

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2025**
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-41430**

Pagaya Technologies Ltd.

(Exact name of registrant as specified in its charter)

Israel

(State or other jurisdiction of incorporation or organization)

**335 Madison Ave, 16th Floor
New York, New York**

(Address of principal executive offices)

98-1704718

(I.R.S. Employer Identification No.)

10017

(Zip Code)

(646) 710-7714

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Ordinary Shares, no par value	PGY	The NASDAQ Stock Market LLC
Warrants to purchase Class A Ordinary Shares	PGYWW	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 31, 2025, the registrant had 69,107,363 Class A Ordinary Shares, no par value, outstanding; 11,288,577 Class B Ordinary Shares, no par value, outstanding; and 2,027,147 Series A Preferred Shares, no par value, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements that involve substantial risks and uncertainties. The Private Securities Litigation Reform Act of 1995, or the PSLRA, provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include, without limitation, our expectations concerning the outlook for our business, productivity, plans and goals for future operational improvements and capital investments, operational performance, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance, as well as any information concerning possible or assumed future results of operations.

Pagaya desires to take advantage of the safe harbor provisions of the PSLRA and is including this cautionary statement in connection with this safe harbor legislation. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “strategy,” “future,” “opportunity,” “may,” “target,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

Forward-looking statements involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those implied in those statements. Important factors that could cause such differences include, but are not limited to:

- the ability to implement business plans and other expectations;
- the impact of the continuation of or changes in the short-term and long-term interest rate environment;
- uncertain market or political conditions;
- the availability and cost of capital, including the financing of risk retention investments;
- our ability to service our debt financing and meet associated covenants;
- our ability to develop and maintain a diverse and robust funding network;
- the impact of fair value changes in our risk retention investments in our Financing Vehicles;
- our uncertain future prospects and rate of growth due to our relatively limited operating history;
- the performance of our technology to consistently meet return expectations of asset investors in Financing Vehicles;
- our ability to improve, operate and implement our AI technology, including as we expand into new asset classes;
- competition in attracting and onboarding new Partners and raising capital from asset investors through Financing Vehicles given the current limited number of Partners that account for a substantial portion of the total number of the financial products facilitated with the assistance of our AI technology;
- potential difficulties in retaining our current management team and other key employees and independent contractors, including highly-skilled technical experts;
- our estimates of our future financial performance;
- changes in the political, legal and regulatory framework related to AI technology, machine learning; financial institutions and consumer protection;
- the impact of health epidemics, natural disasters, acts of terrorism or other catastrophic events;
- our ability to realize the potential benefits of past or future acquisitions;
- conditions related to our operations in Israel;

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- risks related to data, security and privacy;
- changes to accounting principles and guidelines;
- our ability to develop and maintain effective internal controls;
- the ability to maintain the listing of our securities on Nasdaq;
- the price of our securities has been and may continue to be volatile;
- unexpected costs or expenses;
- future issuances, sales or resales of our Class A Ordinary Shares;
- an active public trading market for our Class A Ordinary Shares may not be sustained; and
- the other matters described in “*Risk Factors*” in our Annual Report on Form 10-K.

We caution you not to rely on forward-looking statements, which reflect current beliefs and are based on information currently available as of the date a forward-looking statement is made. Forward-looking statements set forth herein speak only as of the date of this Quarterly Report. We undertake no obligation to revise forward-looking statements to reflect future events, changes in circumstances or changes in beliefs except to the extent required by law. In the event that any forward-looking statement is updated, no inference should be made that we will make additional updates with respect to that statement, related matters, or any other forward-looking statements except to the extent required by law. Any corrections or revisions and other important assumptions and factors that could cause actual results to differ materially from forward-looking statements, including discussions of significant risk factors, may appear in our public filings with the SEC, which are or will be (as appropriate) accessible at www.sec.gov, and which you are advised to consult.

Market, ranking and industry data used throughout this Quarterly Report, including statements regarding market size and technology adoption rates, is based on the good faith estimates of our management, which in turn are based upon our management’s review of internal surveys, independent industry surveys and publications and other third-party research and publicly available information. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we are not aware of any misstatements regarding the industry data presented herein, its estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “*Risk Factors*” in our Annual Report on Form 10-K, which was filed with the SEC on March 12, 2025, and “*Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations*” of this Quarterly Report.

PART I - Financial Information

Item 1. Financial Statements

PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share amounts)

	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 218,314	\$ 187,921
Restricted cash and cash equivalents	46,453	38,597
Fees receivables (1)(2)	154,976	127,114
Investments in loans and securities (1)	887,736	778,409
Equity method and other investments	14,847	21,933
Right-of-use assets	32,166	36,876
Property, equipment and software, net	32,408	37,974
Goodwill	22,903	23,062
Intangible assets, net	9,091	12,821
Other assets (2)	36,482	26,365
Total Assets	\$ 1,455,376	\$ 1,291,072
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable	\$ 5,064	\$ 6,992
Accrued expenses and other liabilities	48,598	45,362
Operating lease liabilities	34,958	37,064
Income taxes payable and other tax liabilities	25,977	41,217
Warrant liability	7,379	893
Secured borrowing	131,525	176,089
Exchangeable notes	148,148	146,342
Long-term debt	487,789	321,317
Total Liabilities	889,438	775,276
Redeemable convertible preferred shares, no par value, 6,666,666 shares authorized, 2,027,147 and 5,000,000 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively;	30,103	74,250
Shareholders' equity:		
Class A ordinary shares, no par value, 666,666,666 shares authorized, 68,839,327 and 61,227,672 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively.	—	—
Class B ordinary shares, no par value, 166,666,666 shares authorized, 11,288,577 and 12,652,310 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively.	—	—
Additional paid-in capital	1,380,535	1,282,022
Accumulated other comprehensive loss	(45,290)	(11,488)
Accumulated deficit	(896,950)	(944,043)
Total Pagaya Technologies Ltd. shareholders' equity	438,295	326,491
Noncontrolling interests	97,540	115,055
Total shareholders' equity	535,835	441,546
Total Liabilities, Redeemable Convertible Preferred Shares, and Shareholders' Equity	\$ 1,455,376	\$ 1,291,072

(1) Accrued interest receivable of \$14.3 million, previously reported within "Fee receivables" as of December 31, 2024, has been reclassified to "Investment in loans and securities" to conform to the current period's presentation.

(2) See Note 9 for additional information regarding the transactions with related parties.

The accompanying notes are an integral part of these condensed consolidated financial statements

PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue				
Revenue from fees (1)	\$ 339,887	\$ 249,283	\$ 940,305	\$ 728,881
Other Income				
Interest income	14,918	8,735	33,333	24,672
Investment loss, net	(4,640)	(784)	(7,086)	(699)
Total Revenue and Other Income	350,165	257,234	966,552	752,854
Production costs	200,574	148,965	559,122	439,448
Technology, data and product development	18,236	16,655	56,135	57,970
Sales and marketing	14,453	11,440	43,707	35,028
General and administrative	36,944	57,790	123,476	185,307
Total Costs and Operating Expenses	270,207	234,850	782,440	717,753
Operating Income	79,958	22,384	184,112	35,101
Gains and (losses) on investments in loans and securities	(19,557)	(77,594)	(62,832)	(154,001)
Other expenses, net	(27,377)	(30,345)	(66,267)	(61,481)
Loss from extinguishment of debt	(24,961)	(200)	(25,457)	(200)
Income (Loss) Before Income Taxes	8,063	(85,755)	29,556	(180,581)
Income tax (benefit) expense	(15,210)	(11,524)	(12,772)	7,991
Net Income (Loss) Including Noncontrolling Interests	23,273	(74,231)	42,328	(188,572)
Less: Net income (loss) attributable to noncontrolling interests	728	(6,755)	(4,765)	(25,088)
Net Income (Loss) Attributable to Pagaya Technologies Ltd.	\$ 22,545	\$ (67,476)	\$ 47,093	\$ (163,484)
Per share data:				
Net income (loss) attributable to Pagaya Technologies Ltd.	\$ 22,545	\$ (67,476)	\$ 47,093	\$ (163,484)
Less: Undistributed earnings allocated to preferred shares	1,259	—	2,804	—
Net income (loss) attributed to Pagaya Technologies Ltd.'s ordinary shares	\$ 21,286	\$ (67,476)	\$ 44,289	\$ (163,484)
Earnings (loss) per share attributable to Pagaya Technologies Ltd.:				
Basic	\$ 0.27	\$ (0.93)	\$ 0.57	\$ (2.35)
Diluted	\$ 0.23	\$ (0.93)	\$ 0.55	\$ (2.35)
Weighted average shares outstanding:				
Basic	78,539,137	72,728,667	77,086,125	69,619,813
Diluted	91,046,530	72,728,667	80,945,983	69,619,813

(1) See Note 9 for additional information regarding the transactions with related parties.

The accompanying notes are an integral part of these condensed consolidated financial statements

PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net Income (Loss) Including Noncontrolling Interests	\$ 23,273	\$ (74,231)	\$ 42,328	\$ (188,572)
Other Comprehensive Income (Loss):				
Unrealized non-credit related adjustments to investment securities	(13,088)	(19,179)	(34,580)	(86,273)
Comprehensive Income (Loss) Including Noncontrolling Interests	10,185	(93,410)	7,748	(274,845)
Less: Comprehensive loss attributable to noncontrolling interests	(135)	(6,552)	(5,543)	(20,485)
Comprehensive Income (Loss) Attributable to Pagaya Technologies Ltd.	<u>\$ 10,320</u>	<u>\$ (86,858)</u>	<u>\$ 13,291</u>	<u>\$ (254,360)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements

PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY (UNAUDITED)
(In thousands, except share amounts)

	Redeemable Convertible Preferred Shares		Ordinary Shares (Class A and Class B)		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Pagaya Technologies Ltd. Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount	Shares	Amount						
Balance – June 30, 2025	5,000,000	\$ 74,250	76,161,969	\$ —	\$ 1,319,312	\$ (33,065)	\$ (919,495)	\$ 366,752	\$ 101,227	\$ 467,979
Issuance of ordinary shares upon exercise of share options	—	—	222,279	—	1,996	—	—	1,996	—	1,996
Issuance of ordinary shares upon vesting of RSUs	—	—	727,436	—	—	—	—	—	—	—
Issuance of ordinary shares upon employee stock purchase plan	—	—	43,367	—	572	—	—	572	—	572
Issuance of ordinary shares upon conversion of preferred shares	(2,972,853)	(44,147)	2,972,853	—	44,147	—	—	44,147	—	44,147
Share-based compensation	—	—	—	—	14,508	—	—	14,508	—	14,508
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	—	(3,552)	(3,552)
Other comprehensive income (loss)	—	—	—	—	—	(12,225)	—	(12,225)	(863)	(13,088)
Net income	—	—	—	—	—	—	22,545	22,545	728	23,273
Balance – September 30, 2025	<u>2,027,147</u>	<u>\$ 30,103</u>	<u>80,127,904</u>	<u>\$ —</u>	<u>\$ 1,380,535</u>	<u>\$ (45,290)</u>	<u>\$ (896,950)</u>	<u>\$ 438,295</u>	<u>\$ 97,540</u>	<u>\$ 535,835</u>
Balance – December 31, 2024	5,000,000	\$ 74,250	73,879,982	\$ —	\$ 1,282,022	\$ (11,488)	\$ (944,043)	\$ 326,491	\$ 115,055	\$ 441,546
Issuance of ordinary shares upon exercise of share options	—	—	730,188	—	5,381	—	—	5,381	—	5,381
Issuance of ordinary shares upon vesting of RSUs	—	—	2,445,638	—	—	—	—	—	—	—
Issuance of ordinary shares upon employee stock purchase plan	—	—	99,243	—	1,164	—	—	1,164	—	1,164
Issuance of ordinary shares upon conversion of preferred shares	(2,972,853)	(44,147)	2,972,853	—	44,147	—	—	44,147	—	44,147
Share-based compensation	—	—	—	—	47,821	—	—	47,821	—	47,821
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	—	(11,972)	(11,972)
Other comprehensive loss	—	—	—	—	—	(33,802)	—	(33,802)	(778)	(34,580)
Net income (loss)	—	—	—	—	—	—	47,093	47,093	(4,765)	42,328
Balance – September 30, 2025	<u>2,027,147</u>	<u>\$ 30,103</u>	<u>80,127,904</u>	<u>\$ —</u>	<u>\$ 1,380,535</u>	<u>\$ (45,290)</u>	<u>\$ (896,950)</u>	<u>\$ 438,295</u>	<u>\$ 97,540</u>	<u>\$ 535,835</u>

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	Redeemable Convertible Preferred Shares		Ordinary Shares (Class A and Class B)		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Pagaya Technologies Ltd. Shareholders' Equity	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount	Shares	Amount						
Balance – June 30, 2024	5,000,000	\$ 74,250	71,595,691	\$ —	\$ 1,235,677	\$ (71,050)	\$ (638,645)	\$ 525,982	\$ 89,592	\$ 615,574
Issuance of ordinary shares upon exercise of share options	—	—	250,881	—	1,736	—	—	1,736	—	1,736
Issuance of ordinary shares upon vesting of RSUs	—	—	390,712	—	—	—	—	—	—	—
Issuance of ordinary shares upon employee stock purchase plan	—	—	59,145	—	665	—	—	665	—	665
Share-based compensation	—	—	—	—	13,890	—	—	13,890	—	13,890
Issuance of ordinary shares from the Equity Financing Purchase Agreement	—	—	516,512	—	6,894	—	—	6,894	—	6,894
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	—	(2,574)	(2,574)
Other comprehensive income (loss)	—	—	—	—	—	(19,382)	—	(19,382)	203	(19,179)
Net loss	—	—	—	—	—	—	(67,476)	(67,476)	(6,755)	(74,231)
Balance – September 30, 2024	5,000,000	\$ 74,250	72,812,941	\$ —	\$ 1,258,862	\$ (90,432)	\$ (706,121)	\$ 462,309	\$ 80,466	\$ 542,775
Balance – December 31, 2023	5,000,000	\$ 74,250	62,043,246	\$ —	\$ 1,101,914	\$ 444	\$ (542,637)	\$ 559,721	\$ 106,028	\$ 665,749
Issuance of ordinary shares upon exercise of share options	—	—	523,799	—	2,495	—	—	2,495	—	2,495
Issuance of ordinary shares upon vesting of RSUs	—	—	1,872,182	—	—	—	—	—	—	—
Issuance of ordinary shares upon employee stock purchase plan	—	—	59,145	—	665	—	—	665	—	665
Share-based compensation	—	—	—	—	51,600	—	—	51,600	—	51,600
Issuance of ordinary shares, net of issuance costs of \$5,312	—	—	7,500,000	—	89,956	—	—	89,956	—	89,956
Issuance of ordinary shares from the Equity Financing Purchase Agreement	—	—	814,569	—	12,232	—	—	12,232	—	12,232
Contributions of interests in consolidated VIEs	—	—	—	—	—	—	—	—	2,815	2,815
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	—	(7,892)	(7,892)
Other comprehensive income (loss)	—	—	—	—	—	(90,876)	—	(90,876)	4,603	(86,273)
Net loss	—	—	—	—	—	—	(163,484)	(163,484)	(25,088)	(188,572)
Balance – September 30, 2024	5,000,000	\$ 74,250	72,812,941	\$ —	\$ 1,258,862	\$ (90,432)	\$ (706,121)	\$ 462,309	\$ 80,466	\$ 542,775

The accompanying notes are an integral part of these condensed consolidated financial statements

PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net income (loss) including noncontrolling interests	\$ 42,328	\$ (188,572)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Equity method loss	7,086	699
Depreciation and amortization	22,951	20,475
Share-based compensation	44,982	45,852
Fair value adjustment to warrant liability	6,486	(358)
(Gains) and losses on investments in loans and securities (1)	65,473	157,513
Amortization of deferred costs	8,250	2,065
Loss from extinguishment of debt	18,585	—
Write-off of capitalized software and other assets	4,741	3,145
Loss on foreign exchange	1,092	4,178
Other non-cash items	—	367
Change in operating assets and liabilities:		
Fees receivables (1)	(28,178)	(14,627)
Accrued interest on investments (1)	(28,467)	(16,818)
Right-of-use assets	4,598	1,462
Other assets	1,438	(8,213)
Accounts payable	4,597	4,607
Accrued expenses and other liabilities	2,737	4,121
Operating lease liability	(4,669)	(441)
Income taxes	(15,207)	4,442
Net cash provided by operating activities	158,823	19,897
Cash flows from investing activities		
Proceeds from the sale/maturity/prepayment of:		
Investments in loans and securities (1)	178,196	104,465
Equity method and other investments	—	31
Payments for the purchase of:		
Investments in loans and securities	(361,070)	(538,727)
Property, equipment and software	(10,816)	(13,761)
Equity method and other investments	—	(125)
Other assets (2)	(16,000)	—
Acquisition of Theorem Technology, Inc., net of cash acquired	159	—
Net cash used in investing activities	(209,531)	(448,117)
Cash flows from financing activities		
Proceeds from sale of ordinary shares, net of issuance costs	—	89,956
Proceeds from long-term debt	500,000	244,725
Proceeds from secured borrowing	263,484	254,895
Proceeds received from noncontrolling interests	—	2,815
Proceeds from revolving credit facility	—	59,000
Proceeds from exercise of stock options and stock purchase plan	6,545	3,160
Proceeds from issuance of ordinary shares from the Equity Financing Purchase Agreement	—	11,865
Distributions made to noncontrolling interests	(11,972)	(7,892)
Payments made to revolving credit facility	—	(134,000)
Payments made to secured borrowing	(310,844)	(117,883)
Payments made to long-term debt	(347,643)	(9,563)
Payments for debt issuance costs	(12,660)	(7,974)
Payments for deferred offering costs	—	(1,198)

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Net cash provided by financing activities	86,910	387,906
Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents	2,047	(1,180)
Net increase (decrease) in cash and cash equivalents, and restricted cash and cash equivalents	38,249	(41,494)
Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period	226,518	222,541
Cash and cash equivalents, and restricted cash and cash equivalents, end of period	\$ 264,767	\$ 181,047
Reconciliation of cash and cash equivalents, and restricted cash and cash equivalents within the unaudited condensed consolidated balance sheet to the amounts shown in the statements of cash flow above:		
Cash and cash equivalents	\$ 218,314	\$ 147,099
Restricted cash and cash equivalents	46,453	33,948
Total cash and cash equivalents, and restricted cash and cash equivalents	\$ 264,767	\$ 181,047

(1) Accrued interest receivable previously reported within "Fee and other receivables" in the prior period has been reclassified to "Investment in loans and securities" to conform to the current period's presentation.

(2) Represents an investment in an affiliate by settling its third-party debt using restricted cash collateralized on the Company's balance sheet.

The accompanying notes are an integral part of these condensed consolidated financial statements

NOTE 1 - BUSINESS DESCRIPTION

Pagaya Technologies Ltd. and its consolidated subsidiaries (together “we” “our” “Pagaya” or the “Company”) is a technology company that deploys sophisticated data science and proprietary AI technology to drive better results for financial services and other service providers, their customers, and asset investors. Services providers integrated with Pagaya’s network, which are referred to as “Partners,” range from high-growth financial technology companies to incumbent banks and financial institutions, auto finance providers and residential real estate service providers. Partners have access to Pagaya’s network in order to assist with extending financial products to their customers, in turn helping those customers fulfill their financial needs and dreams. These assets originated by Partners with the assistance of Pagaya’s AI technology are eligible to be acquired by (i) funds managed or advised by Pagaya or one of its affiliates, (ii) securitization vehicles sponsored or administered by Pagaya or one of its affiliates and (iii) other similar vehicles (“Financing Vehicles”).

