

PAGAYA TECHNOLOGIES LTD.

4Q'24 Earnings Supplement

February 13, 2025

Forward Looking Statements and Non-GAAP Information

Certain comments made in this presentation may be characterized as forward looking under the Private Securities Litigation Reform Act of 1995. Forward looking statements are based on the company's current assumptions regarding future business and financial performance. Those statements by their nature address matters that are uncertain to different degrees. Those statements involve a number of factors that could cause actual results to differ materially.

Additional information concerning these factors is contained in the Company's filings with the SEC. Copies are available from the SEC, from the Pagaya website, or from Pagaya Investor Relations. Any forward-looking statement made in this presentation speaks only as of the date on which it is made. The company assumes no obligation to update or revise any forward-looking statements except as required by law; these charts and any associated remarks and comments are integrally related and are intended to be presented and understood together.

In an effort to provide additional and useful information regarding the company's financial results and other financial information as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and corresponding materials, certain non-GAAP information including fee revenue less production costs (FRLPC), FRLPC as a % of volume (FRLPC %), Adjusted Net Income (Loss), Core Operating Expenses 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. Management believes these non-GAAP measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods.

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 unaudited consolidated financial statements prepared and presented in accordance with U.S. GAAP. To address these limitations, management provides a reconciliation of Adjusted Net Income (Loss) and Adjusted EBITDA to net income (loss) attributable to Pagaya's shareholders and a calculation of FRLPC and FRLPC %. Management encourages investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view each non-GAAP metric in conjunction with its respective related GAAP financial measures.

A description of each non-GAAP financial measure, together with the rationale for management's use of this non-GAAP information is included as in our earnings press release, submitted to the SEC as Exhibit 99.1 to the company's Form 8-K on February 13, 2025. The reconciliation of non-GAAP information to GAAP is included in the Appendix to this presentation.

In addition, Pagaya provides outlook for the first quarter and full year 2025 on a non-GAAP basis. The Company cannot reconcile its expected Adjusted EBITDA to expected Net Loss Attributable to Pagaya under "Full-Year 2025 Outlook" without unreasonable effort because certain items that impact net income (loss) and other reconciling items are out of the Company's control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on the Company's U.S. GAAP financial results.

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Financial Metrics

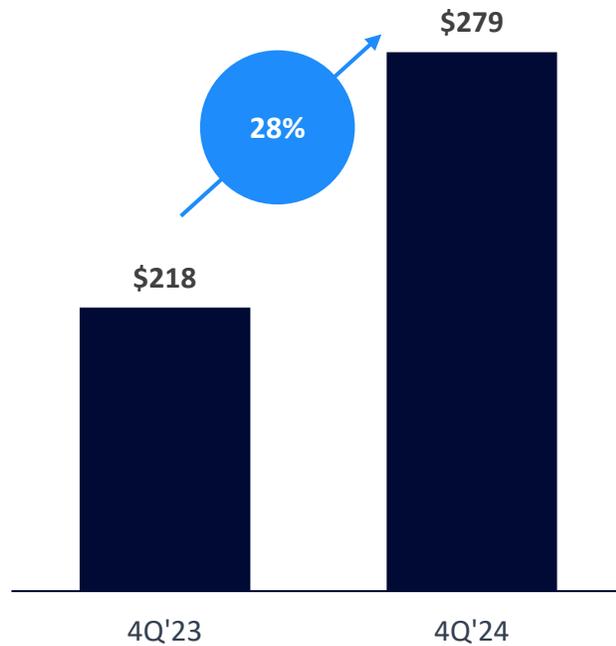
2024 financial highlights

<i>(\$ in millions)</i>	FY2024	FY2023	%Δ	4Q'2024	4Q'2023	%Δ
Network Volume	\$9,705	\$8,299	17%	\$2,604	\$2,380	9%
Total revenue & other income	\$1,032	\$812	27%	\$279	\$218	28%
Revenue from fees	\$1,005	\$773	30%	\$276	\$210	31%
Production costs	\$598	\$509	17%	\$158	\$134	18%
Fee revenue less production costs (FRLPC)* (FRLPC)*	\$407	\$264	54%	\$117	\$76	55%
Core operating expenses*	\$226	\$214	6%	\$57	\$51	13%
Net income (loss) attributable to Pagaya Technologies Ltd.	(\$401)	(\$128)	NM	(\$238)	(\$14)	NM
Adj. Net Income*	\$67	\$17	304%	\$13	\$12	7%
Adj. EBITDA*	\$210	\$82	156%	\$64	\$34	88%

