

PAGAYA TECHNOLOGIES LTD.

# 3Q23 Earnings Supplement

November 2<sup>nd</sup>, 2023

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# 01

## Financial Metrics

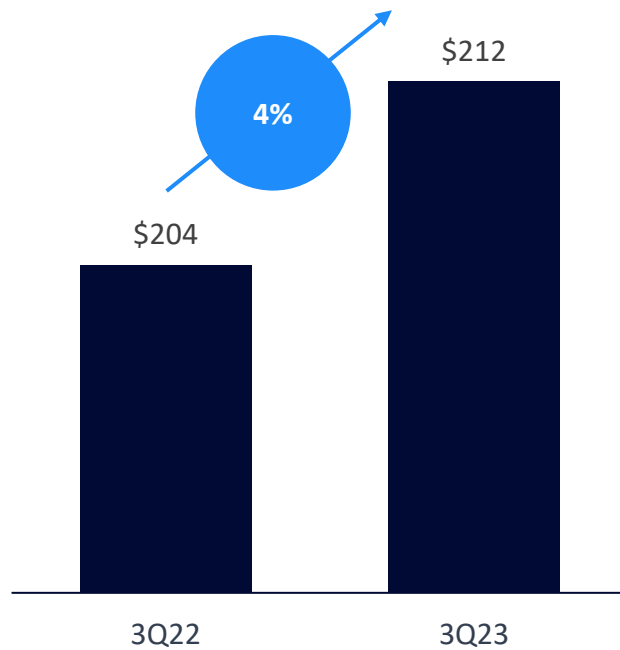
# 3Q23 financial highlights

(\$ millions)	3Q23	3Q22	%Δ
Network Volume	\$2,112	\$1,924	10%
Total revenue & other income	\$212	\$204	4%
Revenue from fees	\$201	\$186	9%
Production costs	\$129	\$129	(0%)
Revenue from fees less production costs (FRLPC)*	\$73	\$56	29%
Operating Expenses ex. SBC (R&D, S&M, G&A)	\$62	\$79	(21%)
Net income (loss)	(\$22)	(\$75)	NM
Adj. Net Income*	\$14	(\$14)	NM
Adj. EBITDA*	\$28	(\$5)	NM