Pagaya Technologies Ltd. was founded in 2016 and is organized under the laws of the State of Israel. Pagaya has its primary offices in the United States and Israel.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the accounts of the Company, its wholly-owned subsidiaries, and consolidated variable interest entities (“VIEs”) if any.

The accompanying unaudited condensed consolidated financial statements were derived from the audited consolidated financial statements, but does not include all of the disclosures, including certain notes required by GAAP on an annual reporting basis. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2024 included in the Company’s Annual Report on Form 10-K.

All intercompany accounts and transactions have been eliminated. The Company’s functional and reporting currency is the U.S. Dollar. In management’s opinion, the unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements, except as noted below, and reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company’s financial position as of September 30, 2025 and the Company’s consolidated results of operations and shareholders’ equity for the three and nine months ended September 30, 2025 and 2024, and cash flows for the nine months ended September 30, 2025 and 2024. The results for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the full year ending December 31, 2025 or any other future interim or annual period.

Significant Accounting Policies

Unclassified Balance Sheet

Effective for the quarterly period ended September 30, 2025, the Company has voluntarily changed its balance sheet presentation to an unclassified format. Management believes this change in accounting principle is preferable because it conforms the Company’s financial reporting with the predominant practice of its peers within the financial technology industry and provides a presentation consistent with the financial metrics used to evaluate the business, thereby enhancing comparability and relevance for investors. In accordance with applicable accounting guidance, this change has been applied retrospectively to all prior periods presented. The change had no impact on previously reported total assets, total liabilities, stockholders’ equity or results of operations.

Except for the balance sheet presentation change, there were no material changes to our significant accounting policies as disclosed in Note 2, Summary of Significant Accounting Policies, in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on March 12, 2025.

Emerging Growth Company Status

On the last business day of the second quarter in 2025, the aggregate market value of the Company's ordinary Class A shares held by non-affiliate shareholders exceeded \$700 million. As a result, we will be considered a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act for filings beginning with our annual report on Form 10-K for the fiscal year ended December 31, 2025, and we will cease to be an emerging growth company as of December 31, 2025. Due to the loss of emerging growth company status, the Company will no longer be exempt from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and our independent registered public accounting firm will evaluate and report on the effectiveness of our internal controls over financial reporting in our annual report for the fiscal year ended December 31, 2025. The transition to large accelerated filer status will also subject the Company to accelerated filing deadlines and additional disclosure requirements, which will further align our reporting with other large US companies for even greater transparency.

Reclassification

Certain prior year amounts have been reclassified to conform to the current period presentation. The reclassification adjustments primarily relate to changes to the presentation of certain expenses in the unaudited condensed consolidated statements of operations. Specifically, effective with the third quarter of 2025, the Company has added new financial statement line items labeled "Gains and (losses) on investments in loans and securities" and "Loss from extinguishment of debt" and reclassified the corresponding amounts in the prior period financial statements to conform to the current period presentation.

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this update require entities to disclose specific categories in the effective tax rate reconciliation and provide additional information for reconciling items where the effect of those reconciling items is equal to or greater than 5% of the amount computed by multiplying pretax income/loss by the applicable statutory income tax rate. In addition, entities are required to disclose the year-to-date amount of income taxes paid (net of refunds received) disaggregated by jurisdictions. This ASU is effective for the Company for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of these amendments on its consolidated financial statements disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosure (Subtopic 220-40), Disaggregation of Income Statement Expenses, which requires disclosure of disaggregated information about certain expense captions presented in the unaudited condensed consolidated statements of operations as well as disclosure about selling expense. The effective date for this update was amended by ASU 2025-01 Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, and is now effective for annual periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. It could be applied either prospectively or retrospectively. The Company is currently evaluating the impact of these amendments on its consolidated financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, to modernize the accounting guidance for the costs to develop software for internal use. The standard applies to costs incurred to develop or obtain software for internal use. ASU 2025-06 amends the existing standard that refers to various stages of a software development project to align better with current software development methods, such as agile programming. Under the new standard, entities will commence capitalizing eligible costs when (i) management has authorized and committed to funding the software project, and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. The new standard also supersedes the guidance related to costs incurred to develop a website. ASU 2025-06 guidance is effective for annual periods beginning after December 15, 2027. The guidance can be applied on a prospective basis, a modified basis for in-process projects or on a retrospective basis. The Company is currently evaluating the impact of these amendments on its consolidated financial statement disclosures.

NOTE 3 - REVENUE

Revenue from fees is comprised of Network AI fees and Contract fees. Network AI fees can be further broken down into two fee streams: AI integration fees and capital markets execution fees. AI integration fees are earned for the creation and delivery of assets that comprise Network Volume. The Company utilizes multiple funding channels to enable the purchase of network assets from Partners, such as asset backed securitizations ("ABS"), pass-through and forward flow transactions. Capital markets execution fees are earned from the market pricing of ABS transactions while contract fees are management, performance and

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similar fees. These fees are the result of agreements with customers and are recognized in accordance with FASB Accounting Standards Codification 606, "Revenue from Contracts with Customers" ("ASC 606").

Revenue is recognized in accordance with ASC 606 with revenue recorded on a gross basis when the Company is a principal in the transaction with customers, and recorded on a net basis when the Company is acting as an agent on behalf of another. The Company generally recognizes revenue on a gross basis because the Company is primarily responsible for integrating the various services fulfilled by Partners and is ultimately responsible to the Financing Vehicles for the fulfillment of the related services. To the extent the Company does not meet the criteria for recognizing revenue on a gross basis, the Company records revenue on a net basis.

Network AI Fees

Network AI fees, comprised of AI integration fees and capital markets execution fees, totaled \$304.6 million and \$229.1 million for the three months ended September 30, 2025 and 2024, respectively, and \$843.9 million and \$666.2 million for the nine months ended September 30, 2025 and 2024, respectively. The Company recognizes Network AI fees primarily at a point in time when the related performance obligation is satisfied and the payment term is generally 30 days. From time to time the Company may provide certain incentives to a customer. When the Company determines that an incentive is consideration payable, which is not in exchange for distinct goods or services, to a customer, the incentive is recorded as a reduction of revenue. Expenses to third parties for services that are integrated with the Company's technology are recorded in the unaudited condensed consolidated statements of operations as Production Costs.

Contract Fees

Contract fees include administration and management fees, performances fees, and servicing fees. Contract fees totaled \$35.3 million and \$20.1 million for the three months ended September 30, 2025 and 2024, respectively, and \$96.4 million and \$62.7 million for the nine months ended September 30, 2025 and 2024, respectively. All of these fees are recognized over the service period for the Financing Vehicles managed or administered by the Company and the payment term is monthly as a fixed percentage of the entity's assets, except for the portion of management fees that are recognized at the point in time based on contract terms.

Performance fees are earned when certain Fund Financing Vehicles exceed contractual return thresholds. They are recognized only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. An estimate is made by the Company based on a variety of factors including market conditions and expected loan performance. In the following period, the true performance is measured and then adjusted to ensure that the fees accurately represent actual performance of Financing Vehicles. As such, there are revenues that result from performance obligations satisfied in the previous year. During the three and nine months ended September 30, 2025, \$0.1 million and \$0.9 million, respectively, worth of fees were recognized, which represent performance obligations satisfied in the previous year that were greater than the original estimate. During the three months ended September 30, 2024, \$0.3 million worth of fees were recognized, which represent performance obligations satisfied in the previous year that were greater than the original estimate. During the nine months ended September 30, 2024, \$2.9 million worth of fees were reversed, which represent performance obligations satisfied in the previous year that were less than the original estimate.

Servicing fees for the Financing Vehicles, which primarily involve collecting payments and providing reporting on the loans within the securitization vehicles, are recognized over the service period and payment is received monthly from the Financing Vehicles. These duties have been considered to be agent responsibilities and does not include acting as a loan servicer. Accordingly, servicing fees are recorded on a net basis.

Total Revenue From Fees

The Company determines its contracts generally to not include a significant financing component since the Company's selling prices are not subjected to billing terms nor is its purpose to receive financing from its customers or to provide customers with financing. In addition, as a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between payment and the transfer of services is expected to be one year or less.

Once revenue is recognized, it is recorded on the unaudited condensed consolidated balance sheet in fees receivables until the payment is received from the customer. The timing of the recognition depends on the type of service as described above.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Services transferred at a point in time	\$ 302,197	\$ 235,594	\$ 834,798	\$ 691,485
Services transferred over time	37,690	13,689	105,507	37,396
Total revenue from fees	\$ 339,887	\$ 249,283	\$ 940,305	\$ 728,881

The Company had no material contract assets, contract liabilities, or deferred contract costs recorded as of September 30, 2025 or December 31, 2024.

Concentrations of Credit Risk and Significant Customers

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of cash and cash equivalents, restricted cash and cash equivalents and fees receivable. Cash and cash equivalents are principally maintained with major financial institutions, which management assesses to be of high credit quality. The Company has not experienced any losses on these deposits.

The Company's fees receivable balances are predominantly with agreements with customers, and these are subject to normal credit risks which management believes to be not significant.

Significant customers are those which represent 10% or more of the Company's total fee revenue for each respective period presented. Two related party customers individually represented greater than 10% of total fee revenue and collectively totaled approximately 25% for three months ended September 30, 2025. No customer represented more than 10% of the Company's total fee revenue for nine months ended September 30, 2025. Four customers, including three related parties, individually represented greater than 10% of total fee revenue and collectively totaled approximately 65% for the three months ended September 30, 2024. Two customers, including one related party, individually represented great than 10% of total fee revenue and collectively totaled approximately 25% for nine months ended September 30, 2024.

NOTE 4 - BORROWINGS

The following table sets forth the Company's outstanding borrowings as of the date indicated (in thousands):

	September 30, 2025		December 31, 2024	
Secured borrowing	\$	131,525	\$	176,089
Exchangeable notes	\$	148,148	\$	146,342
Long-term debt	\$	487,789	\$	321,317

The Company was in compliance with all covenants as of September 30, 2025 and December 31, 2024.

Secured Borrowing

During the three months ended September 30, 2025, the Company has repaid \$153.9 million of secured borrowing, following the issuance of Senior Notes. As a result of these transactions, the Company has incurred a loss of \$1.1 million during the three months ended September 30, 2025, related to the write-off of deferred issuance costs reported within "Loss from extinguishment of debt" in the unaudited condensed consolidated statements of operations.

Risk Retention Master Repurchase

In the normal course of business, the Company, through consolidated VIEs, enters into repurchase agreements to finance the Company's risk retention balance in notes and certificates retained from securitization transactions. Under these agreements, the Company pledges financial instruments as collateral. These agreements with counterparties generally contain contractual provisions allowing the counterparty the right to sell or repledge the collateral. Pledged securities owned that can be sold or repledged by the counterparty are included in Investments in loans and securities in the Company's unaudited condensed consolidated balance sheet. As of September 30, 2025 and December 31, 2024, the outstanding principal balance under the repurchase agreements was \$68.4 million and \$144.0 million, respectively, which is recorded within secured borrowing on the

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unaudited condensed consolidated balance sheet, with a weighted average interest rate of approximately twelve percent and fifteen percent, respectively. The average remaining contractual maturities of the repurchase agreements were greater than 90 days as of both September 30, 2025 and December 31, 2024.

Receivables Facility

In April 2025, Pagaya Structured Products LLC, a wholly-owned subsidiary of the Company, entered into a Loan and Security Agreement (the “LSA Agreement”) with certain lenders. This agreement established a 24-month Capitalized Interest Amounts Facility (the “CIA Facility”) with a maximum principal amount of \$24 million to finance eligible capitalized interest amounts related to sponsored securitization transactions. Additionally, in June 2025, Pagaya Structured Products LLC entered into a 30-month Accrued Loan Purchasing Fee Receivables Facility (the “ALPF Facility”) with a maximum principal amount of \$65 million, to finance certain eligible receivables from sponsored securitization transactions. Borrowings under the CIA Facility bear interest at a rate per annum equal to the adjusted term SOFR (subject to a 1.00% floor) plus a margin of 4.00%, while borrowings under the ALPF Facility bear interest at a rate per annum equal to the adjusted term SOFR (subject to a 1.00% floor) plus a margin of 1.9%. As of September 30, 2025, the combined outstanding principal balance under the CIA Facility and ALPF Facility was \$63.2 million, which is recorded within secured borrowing on the unaudited condensed consolidated balance sheet.

In June 2025, Pagaya Receivables LLC, a wholly-owned subsidiary of the Company, repaid the outstanding balance of a 3-year loan facility (the “SVB Receivables Facility”) and terminated the related Loan and Security Agreement, which was originally executed in October 2022. Borrowings under the SVB Receivables Facility bear interest at a rate per annum equal to the adjusted term SOFR (subject to a 0.00% floor) plus a margin of 3.50%. As of December 31, 2024, the outstanding principal balance under the SVB Receivable Facility was \$31.9 million, which is recorded within secured borrowing on the unaudited condensed consolidated balance sheet.

Exchangeable Notes

On October 1, 2024, the Company, through a wholly owned subsidiary of the Company, issued \$160 million aggregate principal amount of its 6.125% Exchangeable Notes (“Notes”) due 2029. The issuance was in connection with a purchase agreement dated September 26, 2024, with certain initial purchasers. The Notes bear interest at a rate of 6.125% per annum, payable semiannually in arrears on April 1 and October 1 of each year, beginning April 1, 2025. The Notes will mature on October 1, 2029, unless earlier repurchased, redeemed or exchanged.

The Company accounted for the issuance of the Notes as a single liability at par as the conversion feature does not require bifurcation as a derivative under ASC 815 and the Notes were not issued at a substantial premium. Debt issuance costs related to the Notes totaled \$6.2 million and consisted of underwriting fees and third-party offering costs, which are amortized to interest expense using the effective interest method over the contractual term. The Company recorded \$3.1 million and \$9.2 million of interest expense, including \$0.6 million and \$1.8 million of amortization of debt issuance costs, for the three and nine months ended September 30, 2025. The effective interest rate of the Notes is 8.7%.

Long-Term Debt

Senior Notes

On July 28, 2025, the Company, through Pagaya US Holding Company LLC (“Pagaya US”), a wholly-owned subsidiary of the Company, completed the issuance of \$500 million aggregate principal amount of Senior Unsecured Notes (“Senior Notes”) due 2030. The Senior Notes will accrue interest at a rate of 8.875% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2026. The Senior Notes will mature on August 1, 2030, unless earlier repurchased or redeemed.

The Senior Notes will be redeemable at the option of Pagaya US. At any time prior to August 1, 2027, Pagaya US may redeem the Senior Notes, in whole or in part, at its option at a redemption price equal to 100% of the principal amount of the Senior Notes plus a make-whole premium described in the Indenture, plus accrued and unpaid interest, if any, to, but not including, the redemption date. On and after August 1, 2027, Pagaya US may redeem the Notes, in whole or in part, at the redemption prices set forth in the Indenture.

The following table details the Company’s Senior Notes as of September 30, 2025 (in thousands):

	September 30, 2025
Principal amount	\$ 500,000
Less: Unamortized issuance costs	(12,211)
Carrying amount	<u>\$ 487,789</u>

The Company recorded \$8.3 million of interest expense, including \$0.4 million of amortization of debt issuance costs, for the three months ended September 30, 2025.

Credit Agreement

On February 2, 2024, the Company entered into a certain Credit Agreement (the "Credit Agreement") which provides for a 5-year senior secured revolving credit facility (the "Revolving Credit Facility") in an initial principal amount of \$25 million, which subsequently increased to \$35 million, and a 5 year senior secured term loan facility (the "Term Loan Facility," and together with the Revolving Credit Facility, the "Facilities") in an initial principal amount of \$255 million. Borrowings under the Facilities bear interest at a rate per annum equal to, at the Company's option, (i) a base rate (determined based on the prime rate and subject to a 2.00% floor) plus a margin of 6.50% or (ii) an adjusted term Secured Overnight Financing Rate (subject to a 1.00% floor) plus a margin of 7.50%.

In November 2024, the Company entered into Amendment No. 2 (the "Amendment") to the Credit Agreement. Pursuant to the Amendment, the Company incurred incremental term loans in an aggregate principal amount \$100 million, bringing the total principal amount of the Term Loan Facility to \$355 million. The Company also increased an aggregate principal amount of the Revolving Credit Facility of \$15 million, bringing the total principal amount of the Revolving Credit Facility to \$50 million. In February 2025, the Company further increased the aggregate principal amount of the Revolving Credit Facility by \$8 million, resulting in a total principal amount of \$58 million. As of September 30, 2025 and December 31, 2024, the Company had letters of credit issued in the amount of \$16.6 million and \$24.3 million, respectively, and \$41.4 million and \$25.7 million of remaining capacity available under the Revolving Credit Facility, respectively.

In July 2025, the Company fully paid off the outstanding principal balance under the Credit Agreement using the proceeds from the issuance of Senior Notes, as discussed above. As a result of this transaction and the repayment of outstanding balance under the Credit Agreement, the Company has incurred a loss of \$23.9 million during the three months ended September 30, 2025, related to the write-off of deferred issuance costs and an early payment penalty, reported within "Loss from extinguishment of debt" in the unaudited condensed consolidated statements of operations.

2025 Revolving Credit Facility

On October 1, 2025, the Company refinanced the Revolving Credit Facility by way of terminating Credit Agreement and entering into a new three-year revolving credit facility (the "2025 Revolving Credit Facility") with a syndicate of financial institutions. The 2025 Revolving Credit Facility provides a committed borrowing capacity of \$132 million. Borrowings under the 2025 Revolving Credit Facility bear interest at a rate per annum equal to, at the Company's option, (i) a base rate (determined based on the prime rate and subject to 1.00% floor) plus a margin of 2.50% and (ii) an adjusted term SOFR (subject to 1.00% floor) plus a margin of 3.50%, a reduction from the prior revolving credit facility's rate of SOFR plus 7.50%. A commitment fee accrues on any unused portion of the commitments under the 2025 Revolving Credit Facility at a rate per annum of 0.25% and is payable quarterly in arrears. The terms and conditions of the 2025 Revolving Credit Facility include customary covenants and restrictions. See Note 15.

NOTE 5 - INVESTMENTS

As of September 30, 2025, our investments in loans and securities portfolio consisted of (i) investments held at fair value with changes in fair value recorded in unrealized gain (loss) on available for sale securities, excluding the portion relating to any credit loss; (ii) loans held for investment at amortized cost, less an allowance for potential uncollectible amounts; and (iii) investments held at fair value, with changes in fair value recorded in earnings, for which we elected the fair value option. Below is a

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disaggregated presentation of our investments in loans and securities, including fair value adjustments, accrued interest income and net of the allowance for credit losses, as applicable (in thousands):

	Carrying Value	
	September 30, 2025	December 31, 2024
Investments in loans and securities		
Securitization notes, available for sale	\$ 333,166	\$ 240,273
Securitization certificates, available for sale	504,202	533,243
Other loans and receivables, at amortized cost	1,610	4,893
Total	838,978	778,409
Investments in securities, under the fair value option		
Securitization notes	11,597	—
Securitization certificates	37,161	—
Total	48,758	—
Total investments in loans and securities	\$ 887,736	\$ 778,409

Investments in Loans and Securities

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of investments in securities as of September 30, 2025 and December 31, 2024 were as follows (in thousands). As provided in Note 6, a portion of these investments in securities are consolidated as a result of the Company's determination that it is the primary beneficiary of certain VIEs.

