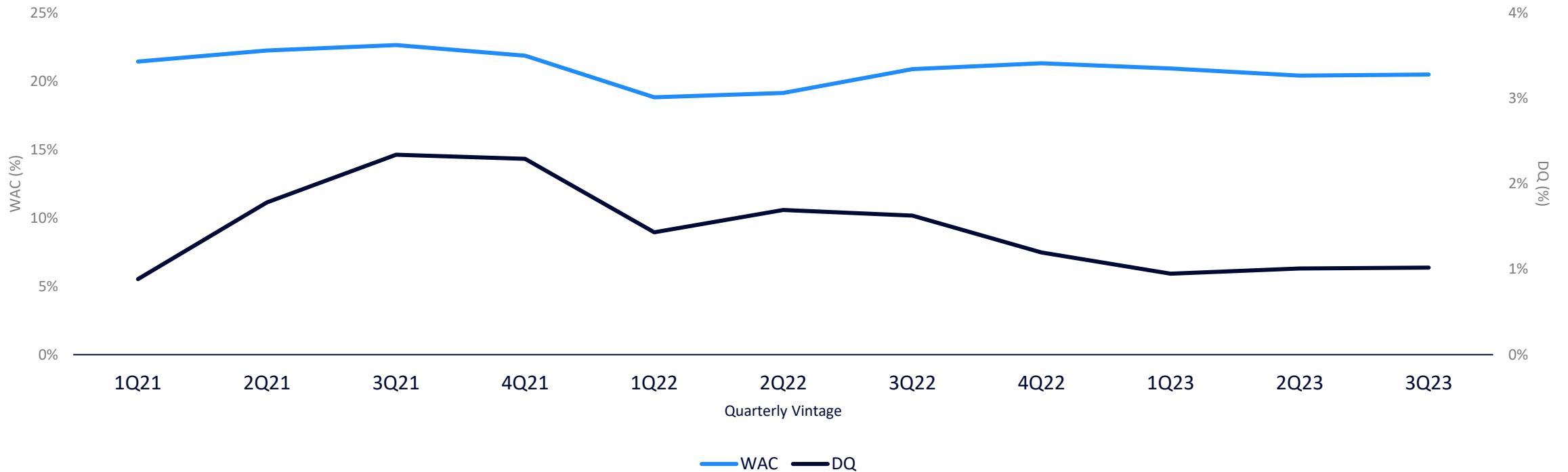
ABS Investor Base

Investors in Pagaya's financing vehicles
Capital contributed in FY23 by investor type



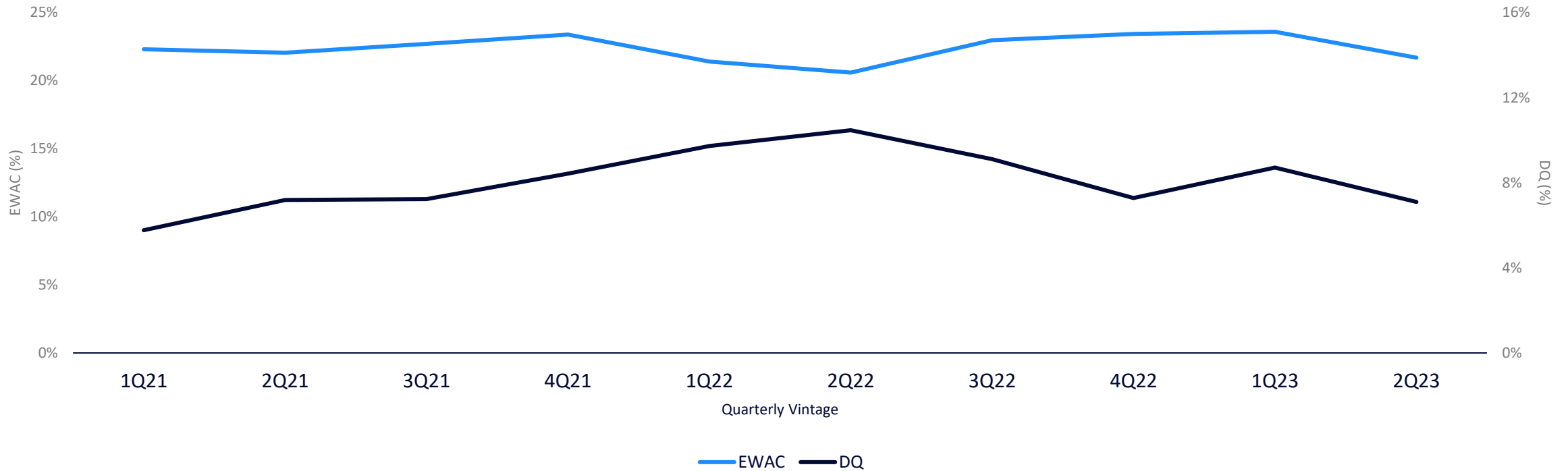
Credit performance: personal loan portfolio

Pagaya personal loan portfolio weighted average coupon (“WAC”) vs. 30-day+ DQs plus cumulative gross loss (“DQ”)
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



03

Non-GAAP Reconciliations

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2023 AND 2022

(In thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net Loss Attributable to Pagaya Technologies Ltd.	(\$14,418)	(\$33,998)	(\$128,438)	(\$302,321)
<i>Adjusted to exclude the following:</i>				
Share-based compensation	\$13,743	\$18,682	\$71,055	\$241,689
Fair value adjustment to warrant liability	(\$1,921)	(\$1,680)	\$1,842	(\$11,088)
Impairment loss on certain investments	\$12,603	\$8,836	\$52,381	\$8,836
Write-off of capitalized software	\$3	\$3,209	\$1,938	\$3,209
Restructuring expenses	-	-	\$5,450	-
Transaction-related expenses	\$1,656	-	\$6,153	-
Non-recurring expenses	\$723	\$1,268	\$6,175	\$27,011
Adjusted Net Income (Loss)	\$12,389	(\$3,683)	\$16,556	(\$32,664)
<i>Adjusted to exclude the following:</i>				
Interest expenses	\$10,808	\$1,716	\$30,740	\$5,136
Provision for income tax	\$5,056	(\$9,204)	\$15,571	\$16,400
Depreciation and amortization	\$5,966	\$2,217	\$19,155	\$6,294
Adjusted EBITDA	\$34,219	(\$8,954)	\$82,022	(\$4,834)

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS AND YEAR ENDED DECEMBER 31, 2023 AND 2022
(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Fee revenue less production costs (FRLPC)				
Revenue from fees	\$210,428	\$178,173	\$772,814	\$685,414
Production costs	(\$134,482)	(\$124,709)	(\$508,944)	(\$451,084)
Fee revenue less production costs (FRLPC)	\$75,946	\$53,464	\$263,870	\$234,330

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

Fee revenue less production costs (FRLPC) <i>(in thousands)</i>	\$75,946	\$53,464	\$263,870	\$234,330
Network Volume <i>(in millions)</i>	2,380	1,786	8,299	7,307
Fee revenue less production costs margin % (FRLPC margin %)	3.2%	3.0%	3.2%	3.2%