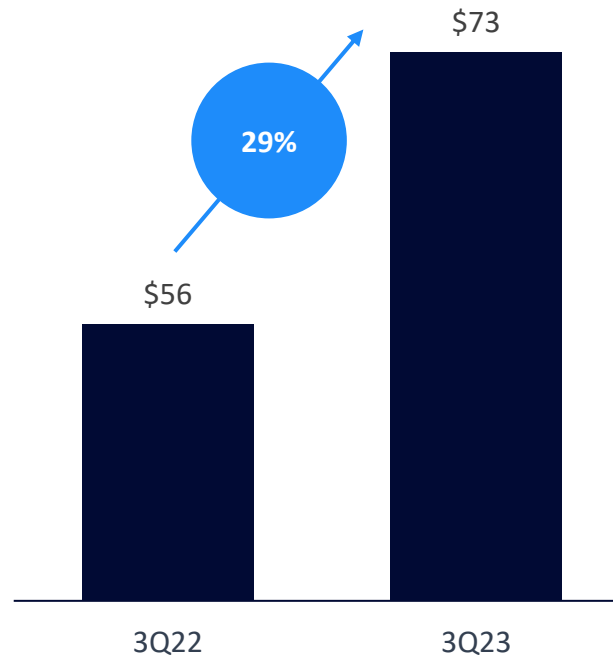
# Key financial metrics

*In \$ millions; % in yoy growth*

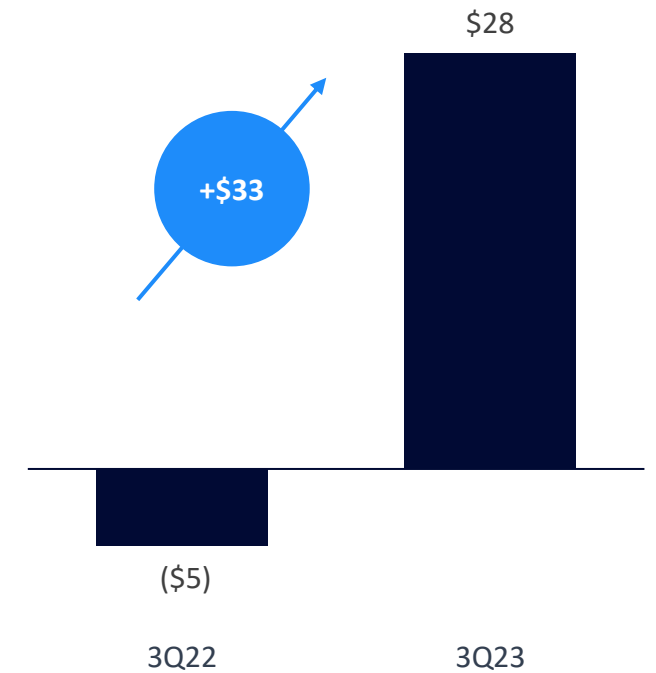
Total Revenue



FRLPC

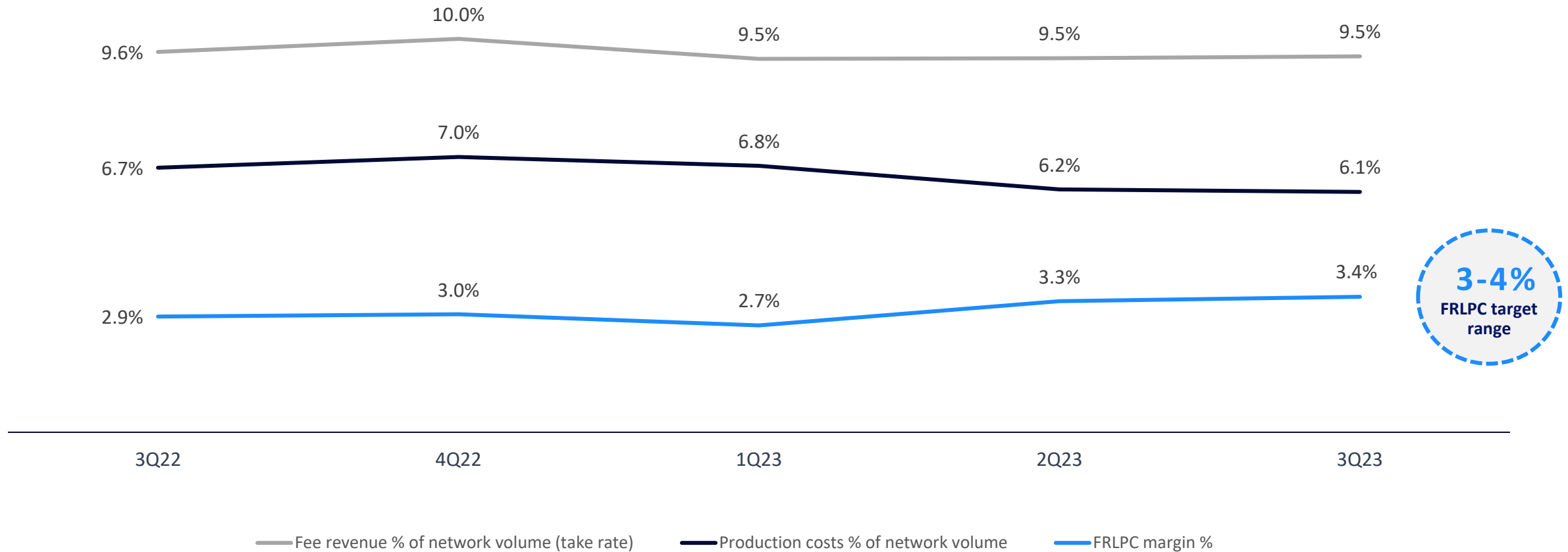


Adjusted EBITDA



# Evolution of FRLPC

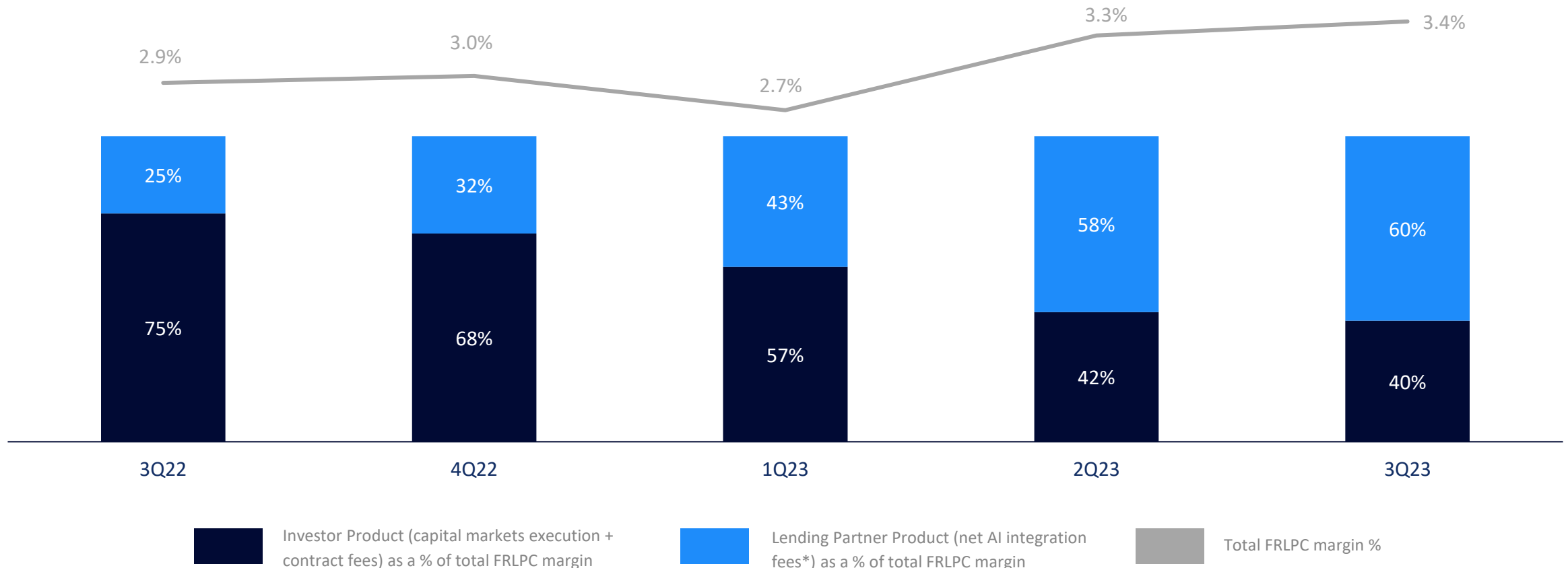
Components of FRLPC as a % of network volume