As of September 30, 2025						
Investments in securities, available for sale(1):	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Non-Credit Related Adjustments	Allowance for Credit Losses	Fair Value	
Securitization notes	\$ 335,533	\$ 559	\$ (53)	\$ (2,873)	\$	333,166
Securitization certificates	979,623	11,759	(53,719)	(433,461)	\$	504,202

(1) Includes accrued interest receivable of \$21.7 million.

As of December 31, 2024						
Investments in securities, available for sale(2):	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Non-Credit Related Adjustments	Allowance for Credit Losses	Fair Value	
Securitization notes	\$ 240,396	\$ 386	\$ (509)	\$ —	\$	240,273
Securitization certificates	1,048,734	7,926	(14,676)	(508,741)	\$	533,243

(2) Includes accrued interest receivable of \$14.3 million, previously reported within "Fee receivables" as of December 31, 2024, has been reclassified to conform to the current period's presentation.

The following tables set forth the fair value and gross unrealized losses on investments in securities without an allowance for credit losses aggregated by investment category and length of time that individual securities had been in a continuous unrealized loss position, as of the dates indicated (in thousands):

As of September 30, 2025						
Investments in securities, available for sale:	Less than or equal to 1 year		Greater than 1 year		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Securitization notes	\$ 74	\$ —	\$ 7,076	\$ (53)	\$ 7,150	\$ (53)

	As of December 31, 2024					
	Less than or equal to 1 year		Greater than 1 year		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Investments in securities, available for sale:						
Securitization notes	\$ 66	\$ (1)	\$ 27,295	\$ (508)	\$ 27,361	\$ (509)

The following table sets forth the amortized cost and fair value of investments in securities by contractual maturities, as of the date indicated (in thousands):

	As of September 30, 2025					
	Within 1 year		Greater than 1 year, less than or equal to 5 years		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Investments in securities, available for sale(1):						
Securitization notes	\$ 2,352	\$ 5,834	\$ 333,181	\$ 327,332	\$ 335,533	\$ 333,166
Securitization certificates	20,332	18,406	959,291	485,796	979,623	504,202

	As of December 31, 2024					
	Within 1 year		Greater than 1 year, less than or equal to 5 years		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Investments in securities, available for sale(1)(2):						
Securitization notes	\$ 9,907	\$ 9,903	\$ 230,489	\$ 230,370	\$ 240,396	\$ 240,273
Securitization certificates	11,554	11,554	1,037,180	521,689	1,048,734	533,243

(1) Based on expected maturity date cash flows.

(2) Includes accrued interest receivable of \$14.3 million, previously reported within "Fee and other receivables" as of December 31, 2024, has been reclassified to conform to the current period's presentation.

The following table sets forth gross proceeds and related investment gains and losses, as well as losses on write-downs and the allowance for credit losses of securities, for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Investments in loans and securities:				
Proceeds from sales/maturities/prepayments	\$ 48,845	\$ 23,083	\$ 178,196	\$ 89,905
Gross investment gains from sales and maturities	\$ (12)	\$ —	\$ (8,702)	\$ —
Gross investment losses from sales and maturities	\$ 16,288	\$ —	\$ 16,288	\$ —
Write-offs charged against the allowance	\$ 211	\$ 4,810	\$ 804	\$ 7,109
Reductions (additions) to allowance for credit losses	\$ 57,385	\$ (79,171)	\$ 72,216	\$ (159,085)

The following tables set forth the activity in the allowance for credit losses for investments in loans and securities, as of the dates indicated (in thousands):

	Three Months Ended September 30, 2025			
	Securitization notes	Securitization certificates	Other Loans and Receivables	Total
Balance, beginning of period	\$ (2,873)	\$ (490,897)	\$ (1,100)	\$ (494,870)
Additions to allowance for credit losses not previously recorded	—	(11,510)	—	(11,510)
Reductions for securities sold during the period	—	72,443	—	72,443
Additions (reductions) on securities with previous allowance	—	(3,497)	(51)	(3,548)
Write-offs charged against the allowance	—	—	211	211
Balance, end of period	<u>\$ (2,873)</u>	<u>\$ (433,461)</u>	<u>\$ (940)</u>	<u>\$ (437,274)</u>

	Nine Months Ended September 30, 2025			
	Securitization notes	Securitization certificates	Other Loans and Receivables	Total
Balance, beginning of period	\$ —	\$ (508,741)	\$ (1,553)	\$ (510,294)
Additions to allowance for credit losses not previously recorded	(2,873)	(57,630)	—	(60,503)
Reductions for securities sold during the period	—	150,766	—	150,766
Additions (reductions) on securities with previous allowance	—	(17,856)	(191)	(18,047)
Write-offs charged against the allowance	—	—	804	804
Balance, end of period	<u>\$ (2,873)</u>	<u>\$ (433,461)</u>	<u>\$ (940)</u>	<u>\$ (437,274)</u>

	Three Months Ended September 30, 2024			
	Securitization notes	Securitization certificates	Other Loans and Receivables	Total
Balance, beginning of period	\$ —	\$ (174,077)	\$ (4,053)	\$ (178,130)
Additions to allowance for credit losses not previously recorded	—	(21,118)	—	(21,118)
Additions (reductions) on securities with previous allowance	—	(55,930)	(2,123)	(58,053)
Write-offs charged against the allowance	—	—	4,810	4,810
Recoveries of amounts previously written off	—	—	(443)	(443)
Balance, end of period	<u>\$ —</u>	<u>\$ (251,125)</u>	<u>\$ (1,809)</u>	<u>\$ (252,934)</u>

	Nine Months Ended September 30, 2024			
	Securitization notes	Securitization certificates	Other Loans and Receivables	Total
Balance, beginning of period	\$ —	\$ (98,679)	\$ (2,279)	\$ (100,958)
Additions to allowance for credit losses not previously recorded	—	(112,263)	—	(112,263)
Additions to the allowance for credit losses arising from purchases	—	—	(3,246)	(3,246)
Additions (reductions) on securities with previous allowance	—	(40,183)	(3,393)	(43,576)
Write-offs charged against the allowance	—	—	7,109	7,109
Recoveries of amounts previously written off	—	—	—	—
Balance, end of period	<u>\$ —</u>	<u>\$ (251,125)</u>	<u>\$ (1,809)</u>	<u>\$ (252,934)</u>

Investments in securities, under the fair value option

The fair value option may be elected on an instrument-by-instrument basis and is irrevocable unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument should be reported in earnings at each subsequent reporting date. We elected the fair value option to measure certain securities, as we believe that fair value best reflects the economic transaction of investing in certain new securities. We determined the fair value of certain securities using a discounted cash flow methodology, while also considering market data as it became available. We record the initial fair value measurement and subsequent measurement changes in fair value in the period in which the changes occur within the gains and (losses) on investments in loans and securities in the unaudited condensed consolidated statements of operations. We report the changes in fair value within (gains) and losses on investments in loans and securities in the unaudited condensed consolidated statements of cash flow.

The following table presents activities of investments in securities for which we elected the fair value option. See Note 10 for the assumptions used in our fair value model (in thousands):

Investments in securities under the fair value option	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Balance, beginning of period	\$ 32,888	\$ —	\$ —	\$ —
Purchases	7,829	—	28,855	—
Principal payments	(9,010)	—	(9,010)	—
Change in fair value	17,051	—	28,913	—
Balance, end of period	\$ 48,758	\$ —	\$ 48,758	\$ —

Equity Method and Other Investments

The following investments, including those accounted for under the equity method, are included within Equity method and other investments in the unaudited condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024 (in thousands):

	Carrying Value	
	September 30, 2025	December 31, 2024
Investments in Pagaya SmartResi F1 Fund, LP (1)	\$ 9,689	\$ 12,530
Other (2)	5,158	9,403
Total	\$ 14,847	\$ 21,933

(1) The Company owns approximately 5.4% and is the general partner of Pagaya Smartres F1 Fund LP.

(2) Represents the Company's proprietary investments. Income (loss) from these investments is included in Investment income (loss), net in the unaudited condensed consolidated statements of operations.

NOTE 6 - CONSOLIDATION AND VARIABLE INTEREST ENTITIES

The Company has variable interests in securitization vehicles that it sponsors. The Company consolidates VIEs when it is deemed to be the primary beneficiary. In order to be primary beneficiary, the Company must have a controlling financial interest in the VIE. This is determined by evaluating if the Company has both (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant.

Consolidated VIEs

As of September 30, 2025 and December 31, 2024, the Company has determined that it is the primary beneficiary of Pagaya Structured Holdings LLC, Pagaya Structured Holdings II LLC, and Pagaya Structured Holding III LLC ("Risk Retention Entities"). As sponsor of securitization transactions, the Company is subject to risk retention requirements and established the Risk Retention Entities to meet these requirements.

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Below is a summary of assets and liabilities from the Company's involvement with consolidated VIEs (i.e., Risk Retention Entities) (in thousands):

	Assets(1)		Liabilities		Net Assets	
As of September 30, 2025	\$	121,347	\$	—	\$	121,347
As of December 31, 2024	\$	142,584	\$	—	\$	142,584

(1) Assets comprised of the note and certificates to comply with risk retention requirements.

Unconsolidated VIEs

The Company determined that it is not the primary beneficiary of the trusts which hold the loans and issue securities associated with the securitization transactions the Company sponsors. The Company does not have the power to direct or control the activities which most significantly affect the performance of the trusts, which was determined to be servicing loans.

The Company's maximum exposure to loss from its involvement with unconsolidated VIEs represents the estimated loss that would be incurred under severe, hypothetical circumstances, for which the Company believes the possibility is remote, such as where the value of securitization notes and senior and residual certificates the Company holds as part of the risk retention requirement declines to zero.

Below is a summary of the Company's direct interest in (i.e., not held through Risk Retention Entities) variable interests in nonconsolidated VIEs (in thousands):

	Carrying Amount		Maximum Exposure to Loss		VIE Assets	
As of September 30, 2025	\$	787,607	\$	787,607	\$	11,657,896
As of December 31, 2024	\$	628,038	\$	628,038	\$	10,708,146

From time to time, the Company may, but is not obligated to, purchase assets from the Financing Vehicles. Such repurchases occur at the Company's discretion, subject to contractual requirements and limitations. See Note 9 for additional information.

NOTE 7 - LEASES

The Company leases facilities under operating leases with various expiration dates through 2032. The Company leases office space in New York, Israel and several other locations.

The security deposits for the leases are \$1.9 million and \$3.3 million as of September 30, 2025 and December 31, 2024, respectively, which have been recognized as restricted cash and cash equivalents in the unaudited condensed consolidated balance sheets.

The Company's operating lease expense consists of rent and variable lease payments. Variable lease payments such as common area maintenance were included in operating expenses. Rent expense for the Company's short-term leases was immaterial for the periods presented. Operating lease expense was as follows (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
Rent expense	\$	2,804	\$	2,900	\$	8,377	\$	8,748
Variable lease payments	\$	52	\$	87	\$	316	\$	260
Sublease income (1)	\$	1,392	\$	999	\$	3,866	\$	3,007

(1) The Company entered into sublease agreements for certain leased office space, and the amounts were included in other expense, net in the unaudited condensed consolidated statements of operations.

Supplemental information related to the Company's operating leases was as follows (\$ in thousands):

	September 30, 2025	December 31, 2024
Weighted-average remaining lease term (in years)	5.2	5.8
Weighted-average discount rate	9.0 %	9.1 %

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease right-of-use assets recognized in exchange for new operating lease obligations	\$ —	\$ (19,961)	\$ (113)	\$ (20,179)

Maturities of the Company's operating lease liabilities as of September 30, 2025 were as follows (in thousands):

2025	\$ 2,458
2026	9,877
2027	8,421
2028	5,716
2029	5,811
Thereafter	11,139
Total	43,422
Less: imputed interest	(8,464)
Total operating lease liabilities	\$ 34,958

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings — From time to time the Company is subject to legal proceedings and claims in the ordinary course of business. The results of such matters often cannot be predicted with certainty. In accordance with applicable accounting guidance, the Company establishes an accrued liability for legal proceeding and claims when those matters present loss contingencies which are both probable and reasonably estimable. All such liabilities arising from current legal matters, to the extent such matters existed, have been recorded in accrued expenses and other liabilities on the unaudited condensed consolidated balance sheets and these matters are immaterial.

Contractual Obligations and Commitments — From time to time, the Company enters into a purchase commitment with our third-party cloud computing web services providers. As of September 30, 2025, the total remaining contractual obligations from this purchase commitment are approximately \$12.3 million, of which \$6.3 million is for the next 12 months. The Company may pay more than the minimum purchase commitment based on usage. Additionally, the Company has contractual obligations related to its lease for corporate office space. See Note 7 for details regarding when these obligations are due.

In October 2024, the Company completed the acquisition of Theorem Technology, Inc. ("Theorem"), a Silicon Valley-based institutional asset manager focused exclusively on the consumer credit space, managing assets for global institutional investors since its founding in 2014. The Company acquired 100% of Theorem's equity for approximately \$17.5 million, consisting of \$10.0 million cash and 504,440 of the Company's Class A Ordinary Shares (\$7.5 million worth as of the closing date), with an additional contingent consideration based on achievement of certain performance objectives defined in the purchase agreement. The Company established contingent consideration liability is reported at fair value, which is determined based on the present value of an expected payment under the arrangement, using an option pricing model based on a number of assumptions, including certain unobservable assumptions discounted at an estimated market interest rate. The fair value of the liability is updated each reporting period, with changes in fair value reported within "Other expenses, net." The fair value of the contingent consideration liability was \$0.3 million and \$6.1 million as of September 30, 2025 and December 31, 2024, respectively.

Guarantees and Indemnifications — In the ordinary course of business, the Company may provide indemnifications or loss guarantees of varying scope and terms to customers and other third parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by the Company or from intellectual property

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infringement claims made by third parties. These indemnifications may survive termination of the underlying agreement and the maximum potential amount of future indemnification payments may not be subject to a cap.

For our forward flow agreements, loans purchased have a contractual performance requirement which is measured periodically over the life of the underlying loans. If the loan's performance is below the contractual requirement, the counterparty may have first loss up until a contractual agreed limit. If the loans' performance is below the counterparty's first loss limit or if there is no first loss limit, then Pagaya would be required to make a payment to the counterparty such that the loans purchased would have achieved the contractual performance requirement. There is a contractual maximum loss for Pagaya's loss protection with the counterparty taking full risk of loss beyond Pagaya's loss protection. Our guarantee of contractual loss protection for the buyer meets the accounting definition of a derivative, and therefore we recognize, at inception and each reporting period, a liability for the fair value of the estimated loss protection payments, if any.

As of September 30, 2025, there have been no known events or circumstances that have resulted in a material indemnification liability and the Company did not incur material costs to defend lawsuits or settle claims related to these indemnifications. As of September 30, 2025, the unfunded maximum potential amount of undiscounted future payments the Company could be required to make under these guarantees totaled \$104.9 million. Additionally, in accordance with the guarantee contracts, the Company is required to fund segregated cash balances to provide protection in the event the Company is not able to meet its contractual commitments. As of September 30, 2025, \$39.9 million has been segregated and recognized within restricted cash and cash equivalents, of which \$8.4 million has been accrued within accrued expenses and other liabilities in the unaudited condensed consolidated balance sheet in accordance with these contractual requirements.

NOTE 9 - TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of business, the Company may enter into transactions with directors, principal officers, their immediate families, and affiliated companies in which they are principal shareholders (commonly referred to as related parties). In addition, the Company has transactions with the securitization vehicles and other Financing Vehicles, which are also related parties.

As of September 30, 2025, the fee receivables from related parties are \$100.2 million, which consist of \$78.3 million from securitization vehicles and \$21.9 million from other Financing Vehicles. As of December 31, 2024, the fee receivables from related parties are \$99.4 million, which consists of \$79.0 million from securitization vehicles and \$20.4 million from other Financing Vehicles.

As of September 30, 2025 and December 31, 2024, other assets include revolving facilities and other amounts due from related parties of \$30.5 million and \$15.2 million, respectively, all of which were attributable to Financing Vehicles.

For the three months ended September 30, 2025, the total revenue from related parties is \$159.3 million, which consists of \$150.8 million from securitization vehicles and \$8.5 million from other Financing Vehicles. For the nine months ended September 30, 2025, the total revenue from related party is \$473.7 million, which consists of \$447.7 million from securitization vehicles and \$26.0 million from other Financing Vehicles. For the three months ended September 30, 2024, the total revenue from related parties is \$174.2 million, which consists of \$154.3 million from securitization vehicles and \$19.9 million from other Financing Vehicles. For the nine months ended September 30, 2024, the total revenue from related parties is \$528.0 million which consists of \$474.1 million from securitization vehicles and \$53.9 million from other Financing Vehicles.

During the three and nine months ended September 30, 2024, the Company purchased approximately \$14.5 million and \$34.0 million, respectively, of loan principal from the Financing Vehicles and included a loss of approximately \$12.8 million and \$31.2 million, respectively, in general and administrative expenses with respect to these loans.

NOTE 10 - FAIR VALUE MEASUREMENT

FASB ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and requires certain disclosures about fair value measurements. In general, fair values of financial instruments are based upon quoted market prices, when available. If such quoted market prices are not available, fair value is based upon discounted cash flow model that use, as inputs, observable market-based parameters to the greatest extent possible.

The Company determines the fair value of its financial instruments and conducts an ongoing assessment of the techniques used to ensure their appropriateness, consistent application and the reasonableness of the assumptions. In determining the fair value of

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each investment security, the Company reviews performance characteristics of the underlying loan pool including origination vintage, borrower credit quality, macroeconomic environment, etc. The Company determines the fair value for each investment security by then estimating significant assumptions including discount rate, cumulative net loss rate and prepayment rate which are reviewed and approved by management.

The Company also engages a third-party valuation service provider to estimate a range of fair values for all significant investment securities. The Company reviews and validates that each of its significant assumptions are within the range of the independent third-party service provider, including: discount rate, cumulative net loss rate, prepayment rate, etc. Finally, the Company reviews and validates that the fair value used for financial reporting is within the range of fair value estimates by the third-party service provider for the same significant investment securities.

Financial Assets and Liabilities Recorded at Fair Value

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2025 and December 31, 2024, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in thousands):

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in loans and securities (Notes)	\$ —	\$ 135,272	\$ 209,491	\$ 344,763
Investments in loans and securities (Certificates)	—	—	541,363	541,363
Liabilities:				
Warrant liability	\$ 7,379	\$ —	\$ —	\$ 7,379
Other liabilities (1)	—	—	8,715	8,715
December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in loans and securities (Notes) (2)	\$ —	\$ 115,220	\$ 125,054	\$ 240,274
Investments in loans and securities (Certificates) (2)	—	—	533,243	533,243
Liabilities:				
Warrant liability	\$ 890	\$ 3	\$ —	\$ 893
Other liabilities (1)	—	—	6,090	6,090

(1) Included in "Accrued expenses and other liabilities" in the unaudited condensed consolidated balance sheets. See Note 8 for additional information.