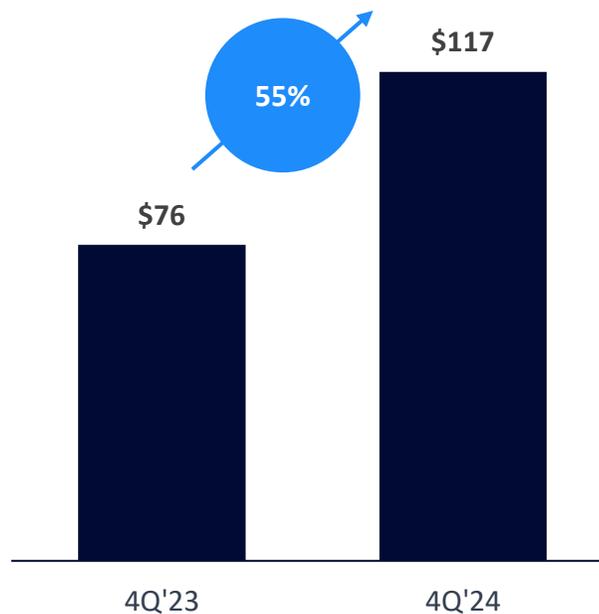
Key financial metrics

\$ in millions; % in YoY growth

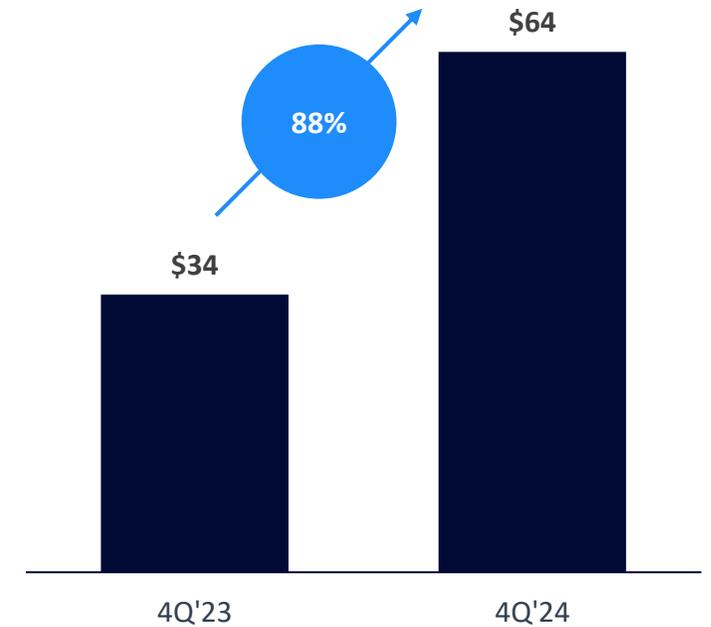
Total Revenue



FRLPC

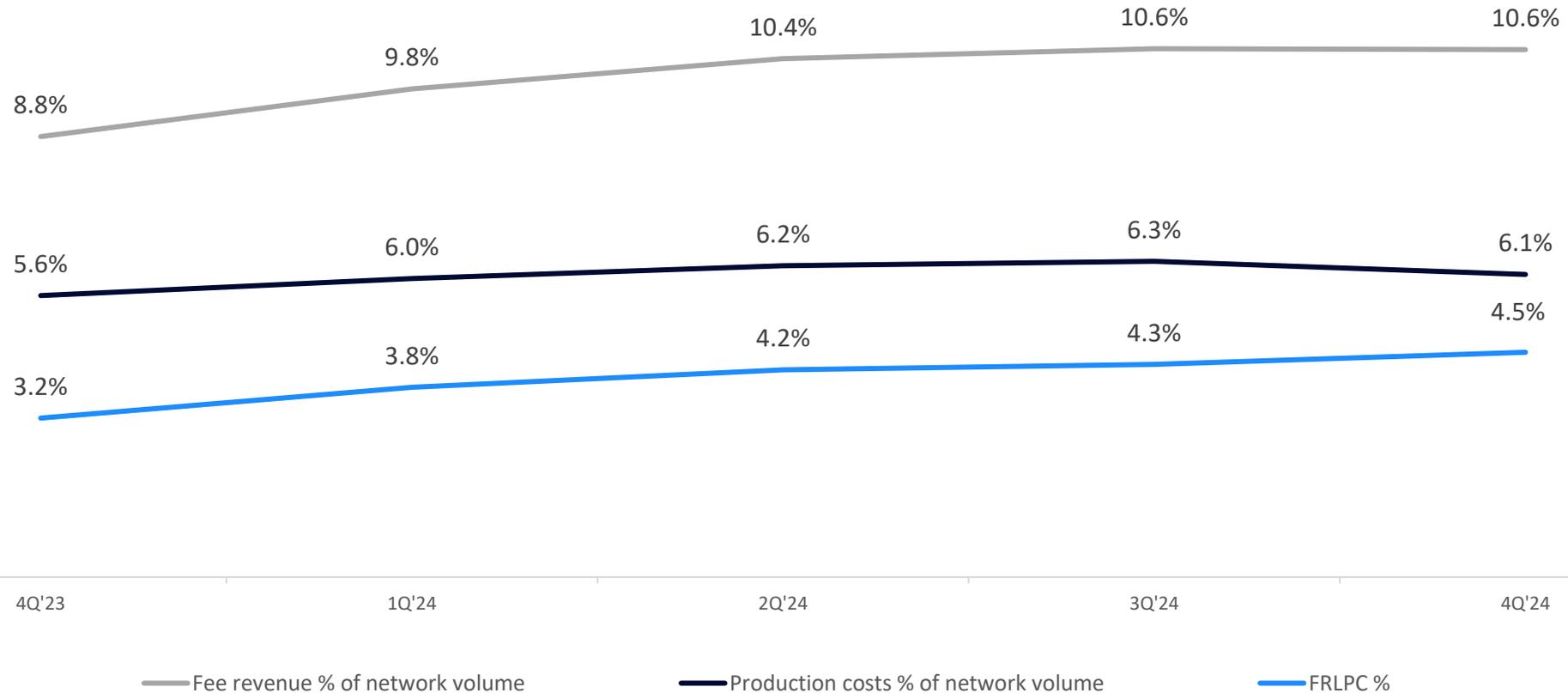


Adjusted EBITDA



Evolution of FRLPC

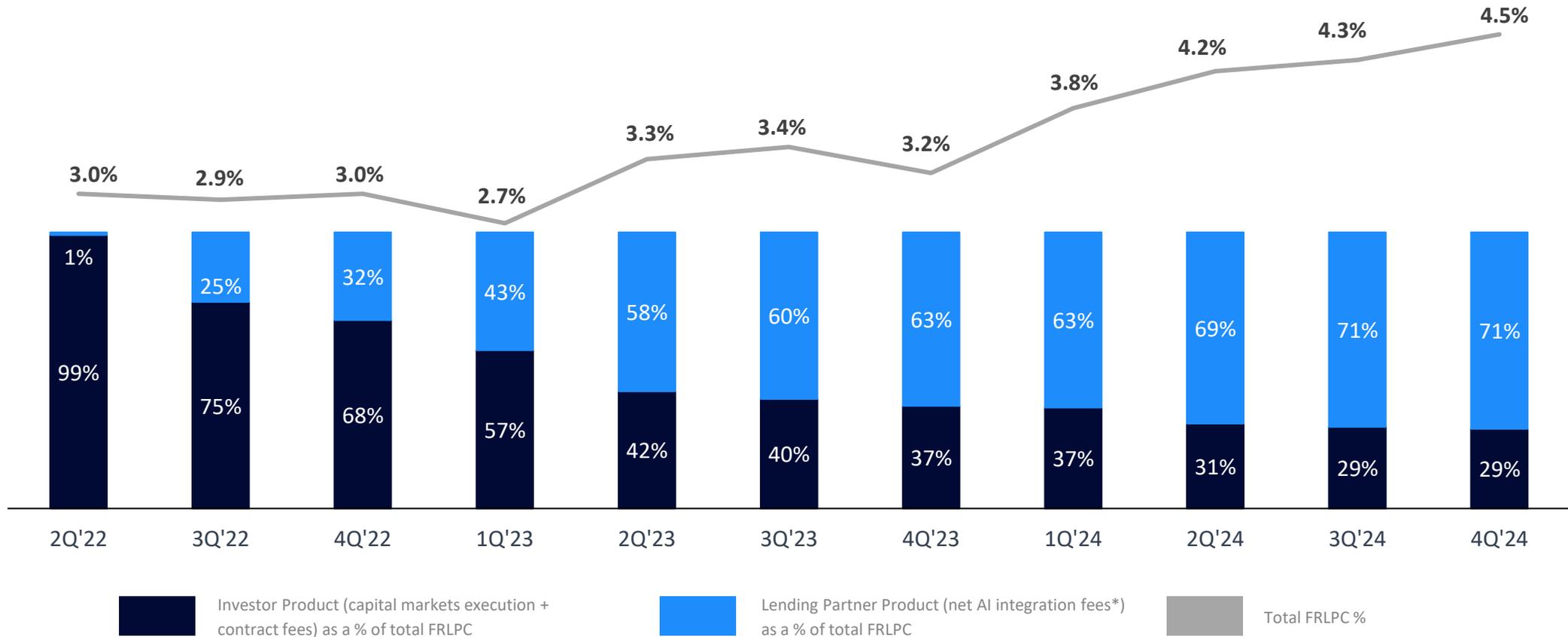
Components of FRLPC as a % of network volume (FRLPC %)



Evolution of FRLPC by product

% contribution from lending partner and investor products