# Evolution of FRLPC by product

*% contribution from lending partner and investor products*

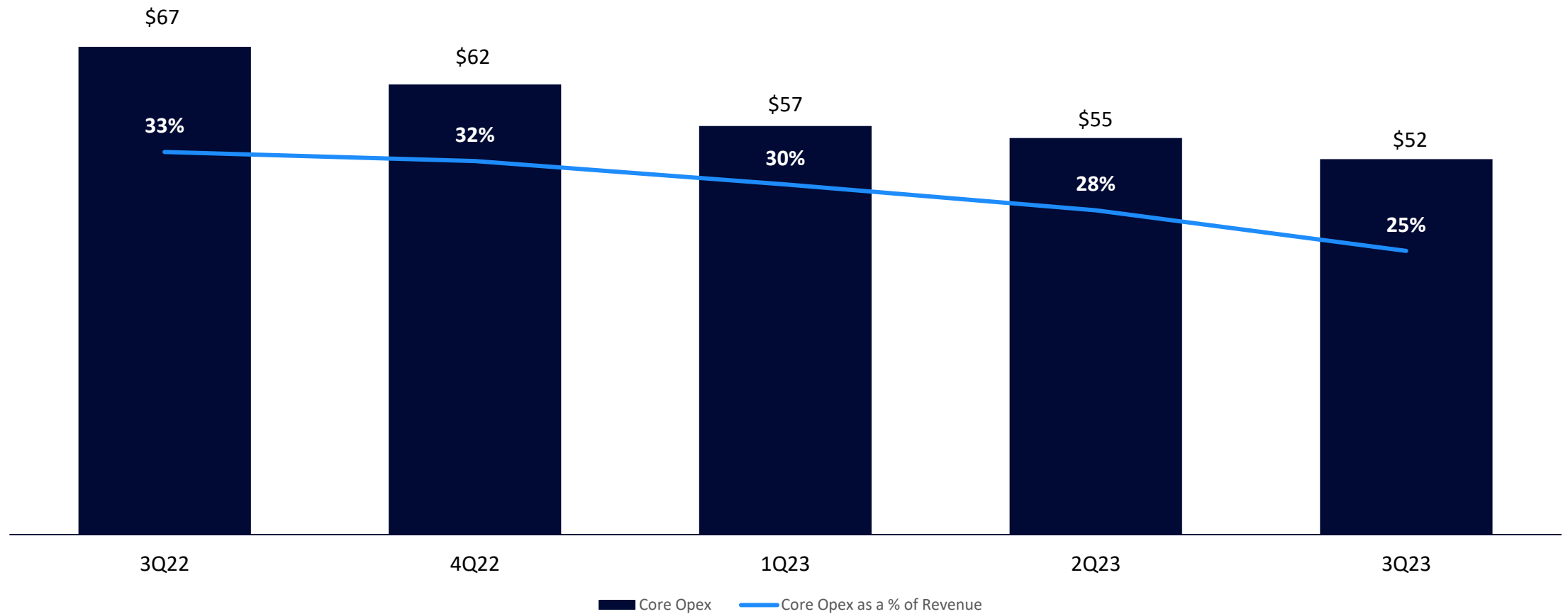
Fee revenue less production costs as a % of network volume – breakdown by product