(2) Accrued interest receivable of \$14.3 million, previously reported within "Fee receivables" as of December 31, 2024, has been reclassified to conform to the current period's presentation.

Assets and Liabilities Measured at Fair Value on a Recurring Basis (Level 1 and 2)

Warrant liability (Level 1)

The following tables summarize the Warrant liability activity for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30, 2025	
Balance as of June 30, 2025	\$	2,471
Change in fair value		4,908
Balance as of September 30, 2025	\$	<u>7,379</u>
	Nine Months Ended September 30, 2025	
Balance as of December 31, 2024	\$	893
Change in fair value		6,486
Balance as of September 30, 2025	\$	<u>7,379</u>
	Three Months Ended September 30, 2024	
Balance as of June 30, 2024	\$	1,671
Change in fair value		1,213
Balance as of September 30, 2024	\$	<u>2,884</u>
	Nine Months Ended September 30, 2024	
Balance as of December 31, 2023	\$	3,242
Change in fair value		(358)
Balance as of September 30, 2024	\$	<u>2,884</u>

Assets and Liabilities Measured at Fair Value on a Recurring Basis (Level 3)

Investments in Loans and Securities (Level 3)

As of September 30, 2025, the Company held investments in securities classified as available for sale. These assets are measured at fair value using a discounted cash flow model, and presented within investments in loans and securities on the unaudited condensed consolidated balance sheets. Changes in the fair value, other than declines in fair value due to credit, are reflected in other comprehensive income (loss) on the unaudited condensed consolidated statements of comprehensive loss. Declines in fair value due to credit are reflected in gains and (losses) on investments in loans and securities on the unaudited condensed consolidated statements of operations.

The Company held investments in securities under the fair value option. These assets are measured using a discounted cash flow methodology, while also considering market data as it become available, and presented within investments in loans and securities on the unaudited condensed consolidated balance sheets. The initial fair value measurement and subsequent measurement changes in fair value in the period are reflected in gains and (losses) on investments in loans and securities on the unaudited condensed consolidated statements of operations.

The following tables summarize the activity related to the fair value of the investments in loans and securities available for sale (Level 3 only) for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Balance, beginning of period	\$ 736,735	\$ 853,418	\$ 663,189	\$ 626,368
Transfer from Level 2	—	—	—	10,469
Additions	67,811	130,271	316,789	536,966
Cash received	(40,407)	(13,077)	(148,423)	(55,649)
Gain on sale of Investments in loans and securities	2	—	8,595	—
Loss on sale of Investments in loans and securities	(16,279)	—	(16,279)	—
Change in accrued interest on investments	10,599	—	20,497	—
Change in fair value and other adjustments (OCI)	(14,134)	(19,711)	(36,892)	(87,342)
Credit-related impairment loss, net of recoveries	8,137	(76,049)	(55,012)	(155,960)
Balance, end of period	<u>\$ 752,464</u>	<u>\$ 874,852</u>	<u>\$ 752,464</u>	<u>\$ 874,852</u>

Significant unobservable inputs used for our Level 3 fair value measurement of the loans and securities and credit losses are the discount rate, loss rate, and prepayment rate and consideration of any optional redemption features in our investment securities. Significant increases or decreases in any of the inputs in isolation could result in a significantly lower or higher fair value measurement.

The following tables present quantitative information about the significant unobservable inputs used for our Level 3 fair value measurement of the securities as of September 30, 2025 and December 31, 2024:

Unobservable Input	September 30, 2025			December 31, 2024		
	Minimum	Maximum	Weighted Average	Minimum	Maximum	Weighted Average
Discount rate	5.0 %	15.0 %	15.0 %	5.0 %	15.0 %	15.0 %
Loss rate	5.5 %	33.0 %	17.2 %	5.8 %	34.1 %	19.5 %
Prepayment rate	0.0 %	45.0 %	14.5 %	0.0 %	40.0 %	9.4 %

Financial Assets and Liabilities Not Recorded at Fair Value

The Company believes that the carrying amount of cash, cash equivalents and restricted cash, fees receivables, accounts payables and other current liabilities approximate their fair value due to the short-term maturities of these instruments.

The below tables contain information about assets that are not measured at fair value on a recurring basis as of September 30, 2025 and December 31, 2024 (in thousands):

	September 30, 2025					
	Carrying Value	Fair Value				Total
		Level 1	Level 2	Level 3		
Assets:						
Cash and cash equivalents, and restricted cash and cash equivalents	\$ 264,767	\$ 264,767	\$ —	\$ —	\$ 264,767	
Fees receivables	154,976	—	79,154	75,822	154,976	
Investments in other loans and receivables	1,610	—	—	1,610	1,610	
Liabilities:						
Secured borrowing	\$ 131,525	\$ —	\$ —	\$ 133,667	\$ 133,667	
Exchangeable notes	148,148	—	381,382	—	381,382	
Long-term debt	487,789	—	466,180	—	466,180	

	December 31, 2024				
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents, and restricted cash and cash equivalents	\$ 226,518	\$ 226,518	\$ —	\$ —	\$ 226,518
Fees receivables (1)	127,114	—	63,143	63,971	127,114
Investments in other loans and receivables	4,893	—	—	4,893	4,893
Liabilities:					
Secured borrowing	\$ 176,089	\$ —	\$ —	\$ 177,554	\$ 177,554
Exchangeable notes	146,342	—	163,360	—	163,360
Long-term debt	321,317	—	—	366,396	366,396

(1) Accrued interest receivable of \$14.3 million, previously reported within “Fee receivables” as of December 31, 2024, has been reclassified to “Investment in loans and securities” to conform to the current period’s presentation.

NOTE 11 - ORDINARY SHARES AND ORDINARY SHARE WARRANTS

As of September 30, 2025, 839,999,998 shares with no par value are authorized, of which, 6,666,666 shares are designated as Preferred Shares, 666,666,666 shares are designated as Class A Ordinary Shares, and 166,666,666 shares are designated as Class B Ordinary Shares. As of September 30, 2025, the Company had 2,027,147 Preferred Shares outstanding, 68,839,327 Class A Ordinary Shares outstanding and 11,288,577 Class B Ordinary Shares outstanding.

The rights of the holders of each class of Ordinary Shares are identical, except with respect to voting. Each Class A Ordinary Share is entitled to one vote per share. Each Class B Ordinary Share is entitled to 10 votes per share. Class B Ordinary Shares may be converted at any time at the option of the stockholder and automatically convert upon sale or transfer to a Class A Ordinary Share.

As of September 30, 2025 and December 31, 2024, the Company had reserved ordinary shares for future issuance as follows:

	September 30, 2025	December 31, 2024
Share options	3,232,311	4,042,901
Options to restricted shares	19,897,469	19,948,408
RSUs	2,490,812	3,009,918
Ordinary share warrants	3,385,640	2,372,858
Redeemable convertible preferred shares	2,027,147	5,000,000
Exchangeable notes	11,434,704	11,434,704
Shares available for future grant of equity awards(1)	10,055,458	8,121,438
Shares reserved for issuance under the ESPP	733,470	832,713
Total shares of ordinary share reserved	53,257,011	54,762,940

(1) Reflects the application of the automatic increase of shares reserved under the Company's 2022 Share Incentive Plan (the "2022 Plan") pursuant to the terms of the 2022 Plan. For more information on the automatic increases see our Form 10-K.

Ordinary Share Warrants

The Company has accounted for the ordinary share warrants as equity-classified warrants as they met the requirements for equity classification under ASC 815, including whether the ordinary share warrants are indexed to the Company’s own ordinary shares. For warrants that do not meet all the criteria for equity classification, the warrants are recorded at their initial fair value on the date of issuance and remeasured each balance sheet date thereafter. Changes in the estimated fair value of the liability-classified warrants are recognized as a non-cash other income or expense in the accompanying unaudited condensed consolidated statements of operations.

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As of September 30, 2025, there were 433,942 warrants expiring in March 2031 with an exercise price of \$0.00006 per share, 192,900 warrants expiring in June 2030 with an exercise price of \$0.0006 per share, 220,000 warrants expiring in March 2032 with an exercise price of \$0.12 per share, 1,309,632 warrants expiring in September 2034 with an exercise price of \$0.01 per share, and 1,229,166 warrants expiring in June 2027 (consisting of the Public Warrants) with an exercise price of \$138 per share to purchase one Class A Ordinary Share.

Redeemable Convertible Preferred Stock

In May 2023, the Company issued 5,000,000 Preferred Shares at \$15.00 per share to Oak HC/FT Partners V, L.P., Oak HC/FT Partners V-A, L.P. and Oak HC/FT Partners V-B, L.P. for gross total proceeds of \$75 million. During the third quarter of 2025, a total of 2,972,853 Preferred Shares were converted into 2,972,853 Class A Ordinary Shares at the option of the holders. This conversion resulted in a reduction of the Preferred Shares outstanding and a corresponding increase in the Company's Class A Ordinary Shares. The conversion was accounted for by reclassifying the carrying value of the converted Preferred Shares from mezzanine equity to permanent equity. Following this conversion, 2,027,147 Preferred Shares remain outstanding as of September 30, 2025.

NOTE 12 - SHARE BASED COMPENSATION

Share Options—Granted share options expire at the earlier of termination of employment or ten years from the date of grant. Share options generally vest over four years of the employment commencement date or with 25% vesting on the twelve-month anniversary of the employment commencement date, and the remaining on a pro-rata basis each quarter over the next three years. Any options, which are forfeited or not exercised before expiration, become available for future grants.

The following table summarized the Company's share option activity during the nine months ended September 30, 2025:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (000's)
Balance, December 31, 2024	4,042,901	\$ 7.5	6.7	\$ 7,335
Granted	2,500	9.7		
Exercised	(706,096)	7.1		
Forfeited	(106,994)	32.2		
Balance, September 30, 2025	3,232,311	\$ 6.8	6.0	\$ 73,611
Vested and exercisable, September 30, 2025	2,484,181	\$ 4.3	5.1	\$ 62,755

The weighted-average grant-date fair value of options granted was approximately \$9.7 for the nine months ended September 30, 2025. The aggregate intrinsic value of options exercised was approximately \$16.0 million and \$3.2 million for the nine months ended September 30, 2025 and 2024, respectively. The total grant date fair value of share options vested for the nine months ended September 30, 2025 and 2024, was \$5.0 million and \$28.4 million, respectively.

The assumptions used to estimate the fair value of share options granted for the nine months ended September 30, 2025 were as follows:

Expected volatility	105.4 %
Expected term (in years)	5.6
Risk free interest	4.1 %
Dividend yield	0.0 %

As of September 30, 2025, unrecognized compensation expense related to unvested share options was approximately \$7.6 million, which is expected to be recognized over a remaining weighted-average period of 1.2 years.

Restricted Stock Units (RSUs)—RSUs for new employees generally vest over two years of the employment commencement date with 50% vesting on the twelve-month anniversary of the employment commencement date, and the remaining on a pro-rata

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basis each quarter over the remaining twelve months. RSUs for existing employees are granted periodically and generally vest quarterly over periods of 1 to 4 years. Unvested RSUs are forfeited at termination of employment. Any RSUs that are forfeited become available for future grants.

The following table summarized the Company's RSU activity during the nine months ended September 30, 2025:

	Number of RSUs	Weighted Average Grant Date Fair Value Per Share
Unvested at December 31, 2024	3,009,918	\$ 12.0
Granted	2,333,312	11.6
Vested	(2,279,085)	11.6
Forfeited	(573,333)	10.6
Unvested at September 30, 2025	<u>2,490,812</u>	<u>\$ 12.3</u>

As of September 30, 2025, unrecognized compensation expense related to RSUs was approximately \$25.1 million, which is expected to be recognized over a remaining weighted-average period of 0.8 years.

Options to Restricted Shares—Options to restricted shares were granted to certain employees and directors during 2021. See Note 16 to the consolidated financial statements included in the Annual Report on Form 10-K for additional information.

The following table summarized the Company's options to restricted shares activity during the nine months ended September 30, 2025:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (000's)
Balance, December 31, 2024	19,948,408	\$ 19.4	6.2	\$ —
Granted	—	—		
Exercised	(24,092)	15.9		
Forfeited	(26,847)	33.2		
Balance, September 30, 2025	<u>19,897,469</u>	<u>\$ 19.3</u>	<u>5.5</u>	<u>205,941</u>
Vested and exercisable, September 30, 2025	<u>16,539,024</u>	<u>\$ 19.3</u>	<u>5.5</u>	<u>\$ 172,021</u>

At September 30, 2025, unrecognized compensation expense related to options to restricted shares was approximately \$6.9 million, which is expected to be recognized over a remaining weighted-average period of 1.1 years.

Employee Stock Purchase Plan—The Employee Stock Purchase Plan ("ESPP") allows eligible employees to purchase shares of our Class A Ordinary Shares at a discounted price, normally through payroll deductions, subject to the terms of the ESPP and applicable law. During the nine months ended September 30, 2025, 99,243 shares were issued under the ESPP. As of September 30, 2025, 733,470 shares of Class A Ordinary Shares were reserved for issuance under the ESPP. Compensation expense related to the ESPP was \$0.2 million and \$0.4 million for the three and nine months ended September 30, 2025, respectively.

Share-Based Compensation Expense

The following table presents the components and classification of share-based compensation for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Technology, data and product development	\$ 1,243	\$ 1,011	\$ 3,666	\$ 6,985
Sales and marketing	5,452	2,875	18,963	9,594
General and administrative	6,887	8,447	22,353	29,273
Total	\$ 13,582	\$ 12,333	\$ 44,982	\$ 45,852

NOTE 13 - INCOME TAXES

Corporate Income Tax

Ordinary taxable income in Israel is subject to a corporate tax rate of 23%. However, the Company has received an approval from the Israeli Tax authorities for Preferred Technological Enterprise (“PTE”) status and received approval on November 18, 2021. The Company is eligible for PTE status which is implemented commencing 2020. Income from a PTE is subject to 12% tax rate. The Company is currently in the process of obtaining a renewal of its PTE status.

Foreign Exchange Regulations in Israel

Under the Foreign Exchange Regulations, the Company calculates its tax liability in U.S. Dollars according to certain orders. The tax liability, as calculated in U.S. Dollars is translated into NIS according to the exchange rate as of December 31st of each year.

Non-Israeli subsidiaries are taxed according to the tax laws in their respective countries of residence.

The Company’s effective tax rates for the three and nine months ended September 30, 2025 and 2024 are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income (loss) before income taxes	\$ 8,063	\$ (85,755)	\$ 29,556	\$ (180,581)
Income tax (benefit) expense	(15,210)	(11,524)	(12,772)	7,991
Effective tax rate	NM	NM	NM	NM

NM: Not Meaningful

The Company’s tax rate is affected by recurring items, such as tax rates in foreign jurisdictions and the relative amounts of income the Company earns in those jurisdictions. The difference between the effective tax rate and statutory tax rate in Israel mainly related to a change in valuation allowance, tax expenses in the United States, and a change in uncertain tax positions. The change in the effective tax rate was primarily due to accelerated deduction following the enactment of new tax law, with an additional decrease from reduction in uncertain tax positions.

The Company regularly assesses the need for a valuation allowance against its deferred tax assets. In making that assessment, the Company considers both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company provides a valuation allowance to offset certain deferred tax assets due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBA”) was signed into law in the U.S. which contains a broad range of tax reform provisions affecting businesses. The impact of OBBA is reflected in these financial statements.

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In 2025, the Company is currently subject to federal tax audits in Israel and the U.S. and state tax audits in U.S. The tax audits are ongoing and to date, no material issues have been raised and no adjustments have been proposed.

NOTE 14 - EARNINGS (LOSS) PER SHARE

The following tables set forth the calculation of basic and diluted earnings (loss) per share attributable to ordinary shareholders for the three and nine months ended September 30, 2025 and 2024 (in thousands, except share and per share data):

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Basic EPS:		
Numerator:		
Net income attributable to Pagaya Technologies Ltd.	\$ 22,545	\$ 47,093
Less: Undistributed earnings allocated to preferred shares	1,259	2,804
Net income attributable to Pagaya Technologies Ltd. ordinary shareholders, basic	\$ 21,286	\$ 44,289
Denominator:		
Weighted average shares used for earnings per ordinary share, basic	78,539,137	77,086,125
Earnings per share attributable to ordinary shareholders, basic	\$ 0.27	\$ 0.57
Diluted EPS:		
Numerator:		
Net income attributable to Pagaya Technologies Ltd. ordinary shareholders, diluted	\$ 21,286	\$ 44,289
Denominator:		
Shares used in computation of basic earnings per share	78,539,137	77,086,125
Ordinary share warrants	786,333	785,789
Share options	9,993,930	1,950,226
Unvested RSUs	1,727,105	1,123,843
Ordinary shares upon employee stock purchase plan	25	0
Weighted average shares used for earnings per ordinary share, diluted	91,046,530	80,945,983
Earnings per share attributable to ordinary shareholders, diluted	\$ 0.23	\$ 0.55
	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Numerator:		
Net loss attributable to Pagaya Technologies Ltd. ordinary shareholders, basic and diluted	\$ (67,476)	\$ (163,484)
Denominator:		
Weighted average shares used for net loss per ordinary share, basic and diluted	72,728,667	69,619,813
Net loss per share attributable to ordinary shareholders, basic and diluted	\$ (0.93)	\$ (2.35)

EPS for Class B ordinary shares and EPS for preferred shares are not presented separately, as under the two-class method, the EPS for Class A, Class B and preferred shares are the same.

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The following potentially dilutive outstanding securities as of September 30, 2025 and 2024 were excluded from the computation of diluted earnings (loss) per share because their effect would have been anti-dilutive for the periods:

	September 30,	
	2025	2024
Share options	—	3,161,986
Options to restricted shares	—	19,970,330
RSUs	23,718	3,155,558
Ordinary share warrants	1,229,166	2,016,321
Redeemable convertible preferred shares	—	5,000,000
Exchangeable notes(1)	11,434,704	—
Total	12,687,588	33,304,195

(1) For the three and nine months ended September 30, 2025, the potential shares from exchangeable notes were excluded from the diluted EPS calculation as the incremental interest expense, net of tax, and the related shares would not be dilutive under the if-converted method.

NOTE 15 - SUBSEQUENT EVENTS**2025 Revolving Credit Facility**

On October 1, 2025, the Company refinanced the Revolving Credit Facility by way of terminating Credit Agreement and entering into a new three-year revolving credit facility (the “2025 Revolving Credit Facility”) with a syndicate of financial institutions. The 2025 Revolving Credit Facility provides a committed borrowing capacity of \$132 million. The 2025 Revolving Credit Facility matures on October 2, 2028.

Borrowings under the 2025 Revolving Credit Facility bear interest at a rate per annum equal to, at the Company’s option, (i) a base rate (determined based on the prime rate and subject to 1.00% floor) plus a margin of 2.50% and (ii) an adjusted term SOFR (subject to 1.00% floor) plus a margin of 3.50%, a reduction from the prior revolving credit facility’s rate of SOFR plus 7.50%. A commitment fee accrues on any unused portion of the commitments under the 2025 Revolving Credit Facility at a rate per annum of 0.25% and is payable quarterly in arrears. The terms and conditions of the 2025 Revolving Credit Facility include customary covenants and restrictions.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report on Form 10-Q ("Form 10-Q") and our audited annual consolidated financial statements as of and for the years ended December 31, 2024 and 2023, and the related notes included in our Annual Report on Form 10-K filed with the SEC on March 12, 2025 ("our Annual Report on Form 10-K"). Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of our Annual Report on Form 10-K, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. In this section "we," "us," "our" and "Pagaya" refer to Pagaya Technologies Ltd.