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



Evolution of FRLPC by line item

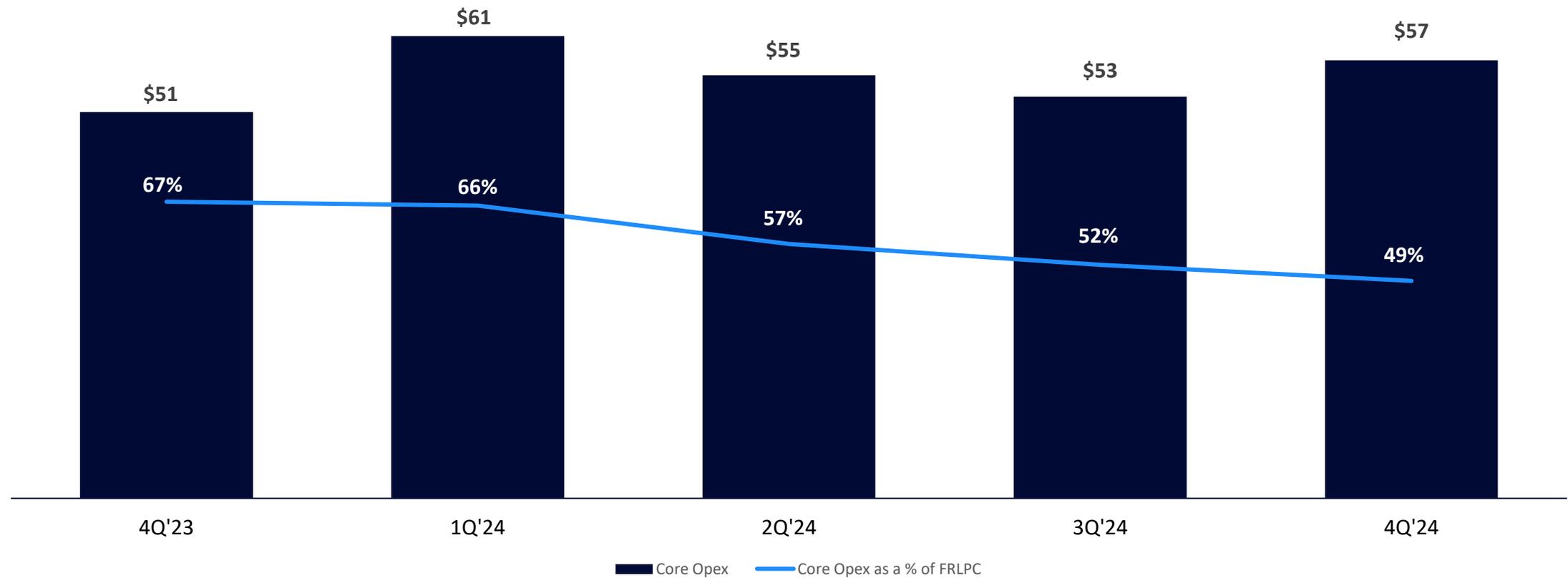
\$ in millions

	4Q'23	1Q'24	2Q'24	3Q'24	4Q'24
AI integration	\$184	\$206	\$216	\$221	\$244
Contract	\$20	\$22	\$21	\$20	\$26
Capital markets	\$7	\$10	\$6	\$8	\$6
Total Fee Revenue	\$210	\$237	\$243	\$249	\$276
Production costs	(\$134)	(\$145)	(\$146)	(\$149)	(\$158)
Total FRLPC	\$76	\$92	\$97	\$100	\$117