# Core operating expenses

*In \$ millions*

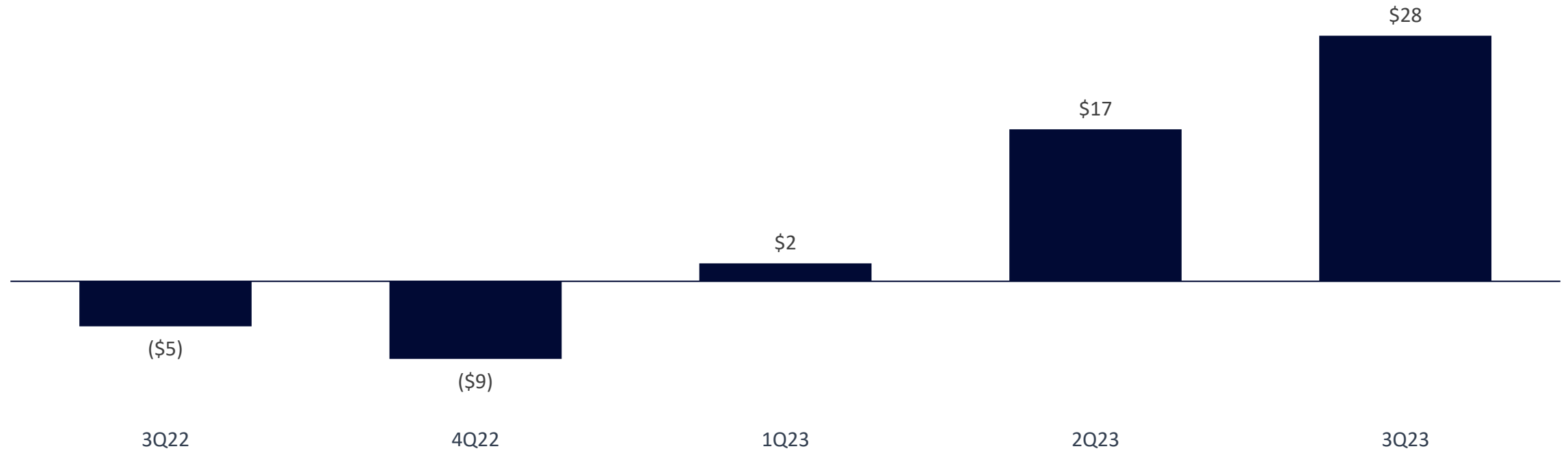
Total operating expenses excluding share-based compensation expense, one-time expenses, and depreciation