Company Overview

Pagaya's mission is to deliver more financial opportunity to more people, more often. We believe our mission will be accomplished by becoming the trusted lending technology partner for the consumer finance ecosystem, with an expansive product suite (the fee-generating side of our business) fueled by effective and efficient capital and risk management (the capital efficiency side of our business). Both sides of our business working harmoniously to meet the complex needs of the leading financial institutions.

We are a product-focused technology company that deploys sophisticated data science and proprietary, AI-powered technology to enable better outcomes for financial institutions, their existing and potential customers, and institutional or sophisticated investors.

We have built, and we are continuing to scale, a leading AI and data network for the benefit of financial services and other service providers, their customers, and investors. Services providers integrated in our network, which we refer to as our "Partners," range from high-growth financial technology companies to incumbent banks and financial institutions. We believe Partners benefit from our network to extend financial products to their customers, in turn helping those customers fulfill their financial needs. These assets originated by Partners with the assistance of Pagaya's AI technology are eligible to be acquired by Financing Vehicles: (i) funds managed or advised by Pagaya or one of its affiliates, (ii) securitization vehicles sponsored or administered by Pagaya or one of its affiliates and (iii) other similar vehicles ("Financing Vehicles").

In recent years, investments in digitization have improved the front-end delivery of financial products, upgrading customer experience and convenience. Notwithstanding these advances, we believe underlying approaches to the determination of creditworthiness for financial products are often outdated and overly manual. In our experience, providers of financial services tend to utilize a limited number of factors to make decisions, operate with siloed technology infrastructure and have data limited to their own experience. As a result, we believe financial services providers approve a smaller proportion of their application volume than is possible with the benefit of modern technology, such as our AI technology and data network.

At our core, we are a technology company that deploys data science and technology to drive better results across the financial ecosystem. We believe our solution drives a "win-win-win" for Partners, their customers and potential customers, and investors. First, by utilizing our network, Partners are able to approve more customer applications, which we believe drives superior revenue growth, enhanced brand affinity, opportunities to promote other financial products and decreased unit-level customer acquisition costs. Partners realize these benefits with limited incremental risk or funding requirements. Second, Partners' customers benefit from enhanced and more convenient access to financial products. Third, investors benefit through gaining exposure to these assets originated by Partners with the assistance of our AI technology and acquired by the Financing Vehicles through our network.

Emerging Growth Company Status

On the last business day of the second quarter in 2025, the aggregate market value of the Company's ordinary Class A shares held by non-affiliate shareholders exceeded \$700 million. As a result, we will be considered a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act for filings beginning with our annual report on Form 10-K for the fiscal year ended December 31, 2025, and we will cease to be an "emerging growth company" as of December 31, 2025. Due to the loss of emerging growth company status, the Company will no longer be exempt from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and our independent registered public accounting firm will evaluate and report on the effectiveness of our internal controls over financial reporting in our annual report for the fiscal year ended December 31, 2025. The transition to large accelerated filer status will also subject the Company to accelerated filing deadlines and additional disclosure requirements, which will further align our reporting with other large US companies for even greater transparency.

Foreign Private Issuer Status

The Company was previously classified as a “foreign private issuer” (“FPI”) under SEC rules; however, as of June 30, 2025, the Company determined that it no longer satisfied the criteria to be an FPI. Consequently, we will be required to comply with all of the provisions applicable to a U.S. domestic issuer under the Exchange Act. There will be no material adjustments required as a result of this adjustment since we have decided to voluntarily file on U.S. domestic issuer forms with the SEC beginning in 2024. Since then, the Company has been filing its quarterly reports on Form 10-Q, current reports on Form 8-K, and its annual reports on Form 10-K. In addition, the Company has been complying with Regulation FD and the SEC’s proxy rules, with the exception of the “short-swing” profit recovery provisions of Section 16 of the Exchange Act. Beginning on January 1, 2026, our officers, directors, and principal shareholders will be subject to the “short-swing” profit recovery provisions of Section 16 of the Exchange Act with respect to their purchases and sales of the Ordinary Shares.

Our Economic Model

Pagaya’s revenues are primarily derived from Network Volume. We define Network Volume as the gross dollar value of assets originated by our Partners with the assistance of our artificial intelligence (“AI”) technology¹ and, with respect to single-family rental operations, the gross dollar value of services, which may include the value of newly onboarded properties onto our Darwin platform. We generate revenue from network AI fees, contract fees, interest income and investment income. Revenue from fees is comprised of network AI fees and contract fees. Network AI fees can be further broken down into two fee streams: AI integration fees and capital markets execution fees.

We primarily earn AI integration fees for the creation and delivery of the assets that comprise our Network Volume.

Capital markets execution and contract fees are primarily earned from investors. Multiple funding channels are utilized to enable the purchase of network assets from our Partners, such as asset backed securitizations. Capital markets execution fees are primarily earned from the market pricing of ABS transactions while contract fees are management, performance and similar fees.

Additionally, we earn interest income from our risk retention holdings and our corporate cash balances and investment income associated with our ownership interests in certain Financing Vehicles and other proprietary investments.

We incur costs when Network Volume is acquired by the Financing Vehicles. These costs, which we refer to as “Production Costs,” compensate our Partners for acquiring and originating assets. Accordingly, the amount and growth of our Production Costs are highly correlated to Network Volume. An important operating metric to evaluate the success of our economic model, therefore, is FRLPC, or fee revenue less Production Costs.

Additionally, we have built what we believe to be a leading data science and AI organization that has enabled us to assist our Partners as they make decisions to extend credit to consumers or for the identification and purchase, or property management, of single-family rental properties. Excluding Production Costs, headcount, technology overhead and research and development expenses represent the significant portion of our expenses.

Key Factors Affecting Our Performance

Expanded Usage of Our Network by Our Existing Partners

Our AI technology typically enables Partners to convert a larger proportion of their application volume into originated loans, enabling them to expand their ecosystem and generate incremental revenues. Our Partners have historically seen rapid scaling of origination volume on our network shortly after onboarding and the contribution of Pagaya’s network to Partners’ total origination volume tends to increase over time. Additionally, we continue to introduce and develop new lines of business, asset types, and products and services, enabling Partners to expand their relationship with Pagaya and further increase origination volumes.

Adoption of Our Network by New Partners

¹ Our proprietary technology uses machine learning models as a subset of artificial intelligence that go through extensive testing, validation, and governance processes before they can be used or modified. The machine learning models are static and do not have the ability to self-correct, self-improve, and/or learn over time. Any change to the models requires human intervention, testing, validation, and governance approvals before a change can be made.

We devote significant time to, and have a team that focuses on, onboarding and managing Partners to our network. We believe that our success in adding new Partners to our network is driven by our distinctive value proposition: driving significant revenue uplift to our Partners at limited incremental cost or credit risk to the Partner. Our success adding new Partners has contributed to our overall Network Volume growth and driven our ability to rapidly scale new asset classes.

Continued Improvements to Our AI Technology

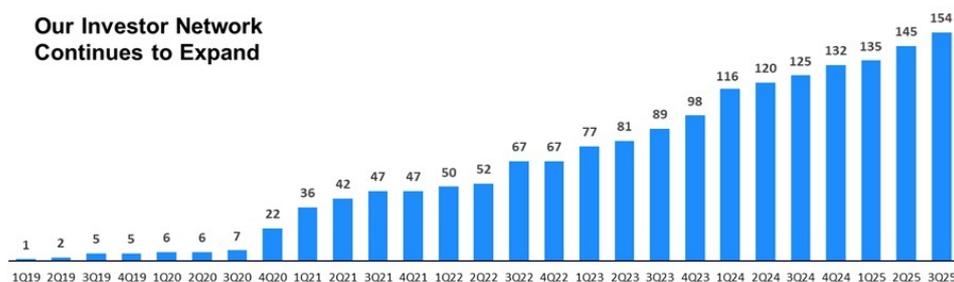
We believe our historical growth has been significantly influenced by improvements to our AI technology, which are in turn driven both by the deepening of our proprietary data network and the strengthening of our AI technology. As our existing Partners grow their usage of our network, new Partners join our network, and as we expand our network into new asset classes, the value of our data asset increases. Our technology improvements thus benefit from a flywheel effect that is characteristic of AI technology, in that improvements are derived from a continually increasing base of training data for our technology. We have found, and we expect to continue to experience, that more data leads to more efficient pricing and greater Network Volume. Since inception, we have evaluated more than \$3.2 trillion in application volume.

In addition to the accumulation of data, we make improvements to our technology by leveraging the experience of our research and development specialists. Our research team is central to accelerating the sophistication of our AI technology and expanding into new markets and use cases. We are reliant on these experts' success in making these improvements to our technology over time.

Availability and Pricing of Funding from Investors

Regardless of market conditions, the availability and pricing of funding from investors is critical to our growth. We have diversified our investor network and will continue to seek to further diversify our investor base. In the nine months ended September 30, 2025, our top 5 ABS investors contributed approximately 53% of our total ABS funding compared to 54% in the year ended December 31, 2024.

Our Investor Network Continues to Expand



Performance of Assets Originated with the Assistance of Our Proprietary Technology

The availability of funding from investors is a function of demand for consumer credit and residential real estate assets, as well as the performance of such assets originated with the assistance of our AI technology and purchased by Financing Vehicles. Our AI technology and data-driven insights are designed to enable relative outperformance versus the broader market. We believe that investors in Financing Vehicles view our AI technology as an important component in delivering assets that meet their investment criteria. See "Risk Factors—Risks Related to the Operations of Our Business" in our Annual Report on Form 10-K, which was filed with the SEC on March 12, 2025.

Impact of Macroeconomic Cycles and Global and Regional Conditions

We expect economic cycles to affect our financial performance and related metrics. Macroeconomic conditions, including persistent inflation, elevated interest rates, supply chain constraints, geopolitical tensions, climate-related disruptions, and evolving global conflicts, may affect consumer demand for financial products, our Partners' ability to generate and convert customer application volume, and the availability and cost of funding from investors through our Financing Vehicles. The war in Israel and Gaza, which escalated following the October 7, 2023 and intensified during the third quarter of 2025, remains a source of uncertainty. While the conflict has not materially disrupted our operations to date, its intensification and the expansion of

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related instability in the Middle East increase the risk of adverse impacts on regional and global economic conditions, energy prices, and investor confidence. Such developments may increase volatility in financial markets, elevate operating costs, or constrain funding availability, potentially affecting our business, financial condition, results of operations, and prospects. We continue to monitor the situation closely, though no significant direct impact has been observed as of the date of this Report. The Russia-Ukraine conflict, ongoing since February 2022, persists with no clear resolution as of mid-2025. While we have not experienced material impacts on our business from this conflict, prolonged hostilities or further escalation, such as expanded sanctions, disruptions to energy markets, or broader economic fallout, could exacerbate global inflationary pressures and supply chain challenges. These factors may indirectly influence consumer credit demand, investor appetite for risk assets, and our Network Volume. We assess this risk as manageable but remain vigilant given its potential to contribute to wider economic disruptions.

Macroeconomic pressures, including sustained high interest rates and inflation, continue to shape our operating environment. Central banks, including the Federal Reserve, have maintained elevated rates into mid-2025 to combat inflationary trends, increasing borrowing costs and potentially straining borrowers' ability to service debt. This could lead to higher delinquencies, defaults, and charge-offs, reducing investor returns and dampening demand for assets generated on our platform. Inflation, though moderating from its 2022-2023 peak, remains above historical norms, driving up operating costs such as employee compensation, financing expenses, and technology investments. These pressures have been partially offset by operational efficiencies and growth in application volume from our Partners, supporting net growth in Network Volume despite a higher cost of capital. Global supply chain disruptions, exacerbated by geopolitical tensions and extreme weather events linked to climate change, continue to challenge economic stability. These disruptions may indirectly affect our Partners' ability to serve customers and could increase costs across our network. Meanwhile, the elevated risk-free rate environment has shifted investor preferences, with some favoring safer assets over consumer credit. While our ability to raise funding remains intact, the cost of capital has risen, necessitating adjustments in conversion ratios to meet investor return expectations. Strong Partner application volume has mitigated this impact, sustaining Network Volume growth through 2024 and into mid-2025. Adverse developments in the financial sector, such as regional bank stresses, liquidity concerns, or prolonged U.S. federal debt ceiling debates, could further complicate our operating landscape. In 2024, isolated bank failures and downgrades sparked temporary market volatility, though our direct exposure remains limited. Should these events escalate into systemic liquidity issues, they could impair our Partners' and counterparties' ability to meet obligations, disrupt funding flows, or destabilize financial markets, adversely affecting our performance. Similarly, ongoing trade tensions, particularly between the U.S. and China, and potential tariff escalations could introduce additional uncertainty, though we have not yet seen significant effects on our operations. Economic downturns or prolonged uncertainty may pressure the performance of assets acquired by Financing Vehicles from our network. However, these conditions also provide valuable data to refine our AI technology, enhancing our ability to adapt to shifting market dynamics and deliver value to Partners and investors. Historical events like the COVID-19 pandemic and the current inflationary period have underscored the resilience of our platform, validating its outcomes even amid volatility. For a detailed discussion of uncertainties and other factors that could impact our operating results, see "Risk Factors" section in our Annual Report on Form 10-K, which was filed with the SEC on March 12, 2025.

Key Operating Metric

We collect and analyze operating and financial data of our business to assess our performance, formulate financial projections and make strategic decisions. In addition to total revenues, net operating income (loss), other measures under U.S. GAAP, and certain non-GAAP financial measures (see discussion and reconciliation herein titled "Reconciliation of Non-GAAP Financial Measures"), we consider Network Volume to be a key operating metric we use to evaluate our business. The following table sets forth our Network Volume for the three and nine months ended September 30, 2025 and 2024.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Network Volume	\$ 2,802	\$ 2,351	\$ 7,850	\$ 7,101

Network Volume

We believe the Network Volume metric to be a helpful indicator for our overall scale and reach, as we generate revenue primarily on the basis of Network Volume. In addition, Network Volume directly influences Fee Revenue Less Production Cost (FRLPC), a key non-GAAP measure we use to assess operational efficiency. While maintaining a focus on profitable growth, which may result in a different targeted volume mix, we believe the growth in Network Volume highlights the scalability of our business, which, in turn, affects our operational leverage and profitability. Network Volume is primarily driven by our relationships with our Partners and SFR Partners. We believe Network Volume has benefited from continuous improvements to our proprietary

technology, enabling our network to more effectively identify assets for acquisition by the Financing Vehicles, thereby providing additional investment opportunities to investors. As a result, when viewed in combination with financial profitability metrics, the expansion of Network Volume provides insights into the effectiveness of our business strategies and the ability to leverage operational efficiencies across different asset classes. Network Volume is comprised of assets across several asset classes, including personal loans, auto loans, residential real estate, and point-of-sale receivables.

Components of Results of Operations

Revenue

We generate revenue from network AI fees, contract fees, interest income and investment income. Network AI fees and contract fees are presented together as Revenue from fees in the consolidated financial statements. Revenue from fees is recognized after applying the five-step model consistent with Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 606, “Revenue from Contracts with Consumers” (“ASC 606”). Revenue from fees is inclusive of network AI fees and contract fees.

Network AI fees. Network AI fees can be further broken down into two fee streams: AI integration fees and capital markets execution fees. We earn AI integration fees for the creation and delivery of the assets that comprise our Network Volume. Multiple funding channels are used to enable the purchase of network assets from our Partners, such as ABS, pass-through and forward flow transactions. Capital markets execution fees are earned when a pre-funded, Pagaya-sponsored ABS vehicle is sold by underwriters.

Contract fees. Contract fees primarily include administration and management fees, and performance fees. Administration and management fees are contracted upon the establishment of Financing Vehicles and these fees are earned as the Financing Vehicle purchase loans and as the Company provides services over their remaining lives, except for the portion management fees that are recognized at the point in time based on contract terms.

Performance fees are earned when certain Financing Vehicles exceed contractual return hurdles and a significant reversal in the amount of cumulative revenue recognized is not expected to occur.

We also earn interest income from our risk retention holdings and cash balances and investment income associated with our ownership interests in certain Financing Vehicles and other proprietary investments.

Costs and Operating Expenses

Costs and operating expenses consist of Production Costs, technology, data and product development expenses, sales and marketing expenses, and general and administrative expenses. Salaries and personnel-related costs, including benefits, bonuses, share-based compensation, and outsourcing comprise a significant component of several of these expense categories. A portion of our non-share-based compensation expense and, to a lesser extent, certain operating expenses (excluding Production Costs) are denominated in the new Israeli shekel (“NIS”), which could result in variability in our operating expenses which are presented in U.S. Dollars.

Production Costs

Production Costs are primarily comprised of expenses incurred when Network Volume is transferred from Partners into Financing Vehicles, as our Partners are responsible for marketing and customer interaction and facilitating the flow of additional application flow. Accordingly, the amount and growth of our Production Costs are highly correlated to Network Volume. Additionally, but to a lesser extent, Production Costs also include expenses incurred to renovate single-family rental properties.

Technology, Data and Product Development

Technology, data and product development expenses primarily comprise costs associated with the maintenance and ongoing development of our network and AI technology, including personnel, allocated costs, and other development-related expenses. Technology, data and product development costs, net of amounts capitalized in accordance with U.S. GAAP, are expensed as incurred. The capitalized internal-use software is amortized on a straight-line method over the estimated useful life in technology, data and product development costs. We have invested and believe continued investments in technology, data and product development are important to achieving our strategic objectives.

Sales and Marketing

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Sales and marketing expenses, related to Partner onboarding, development, and relationship management, as well as capital markets investor engagement and marketing, are comprised primarily of salaries and personnel-related costs, as well as the costs of certain professional services, and allocated overhead. Sales and marketing expenses are expensed as incurred. Sales and marketing expenses in absolute dollars may fluctuate from period to period based on the timing of our investments in our sales and marketing functions. These investments may vary in scope and scale over future periods depending on our pipeline of new Partners and strategic investors.

General and Administrative

General and administrative expenses primarily comprise personnel-related costs for our executives, finance, legal and other administrative functions, insurance costs, professional fees for external legal, accounting and other professional services and allocated overhead costs. General and administrative expenses are expensed as incurred.

Gains and (losses) on investments in loans and securities

Gains and (losses) on investments in loans and securities primarily reflects changes in fair value that management identifies as credit losses or reversals of previously recognized credit losses, including remeasurements of instruments accounted for under the fair value option and any gain or loss realized upon sale or termination of such instruments. As of the end of each reporting period, management reviews each security where the fair value is less than the amortized cost to determine whether any portion of the decline in fair value is due to a credit loss and/or whether or not we intend to sell or will be required to sell such security before recovery of its amortized cost basis. The portion of any decline (or recovery) in fair value which management identifies as a credit loss (or a reversal of previously recognized credit loss) is recognized as loss (or gain) on investments in loans and securities.

Other Expenses, Net

Other expenses, net primarily consists of interest expenses from borrowings, changes in the fair value of warrant liabilities and other non-recurring items.