Core operating expenses

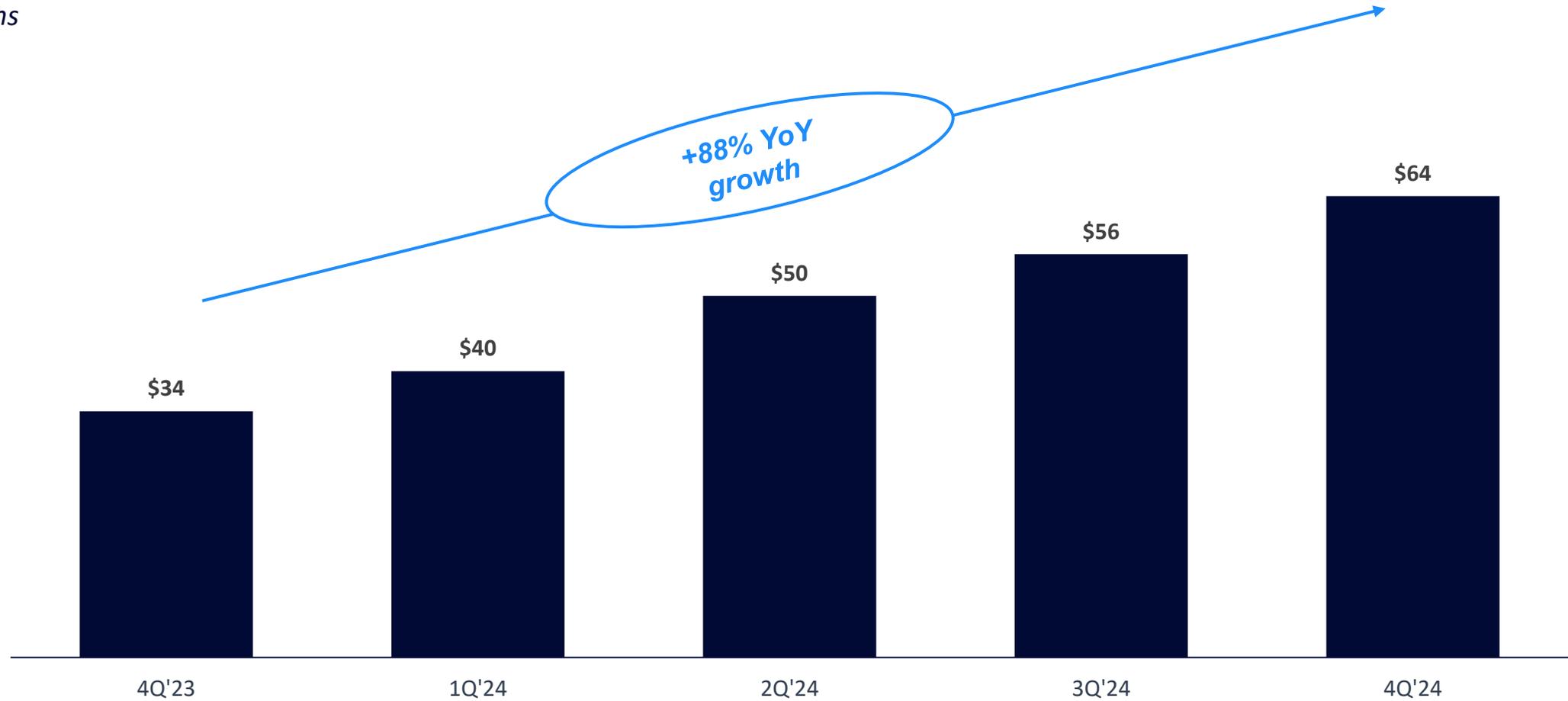
\$ in millions

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



Adjusted EBITDA

\$ in millions

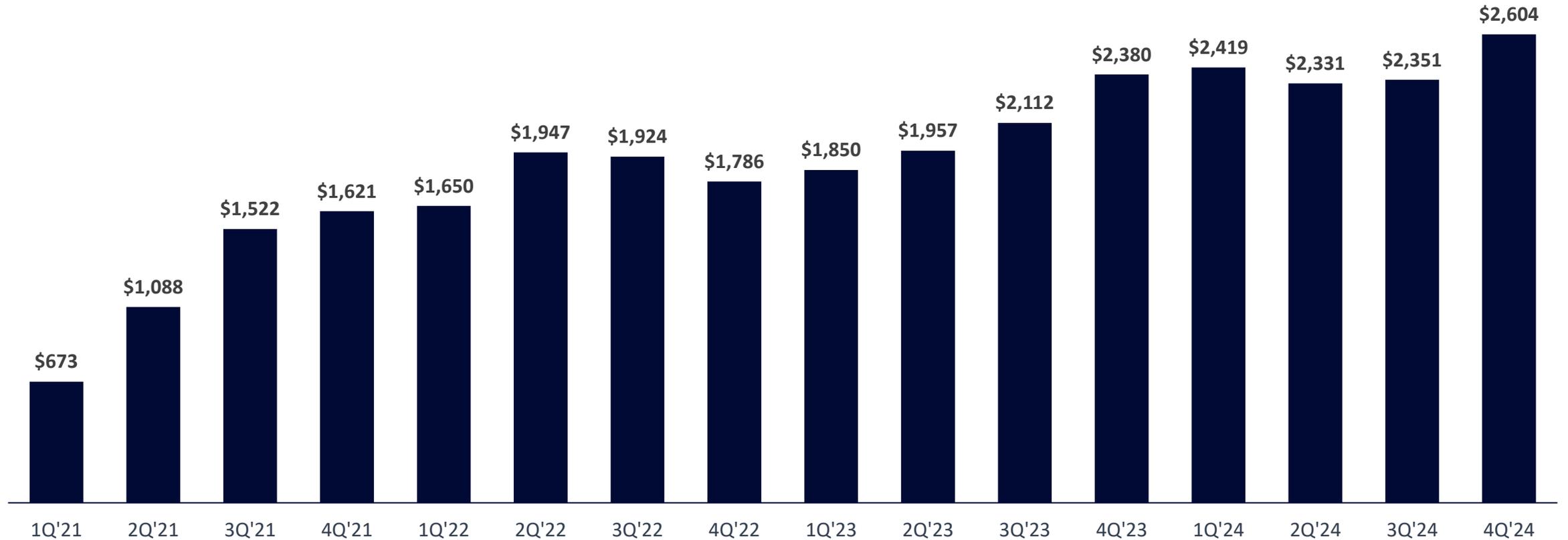


02

Operating Metrics