# Adjusted EBITDA

*In \$ millions*

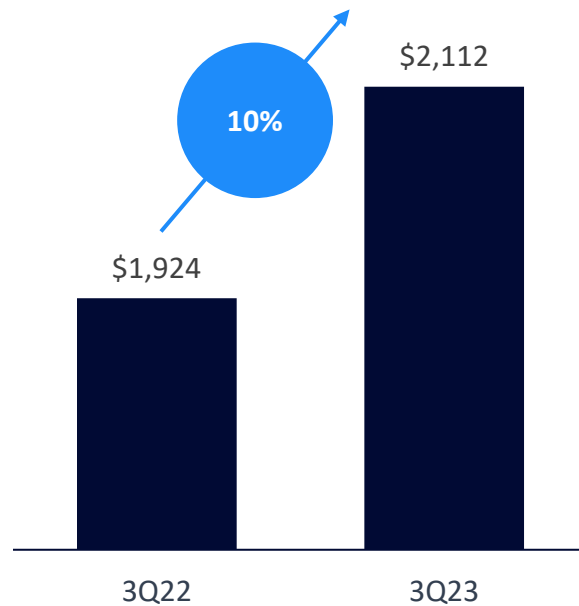


02

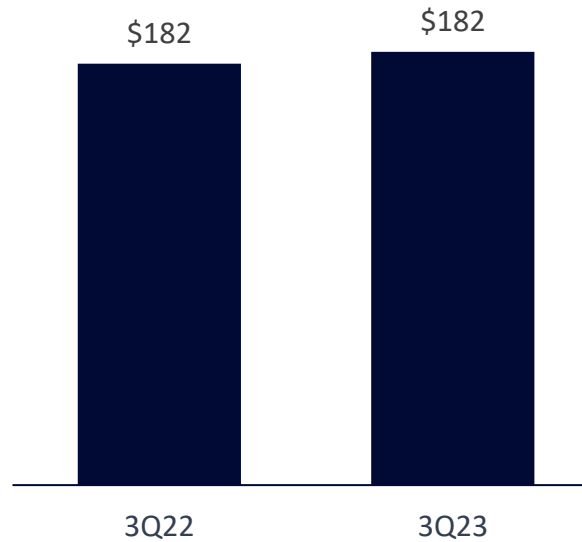
# Operating Metrics

# Operating highlights

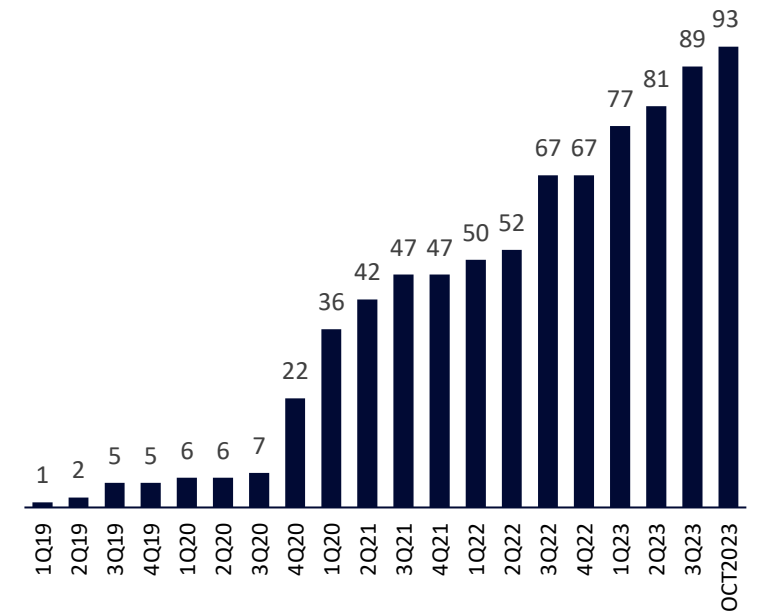
Network volume  
(in \$ millions)