Income Tax Expense

We account for taxes on income in accordance with ASC 740, "Income Taxes" ("ASC 740"). We are eligible for certain tax benefits in Israel under the Law for the Encouragement of Capital Investments or the Investment Law at a reduced tax rate of 12%. Accordingly, as we generate taxable income in Israel, our effective tax rate is expected to be lower than the standard corporate tax rate for Israeli companies, which is 23%. Our taxable income generated in the United States or derived from other sources in Israel which is not eligible for tax benefits will be subject to the regular corporate tax rate in their respective tax jurisdictions.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests in our condensed consolidated statements of operations is a result of our investments in certain of our consolidated variable interest entities ("VIEs") and consists of the portion of the net income of these consolidated entities that is not attributable to us.

Results of Operations

The following table sets forth operating results for the periods indicated (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue				
Revenue from fees	\$ 339,887	\$ 249,283	\$ 940,305	\$ 728,881
Other Income				
Interest income	14,918	8,735	33,333	24,672
Investment loss, net	(4,640)	(784)	(7,086)	(699)
Total Revenue and Other Income	350,165	257,234	966,552	752,854
Production costs	200,574	148,965	559,122	439,448
Technology, data and product development (1)	18,236	16,655	56,135	57,970
Sales and marketing (1)	14,453	11,440	43,707	35,028
General and administrative (1)	36,944	57,790	123,476	185,307
Total Costs and Operating Expenses	270,207	234,850	782,440	717,753
Operating Income	79,958	22,384	184,112	35,101
Gains and (losses) on investments in loans and securities	(19,557)	(77,594)	(62,832)	(154,001)
Other expenses, net	(27,377)	(30,345)	(66,267)	(61,481)
Loss from extinguishment of debt	(24,961)	(200)	(25,457)	(200)
Income (Loss) Before Income Taxes	8,063	(85,755)	29,556	(180,581)
Income tax (benefit) expense	(15,210)	(11,524)	(12,772)	7,991
Net Income (Loss) Including Noncontrolling Interests	23,273	(74,231)	42,328	(188,572)
Less: Net income (loss) attributable to noncontrolling interests	728	(6,755)	(4,765)	(25,088)
Net Income (Loss) Attributable to Pagaya Technologies Ltd.	\$ 22,545	\$ (67,476)	\$ 47,093	\$ (163,484)
Per share data:				
Net income (loss) attributable to Pagaya Technologies Ltd.	\$ 22,545	\$ (67,476)	\$ 47,093	\$ (163,484)
Less: Undistributed earnings allocated to preferred shares	1,259	—	2,804	—
Net income (loss) attributable to Pagaya Technologies Ltd.'s ordinary shares	\$ 21,286	\$ (67,476)	\$ 44,289	\$ (163,484)
Earnings (loss) per share attributable to Pagaya Technologies Ltd.'s ordinary shares:				
Basic	\$ 0.27	\$ (0.93)	\$ 0.57	\$ (2.35)
Diluted	\$ 0.23	\$ (0.93)	\$ 0.55	\$ (2.35)
Weighted average shares outstanding:				
Basic	78,539,137	72,728,667	77,086,125	69,619,813
Diluted	91,046,530	72,728,667	80,945,983	69,619,813

(1) The following table sets forth share-based compensation for the periods indicated below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Technology, data and product development	\$ 1,243	\$ 1,011	\$ 3,666	\$ 6,985
Sales and marketing	5,452	2,875	18,963	9,594
General and administrative	6,887	8,447	22,353	29,273
Total share-based compensation in operating expenses	\$ 13,582	\$ 12,333	\$ 44,982	\$ 45,852

Comparison of Three Months Ended September 30, 2025 and 2024

Total Revenue and Other Income

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Revenue from fees	\$ 339,887	\$ 249,283	\$ 90,604	36 %
Interest income	14,918	8,735	6,183	71 %
Investment loss, net	(4,640)	(784)	(3,856)	(492)%
Total Revenue and Other Income	\$ 350,165	\$ 257,234	\$ 92,931	36 %

Total revenue and other income, increased by \$92.9 million, or 36%, to \$350.2 million for the three months ended September 30, 2025 from \$257.2 million for the three months ended September 30, 2024. The increase was primarily driven by an increase in revenue from fees and interest income, partially offset by an increase in investment loss, net.

Revenue from fees for the three months ended September 30, 2025 increased by \$90.6 million, or 36%, to \$339.9 million, compared to the same period in 2024. The increase was primarily due to a \$75.5 million increase in Network AI fees, comprised of AI integration fees and capital markets execution fees, from \$229.1 million for the three months ended September 30, 2024 to \$304.6 million for the three months ended September 30, 2025. The increase in Network AI fees was primarily driven by improved economics in AI integration fees earned from certain Partners, as well as the growth in Network Volume, which increased by 19.2% from \$2.4 billion for the three months ended September 30, 2024 to \$2.8 billion for the three months ended September 30, 2025. These increases were partially offset by a decrease in capital markets execution fees earned from our ABS and forward flow transactions during the three months ended September 30, 2025.

Contract fees, comprised of administration and management fees, performances fees, and servicing fees, increased by \$15.2 million from \$20.1 million for the three months ended September 30, 2024 to \$35.3 million for the three months ended September 30, 2025, reflecting an increase in net asset values of the assets held by certain Financing Vehicles driven by continued business growth.

Interest income increased by \$6.2 million, or 71%, to \$14.9 million for the three months ended September 30, 2025 from \$8.7 million for the three months ended September 30, 2024. The increase in interest income was directly related to our risk retention holdings and related securities held in our consolidated VIEs as well as certain risk retention holdings held directly by our consolidated subsidiaries. For further information, see “—Net Income (Loss) Attributable to Noncontrolling Interests.” The increase in interest income was primarily the result of changes in structure and composition of asset portfolio.

Investment loss increased by \$3.9 million to \$4.6 million for the three months ended September 30, 2025, reflecting an unfavorable impact from the change in valuation of certain proprietary investments.

Costs and Operating Expenses

	Three Months Ended September 30,	
	2025	2024
	(in thousands)	
Production costs	\$ 200,574	\$ 148,965
Technology, data and product development	18,236	16,655
Sales and marketing	14,453	11,440
General and administrative	36,944	57,790
Total Costs and Operating Expenses	\$ 270,207	\$ 234,850

Production Costs

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Production costs	\$ 200,574	\$ 148,965	\$ 51,609	35 %

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Production costs increased by \$51.6 million, or 35%, to \$200.6 million for the three months ended September 30, 2025 from \$149.0 million for the three months ended September 30, 2024. This increase was due to an increase in the Network Volume attributable to business growth in addition to the composition of the asset classes that make up our Network Volume.

Technology, Data and Product development

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Technology, data and product development	\$ 18,236	\$ 16,655	\$ 1,581	9 %

Technology, data and product development costs for the three months ended September 30, 2025 increased \$1.6 million, or 9%, compared to the same period in 2024. The increase was driven by a \$1.0 million increase in depreciation expenses, net of capitalization (as explained below), and a \$0.5 million increase in cloud server and miscellaneous expenses.

During the three months ended September 30, 2025 and 2024, we capitalized \$3.9 million and \$5.7 million of software development costs, respectively. Depreciation expense, including impairment charges for capitalized software development costs was \$5.8 million and \$6.6 million during the three months ended September 30, 2025 and 2024, respectively.

Sales and Marketing

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Sales and marketing	\$ 14,453	\$ 11,440	\$ 3,013	26 %

Sales and marketing costs for the three months ended September 30, 2025 increased by \$3.0 million, compared to the same period in 2024. The increase was primarily driven by higher compensation expenses, including shared-based compensation.

General and Administrative

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
General and administrative	\$ 36,944	\$ 57,790	\$ (20,846)	(36)%

General and administrative costs for the three months ended September 30, 2025 decreased by \$20.8 million, or 36%, compared to the same period in 2024, primarily driven by a \$14.3 million lower loss from loan purchases and a \$8.0 million decrease in transaction costs charged to general and administrative costs.

Gains and (Losses) on Investments in Loans and Securities

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Gains and (losses) on investments in loans and securities	\$ (19,557)	\$ (77,594)	\$ 58,037	75 %

Losses on investments in loans and securities for the three months ended September 30, 2025 decreased \$58.0 million compared to the same period in 2024. The decrease was primarily due to a \$74.0 million reduction in credit-related impairment loss on certain investments from \$77.6 million in the prior period to \$3.5 million in the current period, primarily driven by changes in the fair value of investments in loans and securities as a result of fluctuations in key inputs to the discounted cash flow models used to determine fair value, as well as fair value option gains from ABS securitizations at lower interest rates during the current period. Of the credit-related impairment loss of \$3.5 million in the current period, \$1.0 million is attributable to the noncontrolling interest in certain VIEs and accordingly, is not attributable to Pagaya Shareholders. These improvements were partially offset by a \$16.3 million increase in loss from sales of certain investments in the current period.

Other Expense, Net

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Other expense, net	\$ (27,377)	\$ (30,345)	\$ 2,968	10 %

Other expense, net for the three months ended September 30, 2025 decreased \$3.0 million compared to the same period in 2024. The decrease was primarily due to a \$4.8 million decrease in interest expenses resulting from the Company's ongoing strategy to optimize its capital structure by reducing higher-cost debt, and a favorable foreign exchange impact of \$4.2 million. These favorable impacts were offset by an unfavorable impact of \$3.7 million from the change in fair value of warrant liability.

Loss from Extinguishment of Debt

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Loss from extinguishment of debt	\$ (24,961)	\$ (200)	\$ (24,761)	NM

NM: Not Meaningful

Loss from extinguishment of debt is \$25.0 million one-time loss related to the write-off of deferred issuance costs and the early payment penalty from the repayment of the outstanding principal balance under the Credit Agreement and secured borrowings using the proceeds from the issuance of Senior Notes.

Income Tax Benefit

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Income tax benefit	\$ (15,210)	\$ (11,524)	\$ (3,686)	(32)%

Income tax benefit for the three months ended September 30, 2025 increased \$3.7 million, compared to the same period in 2024. The increase was primarily driven by an increase in discrete tax benefit during the three months ended September 30, 2025.

Net Income (Loss) Attributable to Noncontrolling Interests

	Three Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Net income (loss) attributable to noncontrolling interests	\$ 728	\$ (6,755)	\$ 7,483	111 %

Net income (loss) attributable to noncontrolling interests for the three months ended September 30, 2025 increased \$7.5 million compared to the same period in 2024. The increase was driven by the net income generated by our consolidated VIEs associated with our risk retention holdings. This amount represented the net income (loss) of the consolidated VIEs to which we had no economic right and was the result of interest income on investments, partially offset by a lower credit-related impairment loss of \$6.9 million on the risk retention holdings. For further information, see "—Total Revenue and Other Income" and "—Gains and (losses) on Investments in Loans and Securities."

Comparison of Nine Months Ended September 30, 2025 and 2024

Total Revenue and Other Income

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Revenue from fees	\$ 940,305	\$ 728,881	\$ 211,424	29 %
Interest income	33,333	24,672	8,661	35 %
Investment loss, net	(7,086)	(699)	(6,387)	(914)%
Total Revenue and Other Income	\$ 966,552	\$ 752,854	\$ 213,698	28 %

Total revenue and other income, increased by \$213.7 million, or 28%, to \$966.6 million for the nine months ended September 30, 2025 from \$752.9 million for the nine months ended September 30, 2024. The increase was primarily driven by an increase in revenue from fees and interest income, partially offset by an increase in investment loss, net.

Revenue from fees for the nine months ended September 30, 2025 increased by \$211.4 million, or 29%, to \$940.3 million, compared to the same period in 2024. The increase was primarily due to a \$177.7 million increase in Network AI fees, comprised of AI integration fees and capital markets execution fees, from \$666.2 million for the nine months ended September 30, 2024 to \$843.9 million for the nine months ended September 30, 2025. The increase in Network AI fees was primarily driven by improved economics of AI integration fees earned from certain Partners, as well as the growth in Network Volume, which increased by 11% from \$7.1 billion for the nine months ended September 30, 2024 to \$7.9 billion for the nine months ended September 30, 2025. These increases were partially offset by a decrease in capital markets execution fees earned from our ABS and forward flow transactions during the nine months ended September 30, 2025.

Contract fees, comprised of administration and management fees and performance fees, increased by \$33.7 million from \$62.7 million for the nine months ended September 30, 2024 to \$96.4 million for the nine months ended September 30, 2025. This increase was due to higher net asset values of assets held by certain Financing Vehicles driven by continued business growth, and an increase in performance fees, as the prior period included a reversal of performance fees.

Interest income increased by \$8.7 million, or 35%, to \$33.3 million for the nine months ended September 30, 2025 from \$24.7 million for the nine months ended September 30, 2024. The increase in interest income was directly related to our risk retention holdings and related securities held in our consolidated VIEs as well as certain risk retention holdings held directly by our consolidated subsidiaries. For further information, see “—Net Income (Loss) Attributable to Noncontrolling Interests.” The increase in interest income was primarily the result of changes in structure and composition of asset portfolio.

Investment loss increased by \$6.4 million to \$7.1 million for the nine months ended September 30, 2025, reflecting an unfavorable impact from the change in valuation of certain proprietary investments.

Costs and Operating Expenses

	Nine Months Ended September 30,	
	2025	2024
	(in thousands)	
Production costs	\$ 559,122	\$ 439,448
Technology, data and product development	56,135	57,970
Sales and marketing	43,707	35,028
General and administrative	123,476	185,307
Total Costs and Operating Expenses	\$ 782,440	\$ 717,753

Production Costs

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Production costs	\$ 559,122	\$ 439,448	\$ 119,674	27 %

Production costs increased by \$119.7 million, or 27%, to \$559.1 million for the nine months ended September 30, 2025 from \$439.4 million for the nine months ended September 30, 2024. This increase was due to an increase in the Network Volume attributable to business growth in addition to the composition of the asset classes that make up our Network Volume.

Technology, Data and Product Development

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Technology, data and product development	\$ 56,135	\$ 57,970	\$ (1,835)	(3)%

Technology, data and product development costs for the nine months ended September 30, 2025 decreased \$1.8 million, or 3%, compared to the same period in 2024. This decrease was primarily driven by a \$5.2 million decrease in compensation expense, partially offset by a \$1.8 million increase in amortization of intangible assets and a \$1.0 million increase in cloud server expenses.

During the nine months ended September 30, 2025 and 2024, we capitalized \$12.4 million and \$17.8 million of software development costs, respectively. Depreciation expense, including impairment charges for capitalized software development costs was \$18.0 million and \$20.1 million during the nine months ended September 30, 2025 and 2024, respectively.

Sales and Marketing

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Sales and marketing	\$ 43,707	\$ 35,028	\$ 8,679	25 %

Sales and marketing costs for the nine months ended September 30, 2025 increased by \$8.7 million compared to the same period in 2024. The increase was primarily driven by higher compensation expenses, including shared-based compensation.

General and Administrative

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
General and administrative	\$ 123,476	\$ 185,307	\$ (61,831)	(33)%

General and administrative costs for the nine months ended September 30, 2025 decreased by \$61.8 million, compared to the same period in 2024. The decrease was primarily driven by a \$24.0 million lower loss from loan purchases, a \$21.9 million decrease in transaction costs charged to general and administrative costs, and a \$11.0 million decrease in compensation expenses.

Gains and (Losses) on Investments in Loans and Securities

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Gains and (losses) on investments in loans and securities	\$ (62,832)	\$ (154,001)	\$ 91,169	59 %

Losses on investments in loans and securities for the nine months ended September 30, 2025 decreased \$91.2 million compared to the same period in 2024. The decrease was primarily due to a \$98.3 million reduction in credit-related impairment loss on certain investments from \$154.0 million in the prior period to \$55.7 million in the current period, primarily driven by changes in the fair value of investments in loans and securities as a result of fluctuations in key inputs to the discounted cash flow models used to determine fair value, as well as fair value option gains from ABS securitizations at lower interest rates during the current period. Of the credit-related impairment loss of \$55.7 million in the current period, \$9.7 million is attributable to the noncontrolling interest in certain VIEs and accordingly, is not attributable to Pagaya Shareholders. These improvements were partially offset by a \$7.6 million increase in loss (net of gain) from sales of certain investments in the current period.

Other Expense, Net

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Other expense, net	\$ (66,267)	\$ (61,481)	\$ (4,786)	(8)%

Other expense, net for the nine months ended September 30, 2025 increased \$4.8 million compared to the same period in 2024. The increase was primarily due to an unfavorable impact of \$6.8 million from the change in fair value of warrant liability, and higher interest expenses of \$2.3 million reflecting a higher borrowing balance in the current period. These increases were partially offset by a favorable impact of \$5.8 million from a release of contingent liability associated with the acquisition of Theorem.

Loss From Extinguishment of Debt

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Loss from extinguishment of debt	\$ (25,457)	\$ (200)	\$ (25,257)	NM

NM: Not Meaningful

Loss from extinguishment of debt is \$25.3 million one-time loss related to the write-off of deferred issuance costs and the early payment penalty from the repayment of the outstanding principal balance under the Credit Agreement and secured borrowings using the proceeds from the issuance of Senior Notes.

Income Tax (Benefit) Expense

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Income tax (benefit) expense	\$ (12,772)	\$ 7,991	\$ (20,763)	(260)%

Income tax expense for the nine months ended September 30, 2025 decreased \$20.8 million, compared to the same period in 2024. The decrease was primarily driven by a decrease in discrete tax expenses during the nine months ended September 30, 2025.

Net Loss Attributable to Noncontrolling Interests

	Nine Months Ended September 30,		Change	% Change
	2025	2024		
	(in thousands, except percentages)			
Net loss attributable to noncontrolling interests	\$ (4,765)	\$ (25,088)	\$ 20,323	81 %

Net loss attributable to noncontrolling interests for the nine months ended September 30, 2025 decreased by \$20.3 million, or 81%, compared to the same period in 2024. The decrease was driven by the net loss generated by our consolidated VIEs associated with our risk retention holdings. This amount represented the net loss of the consolidated VIEs to which we had no economic right and was the result of a lower credit-related impairment loss of \$19.6 million on the risk retention holdings. For further information, see “—Total Revenue and Other Income” and “—Gains and (losses) on Investments in Loans and Securities.”

Reconciliation of Non-GAAP Financial Measures

To supplement our consolidated financial statements prepared and presented in accordance with U.S. GAAP, we use the non-GAAP financial measures FRLPC, Fee Revenue Less Production Costs as percentage of Network Volume (FRLPC %), Adjusted Net Income, and Adjusted EBITDA to provide investors with additional information about our financial performance and to enhance the overall understanding of the results of operations by highlighting the results from ongoing operations and the underlying profitability of our business. We are presenting these non-GAAP financial measures because we believe they provide an additional tool for investors to use in comparing our core financial performance over multiple periods with the performance of other companies.

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However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by U.S. GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, our consolidated financial statements prepared and presented in accordance with U.S. GAAP.

To address these limitations, we provide a reconciliation of FRLPC, FRLPC %, Adjusted Net Income, and Adjusted EBITDA to the most directly comparable U.S. GAAP measure. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view FRLPC, FRLPC %, Adjusted Net Income, and Adjusted EBITDA in conjunction with their respective related U.S. GAAP financial measures.