Network volume

\$ in millions



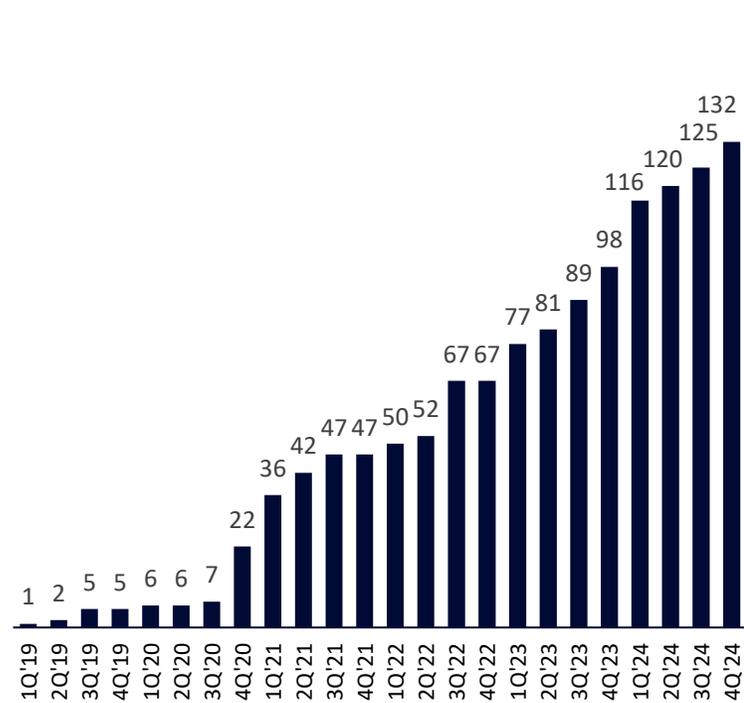
Our ABS funding network

ABS Issuance

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

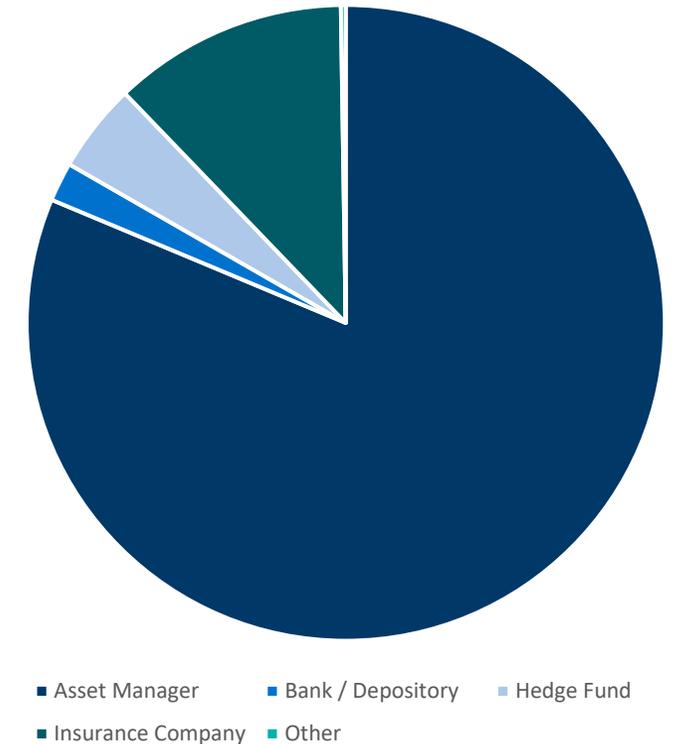


Growing ABS investor base