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

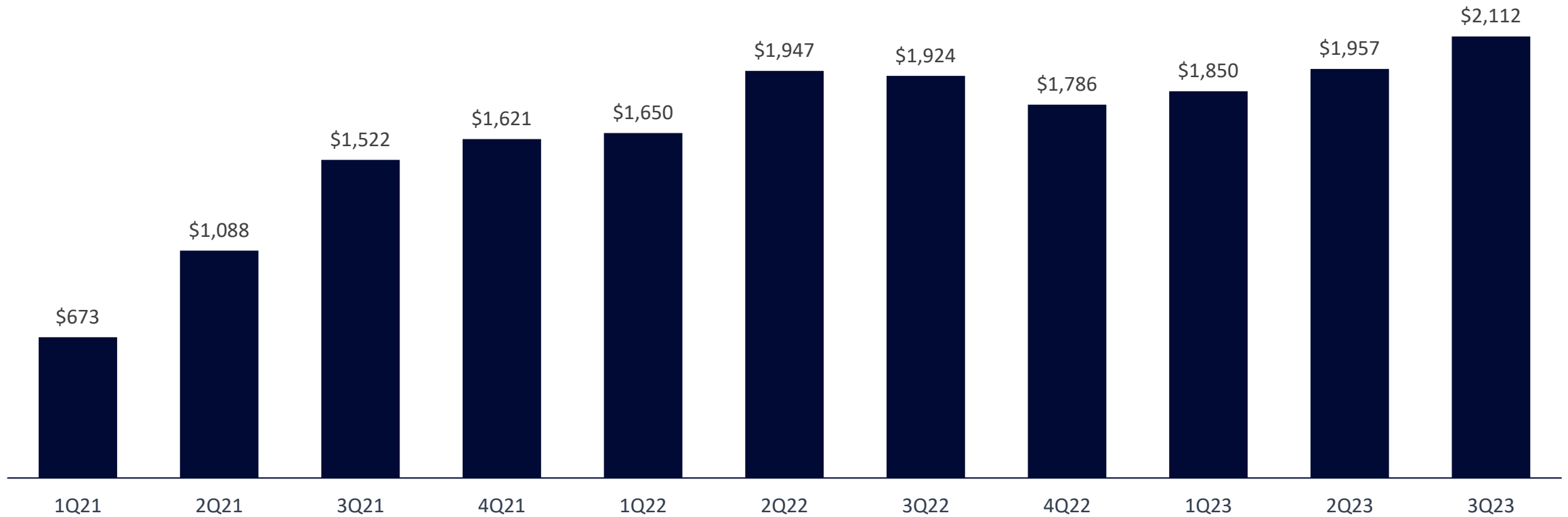


Growing ABS  
investor base



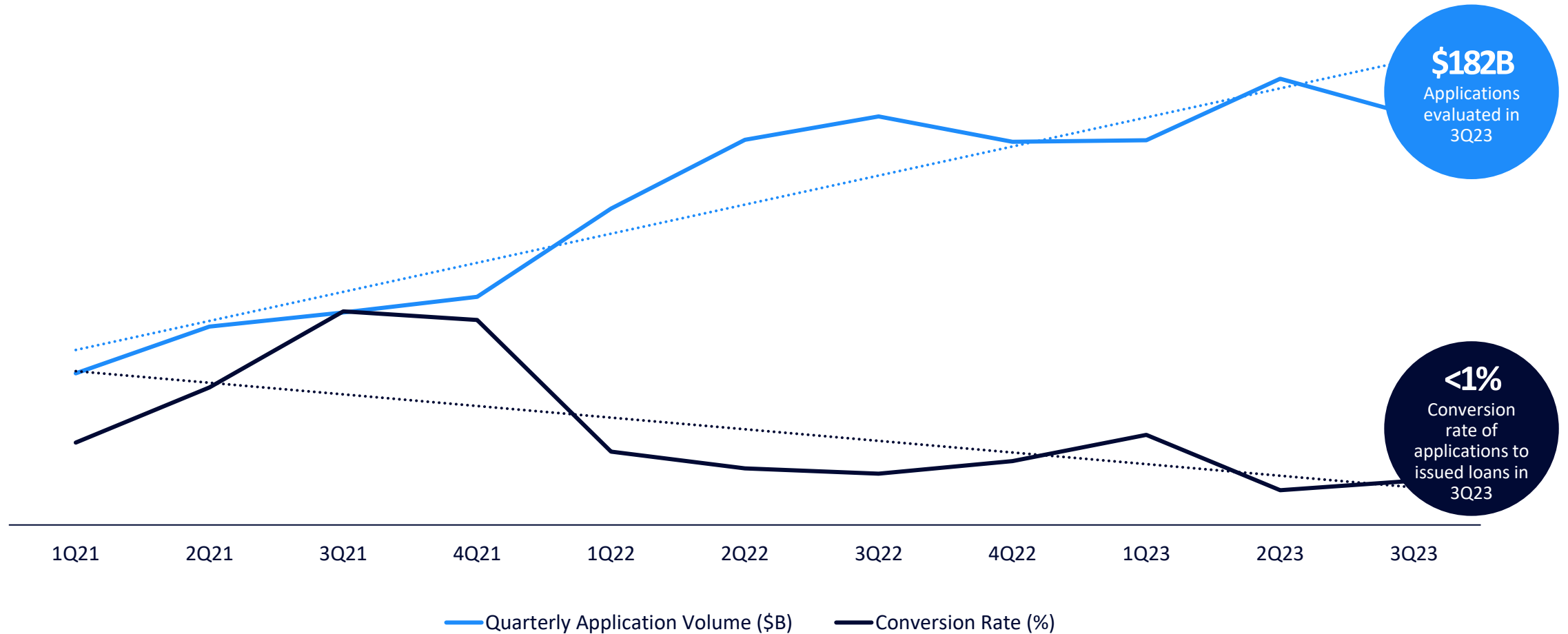
# Network volume

*in \$ millions*



# Applications evaluated vs conversion rate %

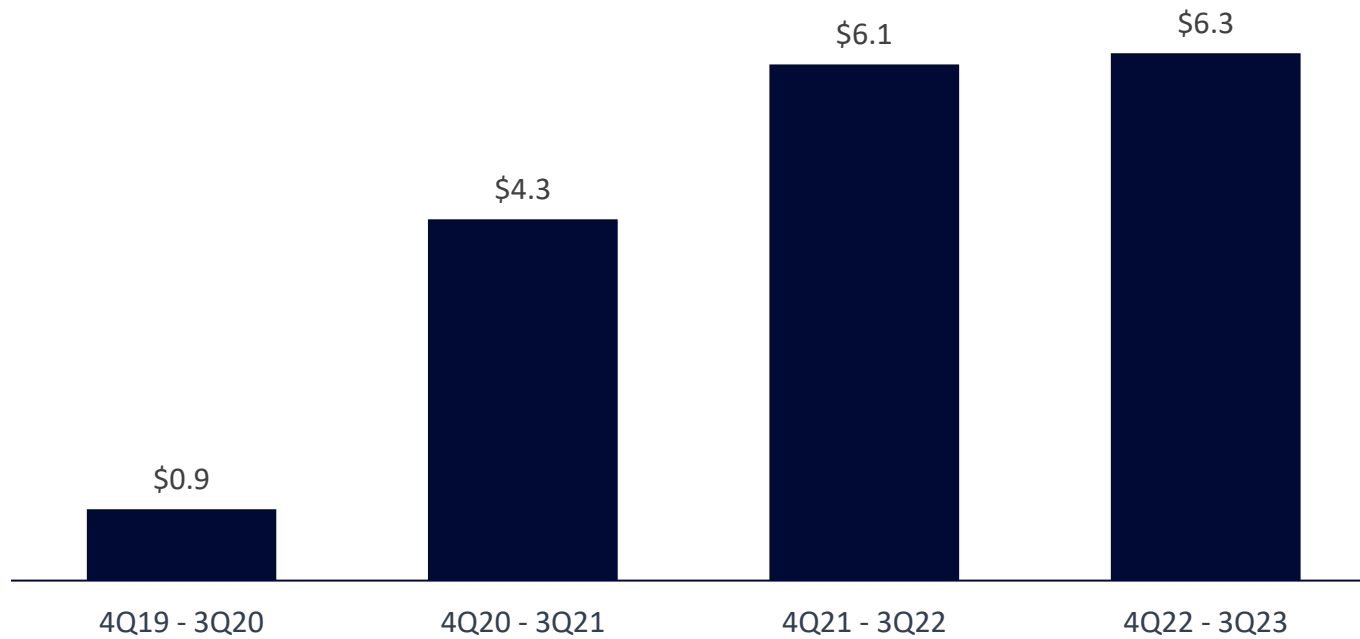
Applications per quarter (in \$ billions) versus conversion rate of applications into network volume (%)