FRLPC, FRLPC %, Adjusted Net Income, and Adjusted EBITDA

FRLPC, FRLPC %, Adjusted Net Income, and Adjusted EBITDA for the three and nine months ended September 30, 2025 and 2024 are summarized below (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Fee Revenue Less Production Cost (FRLPC)	\$ 139,313	\$ 100,318	\$ 381,183	\$ 289,433
Fee Revenue Less Production Costs % (FRLPC %)	5.0 %	4.3 %	4.9 %	4.1 %
Adjusted Net Income	\$ 92,754	\$ 33,122	\$ 196,567	\$ 53,641
Adjusted EBITDA	\$ 107,038	\$ 56,085	\$ 272,904	\$ 146,205

FRLPC is defined as revenue from fees less production costs. We use FRLPC as part of overall assessment of performance, including the preparation of our annual budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our Board of Directors concerning our financial performance. The Company is including a reconciliation between FRLPC and operating income, which we consider the most directly comparable GAAP financial measure. FRLPC is designed to assess operational efficiency by measuring fee revenue against production costs, excluding operating expenses not directly tied to revenue production, such as technology development, sales and marketing, and general and administrative costs. FRLPC is intended to highlight the scalability of our platform as Network Volume (the gross dollar amount of assets originated or services rendered using our technology) increases, demonstrating our ability to efficiently generate fee revenue while managing production costs. FRLPC %, defined as FRLPC divided by Network Volume, further illustrates this efficiency, showing how effectively we convert Network Volume into fee revenue relative to production costs as our platform scales.

Adjusted Net Income is defined as net income (loss) attributable to our shareholders excluding share-based compensation expense, change in fair value of warrant liability, change in fair value of contingent liability, impairment, including credit-related charges, restructuring expenses, transaction-related expenses, and non-recurring expenses associated with mergers and acquisitions and other one-time expenses. Adjusted EBITDA is defined as net income (loss) attributable to our shareholders excluding share-based compensation expense, change in fair value of warrant liability, change in fair value of contingent liability, impairment, including credit-related charges, restructuring expenses, transaction-related expenses, non-recurring expenses associated with mergers and acquisitions and other one-time expenses, interest expense, depreciation expense, and provision (and benefit from) for income taxes. These items are excluded from our Adjusted Net Income and Adjusted EBITDA measures because they are noncash in nature, or because the amount and timing of these items is unpredictable, is not driven by core results of operations and renders comparisons with prior periods and competitors less meaningful.

We believe FRLPC, FRLPC %, Adjusted Net Income, and Adjusted EBITDA provide useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. Moreover, we have included FRLPC, FRLPC %, Adjusted Net Income, and Adjusted EBITDA in this report because these are key measurements used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting. However, this non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with U.S. GAAP and may be different from similarly titled non-GAAP financial measures used by other companies.

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The following tables present reconciliations of FRLPC to Operating Income, and Adjusted EBITDA to Net Income Attributable to Pagaya Technologies Ltd., in each case the most directly comparable U.S. GAAP measure (\$ in thousands, unless otherwise noted):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Income	\$ 79,958	\$ 22,384	\$ 184,112	\$ 35,101
Add: Technology, data and product development	18,236	16,655	56,135	57,970
Add: Sales and marketing	14,453	11,440	43,707	35,028
Add: General and administrative	36,944	57,790	123,476	185,307
Less: Interest income	14,918	8,735	33,333	24,672
Less: Investment loss, net	(4,640)	(784)	(7,086)	(699)
Fee Revenue Less Production Costs (FRLPC)	\$ 139,313	\$ 100,318	\$ 381,183	\$ 289,433
Network Volume (in millions)	\$ 2,802	\$ 2,351	\$ 7,850	\$ 7,101
Fee Revenue Less Production Costs % (FRLPC %)	5.0 %	4.3 %	4.9 %	4.1 %

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net Income (Loss) Attributable to Pagaya Technologies Ltd.	\$ 22,545	\$ (67,476)	\$ 47,093	\$ (163,484)
Adjusted to exclude the following:				
Share-based compensation	13,582	12,333	44,982	45,852
Fair value adjustment to contingent liability	(418)	—	(5,807)	—
Fair value adjustment to warrant liability	4,908	1,213	6,486	(358)
Impairment loss on certain investments, net	18,606	81,827	61,204	159,489
Write-off of capitalized software and other assets	2,817	584	4,741	3,145
Restructuring expenses	167	38	1,392	3,583
Transaction-related expenses	—	1,072	23	1,607
Non-recurring expenses	30,547	3,531	36,453	3,807
Adjusted Net Income	\$ 92,754	\$ 33,122	\$ 196,567	\$ 53,641
Adjusted to exclude the following:				
Interest expenses	21,858	27,371	66,158	64,098
Income tax (benefit) expense	(15,210)	(11,524)	(12,772)	7,991
Depreciation and amortization	7,636	7,116	22,951	20,475
Adjusted EBITDA	\$ 107,038	\$ 56,085	\$ 272,904	\$ 146,205

Liquidity and Capital Resources

As of September 30, 2025 and December 31, 2024, the principal sources of liquidity were cash and cash equivalents, and restricted cash and cash equivalents of \$264.8 million and \$226.5 million, respectively. We believe these sources will be sufficient to meet our current liquidity needs for the next twelve months, from the date of issuance of the unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q, and be sufficient to support our future cash needs, however, we can provide no assurance that our liquidity and capital resources will meet future funding requirements.

Our primary requirements for liquidity and capital resources are to purchase and finance risk retention requirements, invest in technology, data and product development and to attract, recruit and retain a strong employee base, as well as to fund potential

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strategic transactions, including acquisitions, if any. We intend to continue to make strategic investments to support our business plans.

We do not have capital expenditure commitments as the vast majority of our capital expenditures relate to the capitalization of certain compensation and non-compensation expenditures used in the development and improvement of our proprietary technology.

There are numerous risks to the Company's financial results, liquidity and capital raising, some of which may not be quantified in the Company's current estimates. The principal factors that could impact liquidity and capital needs are a prolonged inability to adequately access funding in the capital markets or in bilateral agreements, including as a result of macroeconomic conditions such as rising interest rates and higher cost of capital, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced products and the continuing market adoption of the Company's network.

We expect to fund our operations with existing cash and cash equivalents, cash generated from operations, including cash flows from investments in loans and securities, and additional secured borrowing, including repurchase agreements. We may also raise additional capital, including through borrowings (see further description of the credit facility below in the section titled "*2025 Revolving Credit Facility*") or through the sale or issuance of equity or debt securities, as described below in the sections titled "*Shelf Registration Statement*" and "*Senior Notes*," as well as the issuance of up to an additional 1,666,666 Series A Preferred Shares. The ownership interest of our shareholders will be, or could be, diluted as a result of sales or issuances of equity or debt securities, and the terms of any such securities may include liquidation or other preferences that adversely affect the rights of our shareholders of Class A Ordinary Shares. We intend to support our liquidity and capital position by pursuing diversified sources of financing, including debt financing, secured borrowing, or equity financing. The rates, terms, covenants and availability of such additional financing is not guaranteed and will be dependent on not only macro-economic factors, but also on Pagaya-specific factors such as the results of our operations and the returns generated by loans originated with the assistance of our AI Technology.

Additional debt financing, such as secured or unsecured borrowings, including repurchase agreements, credit facilities or corporate bonds, and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in "Risk Factors" in our Annual Report on Form 10-K, which was filed with the SEC on March 12, 2025.

In addition, we will receive the proceeds from any exercise of any public warrants and private placement warrants in cash. Each public warrant and each private placement warrant that was issued and exchanged for each EJFA Private Placement Warrant in the EJFA Merger entitles the holder thereof to purchase one Class A Ordinary Share at a price of \$138 per share (as adjusted for the 1-for-12 reverse share split). Following the 1-for-12 reverse share split effective March 2024, each warrant entitles holder to purchase 1/12 of a Class A Ordinary Share (or equivalently, 12 warrants are required to obtain 1 Class A Ordinary Share). The aggregate amount of proceeds could be up to \$169.6 million if all such warrants are exercised for cash. We expect to use any such proceeds for general corporate and working capital purposes, which would increase our liquidity.

As of November 7, 2025, the price of our Class A Ordinary Shares was \$24.45 per share. We believe the likelihood that warrant holders will exercise their public warrants and private placement warrants that were issued and exchanged for EJFA Private Placement Warrants in the EJFA Merger, and therefore the amount of cash proceeds that we would receive, is dependent upon the market price of Class A Ordinary Shares. If the market price for our Class A Ordinary Shares is less than \$138 per share, we believe warrant holders will be unlikely to exercise on a cash basis their public warrants and private placement warrants that were issued and exchanged for EJFA Private Placement Warrants in the EJFA Merger. To the extent the public warrants and private placement warrants are exercised by warrant holders, ownership interest of our shareholders will be diluted as a result of such issuances. Moreover, the resale of Class A Ordinary Shares issuable upon the exercise of such warrants, or the perception of such sales, may cause the market price of our Class A Ordinary Shares to decline and impact our ability to raise additional financing on favorable terms. See "*Risk Factors*" in our Annual Report on Form 10-K, which was filed with the SEC on March 12, 2025.

We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may be required to seek additional equity or debt financing related to such acquisitions or investments. In the event that we pursue additional financing, we may not be able to raise such financing on terms acceptable to us or at all. Additionally, as a result of any of these actions, we may be subject to restrictions and covenants in the agreements governing these transactions that may place limitations on us and we may be required to pledge collateral as security. If we are unable to raise additional capital or generate cash flows necessary to expand operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations and financial condition. It is also possible that the actual outcome of one

or more of our plans could be materially different than expected or that one or more of the significant judgments or estimates could prove to be materially incorrect.

Securitizedizations

In connection with asset-backed securitizations, we sponsor and establish securitization vehicles to purchase loans originated by our Partners. Securities issued from our asset-backed securitizations are senior or subordinated, based on the waterfall criteria of loan payments to each security class. The subordinated residual interests issued from these transactions are first to absorb credit losses in accordance with the waterfall criteria. To comply with risk retention regulatory requirements, we retain at least 5% of the securities issued by securitization vehicles and may choose to hold more than 5% depending on many factors. This 5% risk retention is determined based on the fair value of the securities under US GAAP at the time of closing. In ordinary course of business, we enter into certain financing arrangements to finance our risk retention balance in certain notes and securities retained from securitization transactions. From time to time, the Company makes cash deposits that serve to collateralize guarantees for related transactions, included in restricted cash and cash equivalents on the consolidated balance sheets. For further information, see Note 4 and Note 5, respectively, to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Shelf Registration Statement

On October 4, 2023, we filed a shelf registration statement on Form F-3 (the "Shelf Registration") with the SEC that was declared effective on October 16, 2023. Under this Shelf Registration, we may, from time to time, offer and sell in one or more offerings Class A Ordinary Shares, various series of debt securities and/or warrants to purchase any of such securities, either individually or in combination with any of these securities, up to \$500 million.

Cash Flows

The following table presents summarized consolidated cash flow information for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 158,823	\$ 19,897
Net cash used in investing activities	\$ (209,531)	\$ (448,117)
Net cash provided by financing activities	\$ 86,910	\$ 387,906

Operating Activities

Our primary uses of cash in operating activities are for ordinary course of business, with the primary use related to employee and personnel-related expenses. As of September 30, 2025, we had 531 employees compared to 534 on September 30, 2024. During the first and second quarters of 2024, we reduced our headcount by over 20% across our Israel and U.S. offices. This reduction in workforce enabled us to streamline our operations resulting in cost savings.

Net cash provided by operating activities for the nine months ended September 30, 2025 was \$158.8 million, an increase of \$138.9 million from net cash provided by operating activities of \$19.9 million for the same period in 2024. This reflects our net income including noncontrolling interests of \$42.3 million, adjusted for non-cash charges of \$179.6 million, and net cash outflows of \$63.2 million from changes in our operating assets and liabilities.

Non-cash charges during nine months ended September 30, 2025 primarily consisted of (1) impairment losses on investments in loans and securities, which decreased by \$92.0 million compared to the same period in 2024, primarily driven by changes in the fair value of investments in loans and securities as a result of fluctuations in key inputs to the discounted cash flow models used to determine fair value, as well as fair value option gains from ABS resecuritizations at lower interest rates during the current period, of which \$9.7 million is not attributable to Pagaya, but rather attributable to the VIEs noncontrolling interests, (2) share-based compensation, which decreased by \$0.9 million compared to the same period in 2024, (3) depreciation and amortization, which increased by \$2.5 million compared to the same period in 2024, primarily from capitalized software, and (4) fair value

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adjustment to warrant liability, which increased by \$6.8 million compared to the same period in 2024, driven by changes in the market price of our Class A Ordinary Shares.

Our net cash flows resulting from changes in operating assets and liabilities decreased by \$37.7 million to net cash outflows of \$63.2 million for the nine months ended September 30, 2025 compared to net cash outflows of \$25.5 million for the same period in 2024.

Investing Activities

Our primary uses of cash in investing activities are the purchase of risk retention assets of sponsored securitization vehicles and other investments.

For the nine months ended September 30, 2025, net cash used in investing activities totaled \$209.5 million, primarily driven by purchases of risk retention assets. These purchases of risk retention assets amounted to \$361.1 million, a decrease of \$177.7 million compared to the prior period, driven by diversified funding channels, including asset-backed securitization, pass-through and forward flow transactions, in the current period. This cash outflow was partially offset by proceeds received from existing risk retention assets, which totaled \$178.2 million, an increase of \$73.7 million compared to the prior period.

Financing Activities

For the nine months ended September 30, 2025, net cash provided by financing activities of \$86.9 million was primarily attributable to \$500.0 million of proceeds from the issuance of senior notes and \$263.5 million of proceeds from secured borrowing, partially offset by \$347.6 million and \$310.8 million of repayments made to term loan and secured borrowing, respectively.

Indebtedness

2025 Revolving Credit Facility

On October 1, 2025, the Company refinanced the Revolving Credit Facility by way of terminating Credit Agreement and entering into a new three-year revolving credit facility (the "2025 Revolving Credit Facility") with a syndicate of financial institutions. The 2025 Revolving Credit Facility provides a committed borrowing capacity of \$132 million. Borrowings under the 2025 Revolving Credit Facility bear interest at a rate per annum equal to, at the Company's option, (i) a base rate (determined based on the prime rate and subject to 1.00% floor) plus a margin of 2.50% and (ii) an adjusted term SOFR (subject to 1.00% floor) plus a margin of 3.50%, a reduction from the prior revolving credit facility's rate of SOFR plus 7.50%. A commitment fee accrues on any unused portion of the commitments under the 2025 Revolving Credit Facility at a rate per annum of 0.25% and is payable quarterly in arrears. The terms and conditions of the 2025 Revolving Credit Facility include customary covenants and restrictions.

Senior Notes

On July 28, 2025, the Company, through Pagaya US Holding Company LLC ("Pagaya US"), a wholly-owned subsidiary of the Company, completed the issuance of \$500 million aggregate principal amount of Senior Unsecured Notes ("Senior Notes") due 2030. The Senior Notes will accrue interest at a rate of 8.875% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2026. The Senior Notes will mature on August 1, 2030, unless earlier repurchased or redeemed. The Senior Notes will be fully and unconditionally guaranteed, on a senior unsecured basis, by the Company and each of the Company's subsidiaries (other than Pagaya US) that is a guarantor under its existing credit agreement (collectively, the "Guarantors"). The Senior Notes and the related note guarantees will be senior unsecured obligations of Pagaya US and the Guarantors.

The Senior Notes will be redeemable at the option of Pagaya US. At any time prior to August 1, 2027, Pagaya US may redeem the Senior Notes, in whole or in part, at its option at a redemption price equal to 100% of the principal amount of the Senior Notes plus a make-whole premium described in the Indenture, plus accrued and unpaid interest, if any, to, but not including, the redemption date. On and after August 1, 2027, Pagaya US may redeem the Notes, in whole or in part, at the redemption prices set forth in the Indenture.

In addition, at any time prior to August 1, 2027, Pagaya US may, from time to time, redeem up to 40% of the aggregate principal amount of the Senior Notes with an amount of cash not greater than the net cash proceeds from certain equity offerings at the redemption price set forth in the Indenture, if not less than 50% of the aggregate principal amount of the notes remains outstanding immediately after such redemption and the redemption occurs within 180 days of the closing date of such equity offering.

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On July 28, 2025, the Company fully repaid \$332.1 million of outstanding principal of its term loan under the Credit Agreement, using the net proceeds from the issuance of Senior Notes. Additionally, subsequent to the issuance of Senior Notes, the Company repaid \$153.9 million of secured borrowing as of September 30, 2025. These repayments reflect the Company's ongoing strategy to optimize its capital structure by reducing higher-cost debt and extending debt maturities. As a result of these transactions, the Company recognized a loss of \$25.0 million, related to the write-off of unamortized deferred issuance costs and an early payment penalty associated with the term loan. This loss is reflected in "Loss from extinguishment of debt" in the condensed consolidated statements of operations.

The following table summarizes the Company's new borrowings, repayments, and outstanding balances for the term loan, secured borrowing, and Senior Notes as of September 30, 2025 (\$ in thousands):

	Unpaid Principal Balance as of June 30, 2025	Weighted Average Interest Rate as of June 30, 2025	New Borrowing(1)	Repayments(3)	Unpaid Principal Balance as of September 30, 2025	Weighted Average Interest Rate as of September 30, 2025
Term loan(2)	\$ 332,125	11.95%	\$ —	\$ (332,125)	\$ —	—%
Secured borrowing(2)	267,647	11.48%	18,714	(153,920)	132,441	9.67%
Senior Notes(2)	—	—%	500,000	—	500,000	8.875%
Revolving credit facility(4)	—	SOFR plus 7.5%	—	—	—	SOFR plus 3.5%
Total	\$ 599,772		\$ 518,714	\$ (486,045)	\$ 632,441	

(1) Excluding underwriting fees of \$7.5 million and direct issuance costs of \$5.2 million associated with Senior Notes

(2) Excluding unamortized debt issuance costs associated with each borrowing.

(3) Excluding an early payment penalty of \$6.6 million associated with the repayment of the term loan.

(4) 2025 Revolving Credit Facility, replacing the old revolving credit facility, was closed on October 1, 2025. See Note 15 to the unaudited condensed consolidated financial statements elsewhere included in this Quarterly Report.

Receivables Facility

In April 2025, Pagaya Structured Products LLC, a wholly-owned subsidiary of the Company, entered into a Loan and Security Agreement (the "LSA Agreement") with certain lenders. This agreement established a 24-months Capitalized Interest Amounts Facility (the "CIA Facility") with a maximum principal amount of \$24 million to finance eligible capitalized interest amounts related to sponsored securitization transactions. Additionally, in June 2025, Pagaya Structured Products LLC entered into a 30-month Accrued Loan Purchasing Fee Receivables Facility (the "ALPF Facility") with a maximum principal amount of \$65 million to finance certain eligible receivables from sponsored securitization transactions. Borrowings under the CIA Facility bear interest at a rate per annum equal to the adjusted term Secured Overnight Financing Rate ("SOFR") (subject to a 1.00% floor) plus a margin of 4.00%, while borrowings under the ALPF Facility bear interest at a rate per annum equal to the adjusted term SOFR (subject to a 1.00% floor) plus a margin of 1.9%. As of September 30, 2025, the combined outstanding principal balance under the CIA Facility and ALPF Facility was \$63.2 million, which is recorded within secured borrowing on the unaudited condensed consolidated balance sheet.