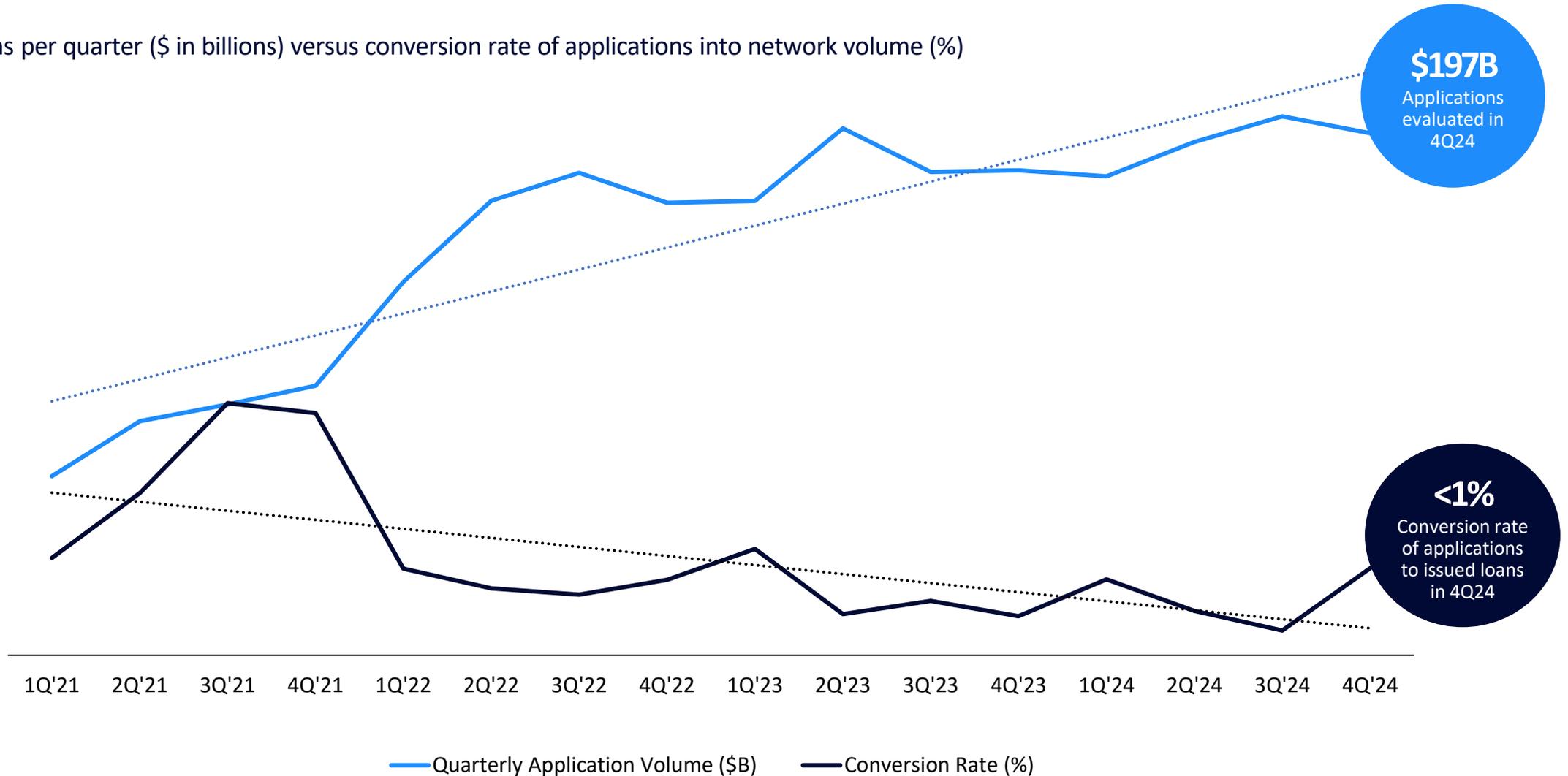
ABS Investor Base

Investors in Pagaya's financing vehicles
Capital contributed in 2024 by investor type



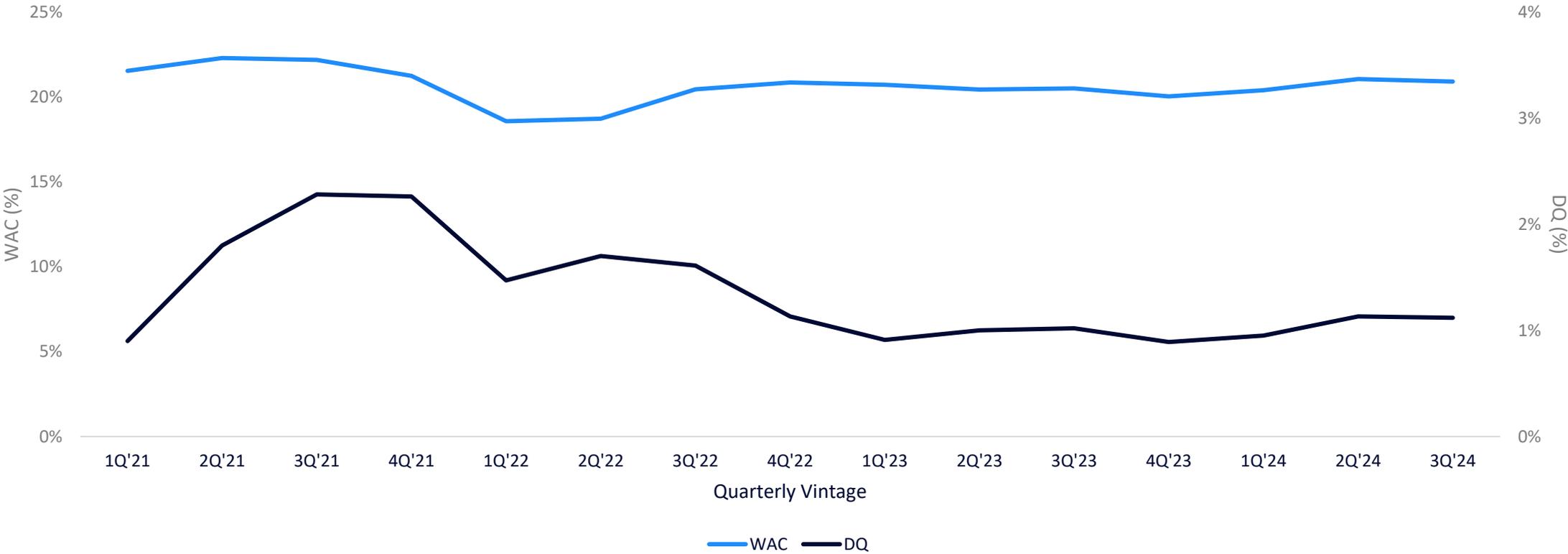
Applications evaluated vs conversion rate %