# Our ABS funding network

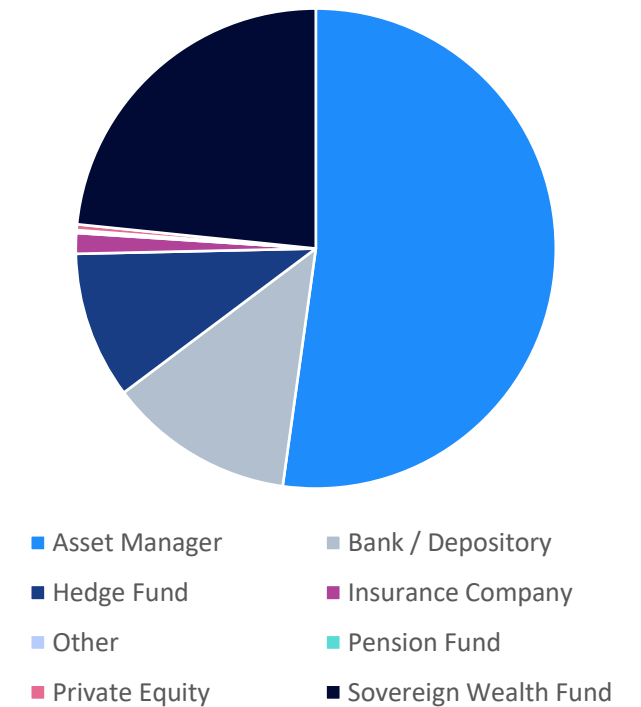
## ABS Issuance

Pagaya ABS issuance across all products TTM beginning 4Q19 (in \$billions)



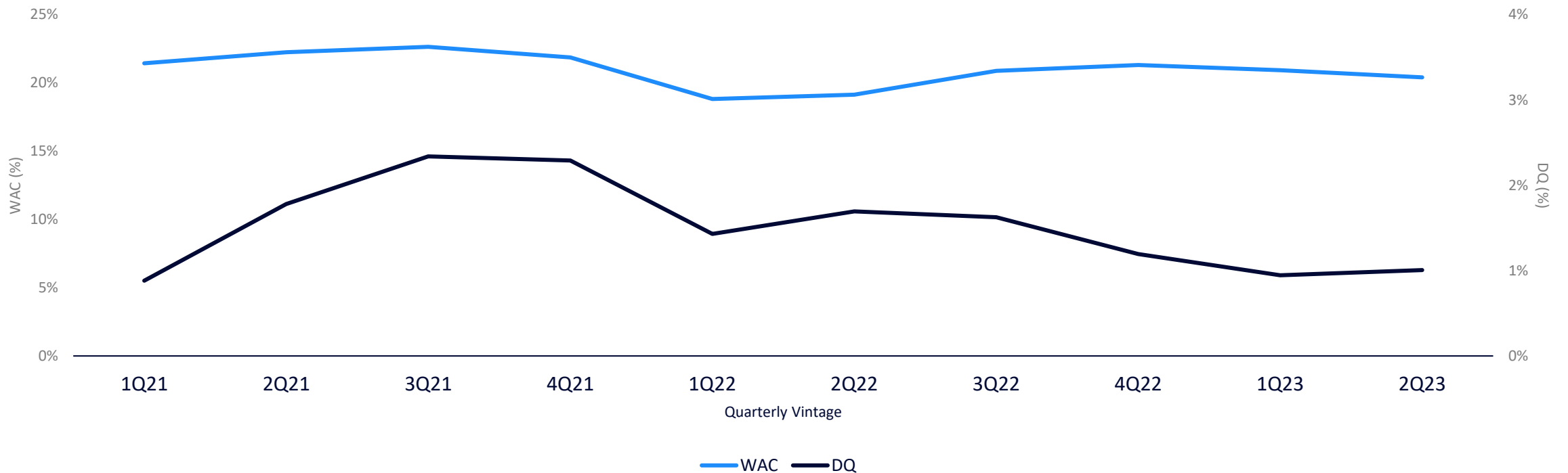
## ABS Investor Base

Investors in Pagaya's financing vehicles  
Capital contributed in 9M23 by investor type