In June 2025, Pagaya Receivables LLC, a wholly-owned subsidiary of the Company, repaid the outstanding balance of a 3-year loan facility (the "SVB Receivables Facility") and terminated the related LSA Agreement, which was originally executed in October 2022. Borrowings under the SVB Receivables Facility bear interest at a rate per annum equal to the adjusted term Secured Overnight Financing Rate (subject to a 0.00% floor) plus a margin of 3.50%. As of December 31, 2024, the outstanding principal balance under the SVB Receivable Facility was \$31.9 million, which is recorded within secured borrowing on the unaudited condensed consolidated balance sheet.

Exchangeable Notes

On October 1, 2024, Pagaya US issued \$160 million in aggregate principal amount of 6.125% exchangeable notes due 2029 (the "Notes"). The issuance was in connection with a purchase agreement dated September 26, 2024, with certain initial purchasers.

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The Company intends to use the net proceeds from the Notes to repay higher-cost debt and reduce interest expense, with the remainder allocated for general corporate purposes.

The Notes bear interest at a rate of 6.125% per annum, payable semiannually in arrears on April 1 and October 1 of each year, beginning April 1, 2025, and mature on October 1, 2029, unless earlier repurchased, redeemed, or exchanged. The Notes are exchangeable for cash, Class A Ordinary Shares of the Company, or a combination of both, at the Company's discretion, subject to certain conditions.

The Notes are senior, unsecured obligations of Pagaya US and are fully and unconditionally guaranteed on a senior, unsecured basis by the Company. The Notes rank equally in right of payment with other senior, unsecured indebtedness and are structurally subordinated to all existing and future liabilities of Pagaya US's subsidiaries.

The initial exchange rate of the Notes is 71.4669 Class A Ordinary Shares per \$1,000 principal amount of Notes (which is equivalent to an initial exchange price of approximately \$13.99 per share). The exchange rate will be subject to adjustment upon the occurrence of certain events. In addition, upon the occurrence of a "make-whole fundamental change" (as defined in the indenture governing the Notes) or if Pagaya US redeems the Notes, Pagaya US will, in certain circumstances, increase the exchange rate by a number of additional Class A Ordinary Shares for a holder who elects to convert its Notes in connection with such make-whole fundamental change or to convert its Notes called for redemption during the related redemption exchange period.

Prior to the close of business on the business day immediately preceding July 2, 2029, the Notes will be exchangeable at the option of the holders only upon the satisfaction of specified conditions. These conditions include, among others, the sale price of the Class A Ordinary Shares exceeding 130% of the initial exchange price for a specified number of trading days. On or after July 2, 2029 until the close of business on the second scheduled trading day immediately preceding October 1, 2029, the Notes will be exchangeable at the option of the holders at any time regardless of the specified conditions.

Pagaya US may redeem the Notes in whole or in part on or after October 5, 2027, only if the last reported sale price per Class A Ordinary Share exceeds 130% of the exchange price for a specified period of time and certain other conditions are satisfied. The redemption price will be equal to the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

If a "fundamental change" (as defined in the indenture governing the Notes) of the Company occurs, then, subject to a limited exception, noteholders may require Pagaya US to repurchase their Notes for cash. The repurchase price will be equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Credit Agreement

On February 2, 2024, the Company entered into a certain Credit Agreement (the "Credit Agreement") which provides for a 5-year senior secured revolving credit facility (the "Revolving Credit Facility") in an initial principal amount of \$25 million, which subsequently increased to \$35 million, and a 5 year senior secured term loan facility (the "Term Loan Facility," and together with the Revolving Credit Facility, the "Facilities") in an initial principal amount of \$255 million. In November 2024, the Company amended the Credit Agreement to increase the Term Loan Facility by \$100 million, bringing the total principal amount to \$355 million. The Company also increased an aggregate principal amount of the Revolving Credit Facility of \$15 million, bringing the total principal amount of the Revolving Credit Facility to \$50 million. In February 2025, the Company further increased the aggregate principal amount of the Revolving Credit Facility by \$8 million, resulting in a total principal amount of the Revolving Credit Facility of \$58 million.

On July 28, 2025, the Company fully paid off the outstanding principal balance of its term loan of \$332.1 million using the proceeds from the issuance of Senior Notes, as discussed above.

Contractual Obligations, Commitments and Contingencies

During the normal course of business, we enter into certain lease contracts with lease terms through 2032. As of September 30, 2025, the total remaining contractual obligations are approximately \$43.4 million, of which \$8.5 million is for the next 12 months. From time to time, the Company enters into a purchase commitment with our third-party cloud computing web services providers. As of September 30, 2025, the total remaining contractual obligations from this purchase commitment are approximately \$12.3 million, of which \$6.3 million is for the next 12 months. The Company may pay more than the minimum

purchase commitment based on usage. Additionally, the Company has contractual obligations related to its lease for corporate office space. See Note 7 for details regarding when these obligations are due.

In the ordinary course of business, the Company may provide indemnifications or loss guarantees of varying scope and terms to customers and other third parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by the Company or from intellectual property infringement claims made by third parties. These indemnifications may survive termination of the underlying agreement and the maximum potential amount of future indemnification payments may not be subject to a cap.

For our forward flow agreements, loans purchased have a contractual performance requirement which is measured periodically over the life of the underlying loans. If the loan's performance is below the contractual requirement, the counterparty may have first loss up until a contractual agreed limit. If the loans' performance is below the counterparty's first loss limit or if there is no first loss limit, then Pagaya would be required to make a payment to the counterparty such that the loans purchased would have achieved the contractual performance requirement. There is a contractual maximum loss for Pagaya's loss protection with the counterparty taking full risk of loss beyond Pagaya's loss protection. Our guarantee of contractual loss protection for the buyer meets the accounting definition of a derivative, and therefore we recognize, at inception and each reporting period, a liability for the fair value of the estimated loss protection payments, if any.

As of September 30, 2025, there have been no known events or circumstances that have resulted in a material indemnification liability and the Company did not incur material costs to defend lawsuits or settle claims related to these indemnifications. For certain contracts meeting the definition of a guarantee or a derivative, the guarantor must recognize, at inception, a liability for the fair value of the obligation undertaken in issuing the guarantee. In addition, the guarantor must disclose the maximum potential amount of future payments that the guarantor could be required to make under the guarantee, if there were a default by the guaranteed parties. The determination of the maximum potential future payments is based on the notional amount of the guarantees without consideration of possible recoveries under recourse provisions or from collateral held or pledged. As of September 30, 2025, the unfunded maximum potential amount of undiscounted future payments the Company could be required to make under these guarantees totaled \$104.9 million. Additionally, in accordance with the guarantee contracts, the Company is required to fund segregated cash balances to provide protection in the event the Company is not able to meet its contractual commitments. As of September 30, 2025, \$39.9 million has been segregated and recognized within restricted cash in the unaudited condensed consolidated balance sheet in accordance with these contractual requirements.

For a discussion of our long-term debt obligations and operating lease obligations as of September 30, 2025, see Note 4 and Note 7, respectively, to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Off-Balance Sheet Arrangements

In the ordinary course of business, we engage in activities with unconsolidated VIEs, including our sponsored securitization vehicles, which we contractually administer. To comply with risk retention regulatory requirements, we retain at least 5% of the credit risk of the securities issued by sponsored securitization vehicles. From time to time, we may, but are not obligated to, purchase assets from the Financing Vehicles. Such purchases could expose us to loss. For additional information, refer to Note 6 to the unaudited condensed consolidated financial statements included in this Quarterly Report.

Critical Accounting Policies and Estimates

Our significant accounting policies and their effect on our financial condition and results of operations are more fully described in our audited consolidated financial statements included in our Annual Report on Form 10-K. Management has reassessed the critical accounting policies and estimates as disclosed in Note 2 to the audited Consolidated Financial Statements included in our Annual Report on Form 10-K and determined that there were no significant changes in our critical accounting policies and estimates during the three months ended September 30, 2025.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in market prices. Our market risk exposure primarily relates to fluctuations in credit risk. We are exposed to market risk directly through investments in loans and securities held on our unaudited condensed consolidated balance sheets and access to the securitization markets.

Credit Risk

Credit risk refers to the risk of loss arising from individual borrower default due to inability or unwillingness to meet their financial obligations. The performance of certain financial instruments, including investments in loans, securitization notes and residual certificates on our unaudited condensed consolidated balance sheets, is dependent on the credit performance. To manage this risk, we monitor borrower payment performance and utilize our proprietary, AI-powered technology to evaluate individual loans in a manner that we believe is reflective of the credit risk.

The fair values of these loans, securitization notes, and residual certificates are estimated based on a discounted cash flow model which involves the use of significant unobservable inputs and assumptions, the most significant of which is expected credit losses. Accordingly, these instruments are sensitive to changes in credit risk. As of September 30, 2025 and December 31, 2024, we were exposed to credit risk on \$888 million and \$764 million, respectively, of investments in loans and securities held on our unaudited condensed consolidated balance sheet, with \$791 million and \$659 million, respectively, representing net exposure exclusive of non-controlling interests. We have a portfolio risk monitoring that includes internal monitoring as well as competitor / market assessments, macro-economic trends, and associated stress testing. Loans and related risk retention securities are monitored throughout the entire lifecycle. This risk monitoring framework provides timely and actionable feedback on managing credit risk exposures.

We are also exposed to credit risk in the event of non-performance by the financial institutions holding our cash or providing access to our credit line. We maintain our cash deposits in highly-rated financial institutions. In the United States, the majority of our cash deposits are held at federally insured accounts. We manage this risk by maintaining our cash deposits at well-established, well-capitalized financial institutions and diversifying our counterparties.

Interest Rate Risk

The interest rates charged on the loans originated by Partners are subject to change by the platform sellers, originators, and/or servicers. Higher interest rates could negatively impact collections on the underlying loans, leading to increased delinquencies, defaults, and our borrower bankruptcies, all of which could have a substantial adverse effect on our business. This would also impact future loans and securitizations.

Additionally, we maintain certain financing sources with varying degrees of interest rate sensitivities, including floating-rate interest payments on Pagaya's credit facilities. Accordingly, trends in the prevailing interest rate environment can influence interest expense/payments and harm the results of our operations. For additional information, see "*Item 2. Liquidity and Capital Resources*".

We also rely on securitization transactions, with notes of those transactions typically bearing a fixed coupon. For future securitization issuances, higher interest rates could effect overall deal economics as well as the returns we would generate on our related risk retention investments.

Foreign Exchange Risk

Foreign currency exchange rates do not pose a material market risk exposure. However, given the compensation and non-compensation expenses denominated in Israeli Shekel, our inability or failure to manage foreign exchange risk could harm our business, financial condition, or results of operations.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2025. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2025, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act) that occurred during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Internal Control

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, no matter how well designed and operated, can only provide reasonable, not absolute assurance that its objectives will be met. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but such improvements will be subject to the same inherent limitations outlined in this section.

PART II - Other Information

Item 1. Legal Proceedings

Please refer to Note 8. “Commitments and Contingencies” of the accompanying notes to our unaudited condensed consolidated financial statements.

From time to time, we may be subject to other legal proceedings and claims in the ordinary course of business. We are not presently a party to any such other legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

The risks described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 could materially and adversely affect our business, financial condition, results of operations, cash flows, future prospects, and the trading price of our Class A Ordinary Share. The risks and uncertainties described therein are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we currently deem immaterial may also become important factors that adversely affect our business.

You should carefully read and consider such risks, together with all of the other information in our Annual Report on Form 10-K for the year ended December 31, 2024, in this Quarterly Report on Form 10-Q (including the disclosures in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in our unaudited condensed consolidated financial statements and related notes), and in the other documents that we file with the SEC.

There have been no material changes from the risk factors previously disclosed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Company Trading Plans or Other Arrangements

Subject to compliance with U.S. and Israel securities laws, rules and regulations, our directors and executive officers have adopted, and may adopt, individual share trading plans in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (a "Rule 10b5-1 Plan"), in which they will contract with a broker to buy or sell our Class A Ordinary Shares on a periodic basis. Under a Rule 10b5-1 Plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from the director or officer. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may buy or sell additional shares outside of a Rule 10b5-1 Plan when they are not in possession of material, non-public information.

Director and Officer Trading Plans or other Arrangements

Our directors and officers (as defined in Exchange Act Rule 16a-1(f)) may from time to time enter into plans or other arrangements for the purchase or sale of our shares that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or may represent a non-Rule 10b5-1 trading arrangement under the Exchange Act. During the quarter ended September 30, 2025, four officers or directors entered into 10b5-1 trading arrangements. First, Yahav Yulzari, a director and the Company's Chief Business Officer, entered into a new 10b5-1 Plan on August 8, 2025, with an end date of March 31, 2027, to sell a maximum aggregate of 800,000 shares. Second, Avital Pardo, a director and the Company's Deputy CEO, entered into a new 10b5-1 Plan on August 14, 2025, with an end date of December 31, 2026, to sell a maximum aggregate of 500,000 shares. Third, Gal Krubiner, a director and the Company's Chief Executive Officer, entered into a new 10b5-1 Plan on September 18, 2025, with an end date of January 30, 2026, to sell a maximum aggregate of 350,000 shares. Lastly, Dan Petrozzo, a director of the Company, entered into a 10b5-1 Plan on August 19, 2025, with an end date of November 20, 2026, to sell a maximum aggregate of 25,000 shares.

Executive Officer Compensation Arrangement

On November 6, 2025, the Company entered into an amendment to the amended and restated employment agreement of Sanjiv Das, the Company's President, to extend the annual supplemental payment of \$750,000 reflected in Mr. Das's amended and restated employment agreement indefinitely.

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Association of Pagaya Technologies Ltd., as amended and restated on December 11, 2024 (incorporated by reference to Exhibit 3.1 of Pagaya Technologies Ltd. Current Report on Form 8-K filed with the SEC on December 12, 2024)
4.1	Indenture, dated as of July 28, 2025, by and among the Pagaya US, the Guarantors and the Trustee
4.2	Form of Global Note, representing Pagaya US's 8.875% Senior Notes due 2030 (included as Exhibit A to the Indenture filed as Exhibit 4.1)
10.1	Amendment No. 3 to the Credit Agreement, dated as of July 28, 2025, among the Company as a borrower, Pagaya US as a borrower, the Lenders and Acquiom, as administrative agent
10.2	Credit Agreement, dated as of October 1, 2025, among the Company and Pagaya US Holding Company LLC, as borrowers, the lenders thereto and BMO BANK N.A., as administrative agent
10.3*	Amendment No. 1 to Amended & Restated Employment agreement, dated as of November 6, 2025, between Pagaya Technologies US LLC and Sanjiv Das
18.1*	Preferability Letter from Independent Registered Public Accounting Firm
31.1*	Certificate of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002
31.2*	Certificate of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002
32.1*	Certificate of Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002
32.2*	Certificate of Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

† Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized,

PAGAYA TECHNOLOGIES LTD.

Date: November 10, 2025

By: /s/ Gal Krubiner
Name: Gal Krubiner
Title: Chief Executive Officer

Date: November 10, 2025

By: /s/ Evangelos Perros
Name: Evangelos Perros
Title: Chief Financial Officer

AMENDMENT NO. 1 TO AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amendment No. 1 to Amended and Restated Executive Employment Agreement ("Amendment") is entered into as of November 6, 2025 by and between Pagaya Technologies US LLC, a Delaware limited liability company (the "Company" and subsidiary of Pagaya Technologies Ltd., a company organized under the laws of the state of Israel (the "Parent"), and Sanjiv Das ("Executive" and, together with the Company, and the Parent the "Parties").

WHEREAS, the Company and Executive are parties to that certain Amended & Restated Executive Employment Agreement dated March 12, 2025 (the "Agreement"); and

WHEREAS, the parties wish to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual promises of each made unto the other, and for further valuable consideration as hereinafter set forth, it is hereby agreed by and between the parties as follows:

1. **Changes to Compensation.** The Company shall extend the Additional Payment contemplated in Section 3(a) of the Agreement indefinitely, such that Executive shall be entitled to \$750,000 per annum over the course of Executive's employment with the Company from the date hereof, to be paid in equal installments with the Company's standard payroll practices. For the avoidance of doubt, there shall be no gap in payment of the Additional Payment for the period between the Executive's two-year anniversary of employment with the Company and the date hereof. This Additional Payment is subject to the same terms and conditions as Executive's original Additional Payment.

2. **Miscellaneous.**

a. **Effect of Amendment.** All terms used in this Amendment, unless otherwise defined herein, shall have the same meaning as ascribed to said terms in the Agreement. Except as set forth in this Amendment, the terms and conditions of the Agreement shall remain in full force and effect, and are incorporated herein by reference. In the event of any inconsistency between this Amendment and the Agreement, the terms of this Amendment shall prevail.

b. **Governing Law.** This Amendment is governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws provisions of such State.

c. **Counterparts.** This Second Amendment may be executed in one or more counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts taken together shall constitute one and the same instrument.

d. **Signatures.** All signatures to this Second Amendment may be an original signature, faxed signature or electronic signature, each of which shall, for all purposes, be deemed an original.

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND THEREBY, the parties hereto have executed and delivered this First Amendment as of the year and date first above written.

PAGAYA TECHNOLOGIES US, LLC

By: /s/ Eric Watson_____

Name: Eric Watson
Title: Chief Legal Officer

EXECUTIVE

/s/ Sanjiv Das_____

Sanjiv Das



**Shape the future
with confidence**

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A,
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

November 10, 2025

Board of Directors

Pagaya Technologies Ltd.

335 Madison Ave, 16th Floor

New York, New York 10017

Ladies and Gentlemen:

Note 2 of Notes to the condensed consolidated financial statements of Pagaya Technologies Ltd., included in its Form 10-Q for the three and nine months ended September 30, 2025 describes a change in the method of accounting for balance sheet presentation from classified balance sheet presentation to unclassified balance sheet presentation. There are no authoritative criteria for determining a 'preferable' balance sheet presentation method based on the particular circumstances; however, we conclude that such change in the method of accounting is to an acceptable alternative method which, based on your business judgment to make this change and for the stated reasons, is preferable in your circumstances. We have not conducted an audit in accordance with the standards of the Public Company Accounting Oversight Board (United States) of any financial statements of the Company as of any date or for any period subsequent to December 31, 2024, and therefore we do not express any opinion on any financial statements of Pagaya Technologies Ltd. subsequent to that date.

/s/ KOST FORER GABBAY & KASIERER

Kost Forer Gabbay & Kasierer

A Member of EY Global

CERTIFICATION

I, Gal Krubiner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pagaya Technologies Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 10, 2025

By: /s/ Gal Krubiner
Gal Krubiner
Chief Executive Officer

CERTIFICATION

I, Evangelos Perros, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pagaya Technologies Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 10, 2025

By: /s/ Evangelos Perros
Evangelos Perros
Chief Financial Officer

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Gal Krubiner, Chief Executive Officer of Pagaya Technologies Ltd. (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's quarterly report on Form 10-Q for the quarter ended September 30, 2025, to which this Certification is attached as Exhibit 32.1 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2025

By: /s/ Gal Krubiner
Gal Krubiner
Chief Executive Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Pagaya Technologies Ltd. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Evangelos Perros, Chief Financial Officer of Pagaya Technologies Ltd. (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's quarterly report on Form 10-Q for the quarter ended September 30, 2025, to which this Certification is attached as Exhibit 32.2 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2025

By: /s/ Evangelos Perros
Evangelos Perros
Chief Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Pagaya Technologies Ltd. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.