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



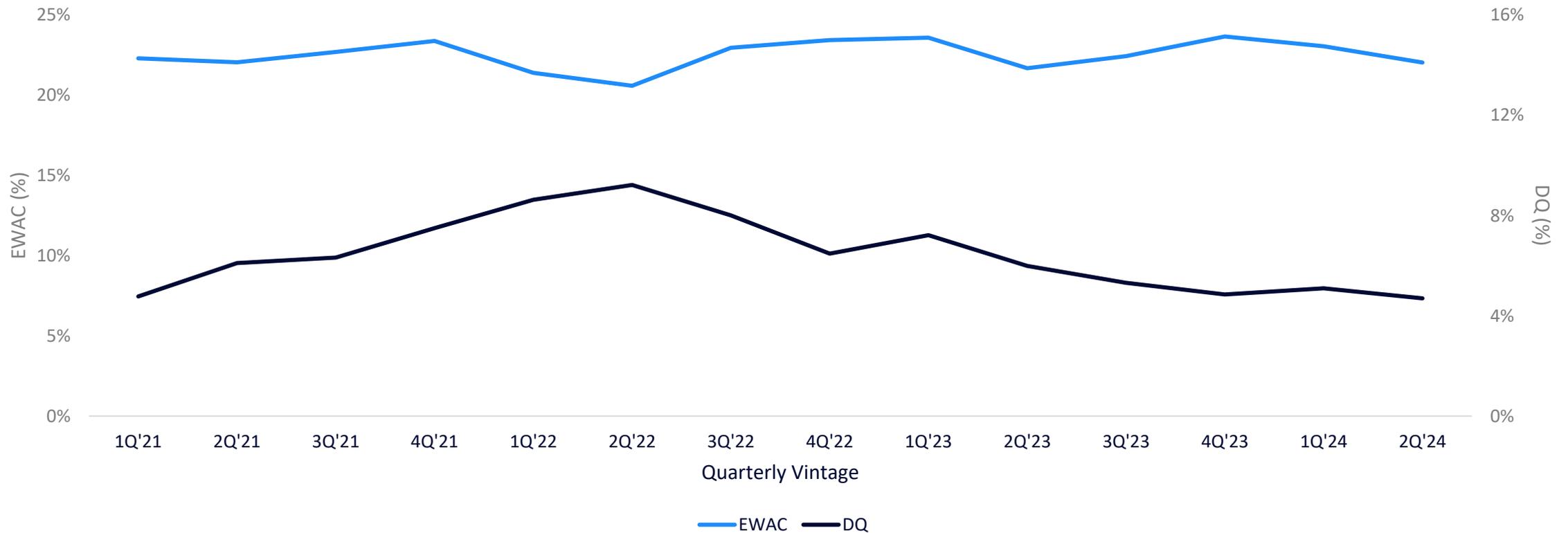
Credit performance: personal loan portfolio

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



Credit performance: auto loan portfolio

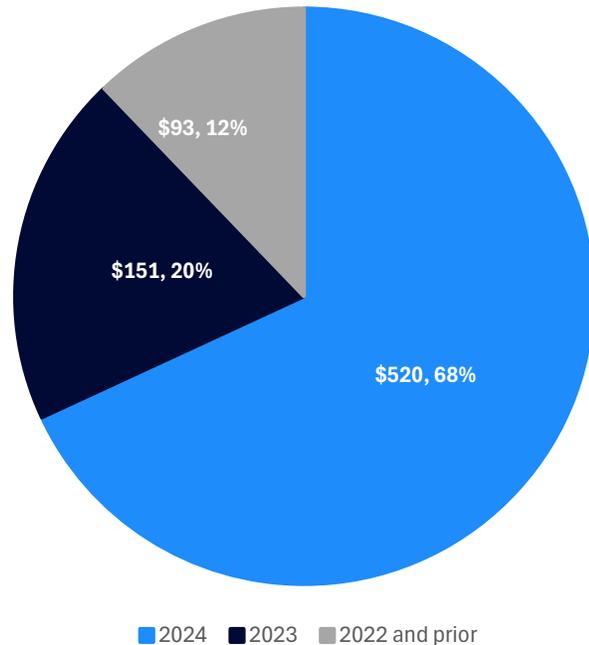
Pagaya auto loan portfolio effective weighted average coupon (“EWAC”) vs. 60-day+ DQs plus cumulative gross loss (“DQ”)
Figures represent performance 6 months from issuance



Investments in loans and securities – composition

Composition by vintage and security type, as of December 31, 2024

Composition by vintage year (\$ in millions, % of total)



Composition by type of security

<i>\$ in millions</i>	Fair Value	% of Total
Securitization Notes	\$238	31.1%
Securitization Certificates	\$522	68.3%
Other Loans and Receivables Receivables	\$4	0.6%
Total	\$764	100%

Investments in loans and securities

Change in investments in loans and securities compared to September 30, 2024

(\$ in thousands)	Three months ended December 31, 2024
Balance, beginning of period	923,382
Additions	155,214
Cash received	(137,866)
Gain on sale of security	7,922
Change in fair value	(184,534)
Balance, end of period	764,119
Balance (net of NCI), end of period period	658,665

Change in fair value adjustment presented net of \$258mm loss in income statement and reclassification of \$74mm of previously recorded unrealized losses reported in Other Comprehensive Income into Other Expense, Net.



Key unobservable inputs compared to September 30, 2024

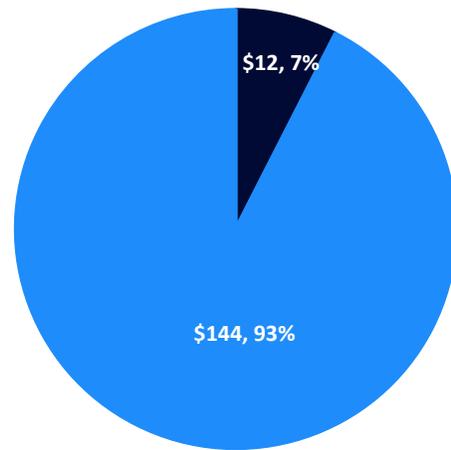
	Weighted Average December 31, 2024	Weighted Average September 30, 2024
Discount Rate	15.0%	15.0%
Loss Rate	19.5%	16.9%
Prepayment rate	9.4%	10.4%

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

The Company expects to provide additional information in Note 14 of our 10-K for the year ended December 31, 2024, expected to be filed in March 2025.