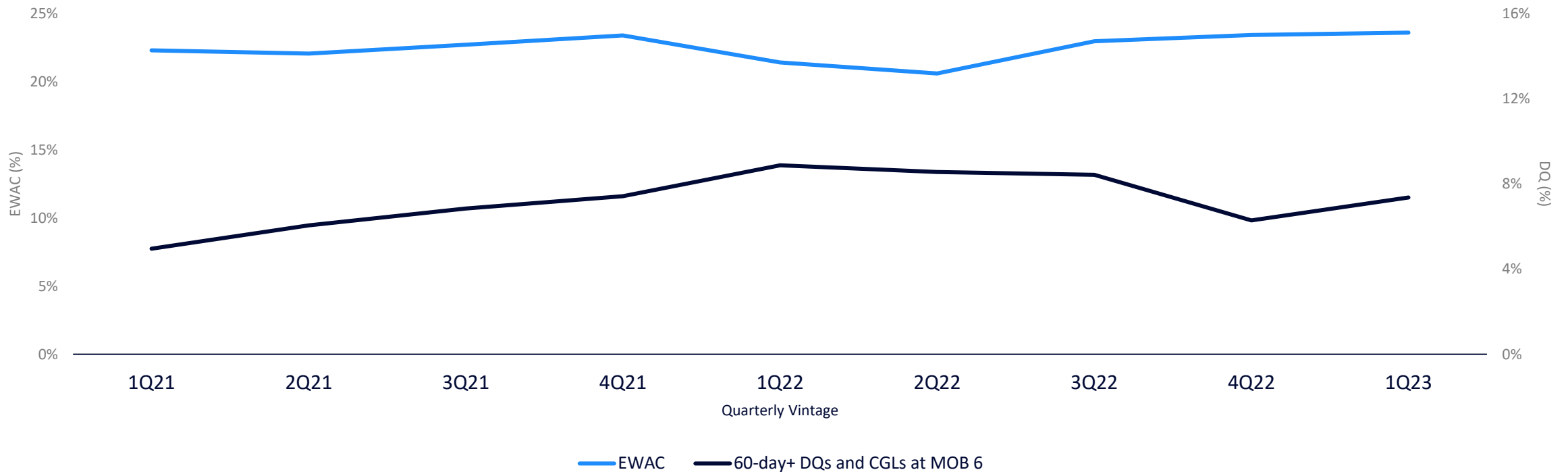
# Credit performance: personal loan portfolio

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



# Credit performance: auto loan portfolio

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





03

# Non-GAAP Reconciliations

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

*(In thousands)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net Loss Attributable to Pagaya Technologies Ltd.</b>	<b>(\$21,752)</b>	<b>(\$74,789)</b>	<b>(\$114,020)</b>	<b>(\$268,323)</b>
<i>Adjusted to exclude the following:</i>				
Share-based compensation	\$20,737	\$60,302	\$57,312	\$223,007
Fair value adjustment to warrant liability	\$1,328	(\$3,000)	\$3,763	(\$9,408)
Impairment loss on certain investments	\$9,130	-	\$39,778	-
Write-off of capitalized software	\$305	-	\$1,935	-
Restructuring expenses	\$484	-	\$5,450	-
Transaction-related expenses	\$2,472	-	\$4,497	-
Non-recurring expenses	\$1,592	\$3,047	\$5,452	\$25,743
<b>Adjusted Net Income (Loss)</b>	<b>\$14,296</b>	<b>(\$14,440)</b>	<b>\$4,167</b>	<b>(\$28,981)</b>
<i>Adjusted to exclude the following:</i>				
Interest expenses	\$9,918	\$243	\$19,932	\$3,420
Provision for income tax	(\$1,158)	\$6,065	\$10,515	\$25,604
Depreciation and amortization	\$5,205	\$2,929	\$13,189	\$4,077
<b>Adjusted EBITDA</b>	<b>\$28,261</b>	<b>(\$5,203)</b>	<b>\$47,803</b>	<b>\$4,120</b>

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**FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
*(in thousands)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Fee revenue less production costs (FRLPC)</b>				
Revenue from fees	\$201,447	\$185,614	\$562,386	\$507,241
Production costs	(\$128,792)	(\$129,115)	(\$374,462)	(\$326,375)
<b>Fee revenue less production costs (FRLPC)</b>	<b>\$72,655</b>	<b>\$56,499</b>	<b>\$187,924</b>	<b>\$180,866</b>

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

Fee revenue less production costs (FRLPC) <i>(in thousands)</i>	\$72,655	\$56,499	\$187,924	\$180,866
Network Volume <i>(in millions)</i>	2,112	1,924	5,919	5,521
<b>Fee revenue less production costs margin % (FRLPC margin %)</b>	<b>3.4%</b>	<b>2.9%</b>	<b>3.2%</b>	<b>3.3%</b>