Fair value adjustments

4Q'24 Fair value adjustments* by vintage year, net of Noncontrolling Interest
(\$ in millions, % of total)



■ 2022 and other ■ 2023

2024 Impairment composition, net of Noncontrolling Interest

<i>\$ in millions</i>	1Q'24	2Q'24	3Q'24	4Q'24
Credit-related fair value adjustments	(\$11)	(\$44)	(\$70)	(\$229)
Whole loan allowance for losses	(\$9)	(\$14)	(\$12)	(\$6)
Change in Other Comprehensive Income	(\$25)	(\$47)	(\$19)	\$79
Total change in fair value (net)	(\$44)	(\$105)	(\$101)	(\$156)

Investments in loans & securities – sensitivity analysis, stress scenarios

Full Year 2025 GAAP Net Income guidance reflects the implied fair value adjustments from Scenario A

Illustrative scenarios (\$ in millions)	Base Case (as of 12/31/2024)	Scenario A	Scenario B
Change in expected cash flows – management estimate	–	(10%) – (20%)	(20%) – (30%+)
Implied credit-related impairment of investments in loans and securities	–	~(\$100) – (\$150)	~(\$150) – (\$200+)

Sensitivity scenarios reflect management estimates for credit-related impairments on investments seasoned for two years or less, which amount to substantially all investments in loans and securities.

FY2025 GAAP Net Income Guidance: (\$10mm) – \$40mm

03

Non-GAAP Reconciliations

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS AND YEAR ENDED DECEMBER 31, 2024 AND 2023

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net Loss Attributable to Pagaya Technologies Ltd.	(\$237,922)	(\$14,418)	(\$401,406)	(\$128,438)
<i>Adjusted to exclude the following:</i>				
Share-based compensation	\$15,645	\$13,743	\$61,497	\$71,055
Fair value adjustment to warrant liability	(\$1,991)	(\$1,921)	(\$2,349)	\$1,842
Credit loss impairment on certain investments	\$229,332	\$12,376	\$354,081	\$48,748
Whole loan allowance for losses	\$5,663	\$227	\$40,403	\$3,633
Write-off of capitalized software	\$100	\$3	\$3,245	\$1,938
Restructuring expenses	—	—	\$3,583	\$5,450
Transaction-related expenses	\$488	\$1,656	\$2,095	\$6,153
Non-recurring expenses	\$1,910	\$723	\$5,717	\$6,175
Adjusted Net Income	\$13,225	\$12,389	\$66,866	\$16,556
<i>Adjusted to exclude the following:</i>				
Interest expenses	\$26,085	\$10,808	\$90,183	\$30,740
Provision for income tax	\$16,585	\$5,056	\$24,576	\$15,571
Depreciation and amortization	\$8,278	\$5,966	\$28,753	\$19,155
Adjusted EBITDA	\$64,173	\$34,219	\$210,378	\$82,022

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS AND YEAR ENDED DECEMBER 31, 2024 AND 2023
(in thousands, unless otherwise noted)

Fee revenue less production costs (FRLPC)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Operating Income (Loss)	\$31,739	\$10,652	\$66,840	(\$24,400)
Add: Technology, data and product development	\$18,601	\$17,550	\$76,571	\$74,383
Add: Sales and marketing	\$15,376	\$9,576	\$50,404	\$49,773
Add: General and administrative	\$55,474	\$45,784	\$240,781	\$203,351
Less: Interest income	\$7,619	\$7,783	\$32,291	\$38,748
Less: Investment income (loss)	(\$3,894)	(\$167)	(\$4,593)	\$489
Fee revenue less production costs (FRLPC)	\$117,465	\$75,946	\$406,898	\$263,870
Network Volume (in millions)	\$2,604	\$2,380	\$9,705	\$8,299
Fee Revenue Less Production Costs % (FRLPC %)	4.5%	3.2%	4.2%	3.2%

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS AND YEAR ENDED DECEMBER 31, 2024 AND 2023
(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Operating expenses	(\$89,451)	(\$72,910)	(\$367,756)	(\$327,507)
<i>Adjusted to exclude the following:</i>				
Share-based compensation	\$15,645	\$13,743	\$61,497	\$71,055
Depreciation and amortization	\$8,278	\$5,966	\$28,753	\$19,155
Whole loan allowance for losses	\$5,663	\$227	\$40,403	\$3,633
Write-off of capitalized software	\$100	\$3	\$3,245	\$1,938
Transaction-related expenses	\$488	\$1,656	\$2,095	\$6,153
Restructuring expenses	—	—	\$3,583	\$5,450
Non-recurring expenses	\$1,910	\$723	\$2,221	\$6,175
Core operating expenses	(\$57,368)	(\$50,595)	(\$225,960)	(\$213,951)

Summary Cap Table and Diluted Share Calculation

Cap Table as of December 31, 2024 <i>(Shares in millions)</i>	Shares Outstanding
Preferred Shares	5
Exchangeable notes	11
Class A ordinary shares	61
Class B ordinary shares	13
Share options with \$7.70 weighted-average exercise price	4
Options to restricted shares with \$19.40 weighted-average exercise price	20
RSUs	3
Ordinary share warrants with \$71.50 weighted-average exercise price	2
Fully Diluted	120

Diluted Shares Outstanding, Treasury Stock Method for three months ended December 31, 2024
(Shares in millions¹)

Ordinary shares outstanding	74
Plus: Share options with \$7.70 weighted-average exercise price	4
Plus: Options to restricted shares with \$19.40 weighted-average exercise price	20
Plus: RSUs	3
Plus: Ordinary share warrants with \$71.50 weighted-average exercise price	2
Plus: Exchangeable notes (if converted) ²	—
Less: Treasury stock method reduction ³	(28)
Diluted Shares Outstanding	76

¹Share amounts are on a weighted basis for the number of days they were outstanding during 4Q'2024

²The effect of including exchangeable notes is anti-dilutive; therefore, they are excluded from the diluted EPS calculation.

³Application of treasury stock method using \$10.56 average stock price for 4Q'2024