

Pagaya Reports First Quarter 2025 Results, GAAP Profitable Earlier than Expected

- *Reported strong performance across key metrics:*
 - *Net income attributable to Pagaya shareholders of \$8 million; up \$29 million YoY*
 - *Record Adjusted EBITDA of \$80 million; up 100% YoY*
 - *Record total revenue and other income of \$290 million; up 18% YoY*
- *Company raises full-year guidance for Total Revenue, GAAP Net Income and Adjusted EBITDA*

New York, NY and Tel Aviv, Israel – May 7, 2025 – Pagaya Technologies Ltd. (NASDAQ: PGY) (“Pagaya”, the “Company” or “we”), a global technology company delivering artificial intelligence infrastructure for the financial ecosystem, today announced financial results for the quarter ending March 31, 2025.

For additional information, view Pagaya's first quarter 2025 letter to shareholders [here](#).

“Pagaya has entered a new era in 2025—an era of profitability. Our focus is clear: growing profit and creating long-term value for our shareholders while bridging Wall Street and Main Street. With strong operating leverage, diversified funding, and growing partner adoption, this is just the beginning,” said Gal Krubiner, co-founder and CEO of Pagaya Technologies.

First Quarter 2025 Highlights

All comparisons are made versus the same period in 2024 and on a year-over-year basis unless otherwise stated.

- **GAAP net income attributable to Pagaya shareholders of \$8 million (exceeding outlook of (\$20) million to breakeven)** increased by \$29 million year-over-year, driven primarily by revenue growth and operational efficiencies.
- **Network volume of \$2.4 billion (versus our outlook of \$2.5 billion to \$2.7 billion)** roughly flat year-over-year as we continue to focus on profitable growth.
- **Record total revenue and other income of \$290 million (at the high-end of outlook of \$280 million to \$295 million)** increased by 18% year-over-year, driven by a 19% increase in revenue from fees.
- **Revenue from fees less production costs (“FRLPC”) of \$116 million** increased by 26% year-over-year, driven by improved economics in our personal loan and auto verticals.

- **The Company raised \$1.4 billion across 3 transactions in Q1** and expanded its funding network by 3 new investors, for a total of 135 funding partners, with additional 2 executed so far in Q2.
- **Record adjusted EBITDA of \$80 million (exceeding outlook of \$65 million to \$75 million)** increased by \$40 million compared to the prior year period, benefiting from the growth in FRLPC and operating leverage as the business scales.
- **Adjusted net income of \$53 million**, which excludes the impact of non-cash items such as share-based compensation expense.

Second Quarter 2025 Outlook

2Q25

Network Volume	Expected to be between \$2.3 billion and \$2.5 billion
Total Revenue and Other Income	Expected to be between \$290 million and \$310 million
Adjusted EBITDA	Expected to be between \$75 million and \$90 million
GAAP Net Income	Expected to be between breakeven and \$10 million

Full Year 2025 Outlook

FY25

Network Volume	Expected to be between \$9.5 billion and \$11 billion
Total Revenue and Other Income	Expected to be between \$1.175 billion and \$1.3 billion
Adjusted EBITDA	Expected to be between \$290 million and \$330 million
GAAP Net Income	Expected to be between \$10 million and \$45 million

Webcast

The Company will hold a webcast and conference call today, May 7, 2025, at 8:30 a.m. Eastern Time. A live webcast of the call will be available via the Investor Relations section of the Company's website at investor.pagaya.com. To listen to the live webcast, please go to the site at least five minutes prior to the scheduled start time in order to register, download and install any necessary audio software. Shortly before the call, the accompanying materials will be made available on the Company's website. Shortly after the call, a replay of the webcast will be available for 90 days on the Company's website.

The conference call can also be accessed by dialing 1-877-407-9208 or 1-201-493-6784. The telephone replay can be accessed by dialing 1-844-512-2921 or 1-412-317-6671 and providing the conference ID# 13753161. The telephone replay will be available starting shortly after the call until Wednesday, May 21, 2025. A replay will also be available on the Investor Relations website following the call.



About Pagaya Technologies

Pagaya (NASDAQ: PGY) is a global technology company making life-changing financial products and services available to more people nationwide. By using machine learning, a vast data network and an AI-driven approach, Pagaya provides comprehensive consumer credit and residential real estate solutions for its partners, their customers, and investors. Its proprietary API and capital solutions integrate into its network of partners to deliver seamless user experiences and greater access to the mainstream economy. Pagaya has offices in New York and Tel Aviv. For more information, visit pagaya.com.

Cautionary Note About Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. These forward-looking statements generally are identified by the words "anticipate," "believe," "continue," "can," "could," "estimate," "expect," "intend," "may," "opportunity," "future," "strategy," "might," "outlook," "plan," "possible," "potential," "predict," "project," "should," "strive," "will," "would," "will be," "will continue," "will likely result," and similar expressions. All statements other than statements of historical fact are forward-looking statements, including statements regarding: The Company's strategy and future operations, including the Company's ability to continue to deliver consistent results for its lending partners and investors; the Company's ability to continue to drive sustainable gains in profitability; the Company's ability to achieve continued momentum in its business; the Company's ability to maintain positive net cash flow; and the Company's financial outlook for Network Volume, Total Revenue and Other Income, Net Income and Adjusted EBITDA for the second quarter and full year 2025. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and assumptions include factors relating to: the Company's ability to attract new partners and to retain and grow its relationships with existing partners to support the underlying investment needs for its securitizations and funds products; the need to maintain a consistently high level of trust in its brand; the concentration of a large percentage of its investment revenue with a small number of partners and platforms; its ability to sustain its revenue growth rate or the growth rate of its related key operating metrics; its ability to improve, operate and implement its technology, its existing funding arrangements for the Company and its affiliates that may not be renewed or replaced or its existing funding sources that may be unwilling or unable to provide funding to it on terms acceptable to it, or at all; the performance of loans facilitated through its model; changes in market interest rates; its securitizations, warehouse credit facility agreements; the impact on its business of general economic conditions, including, but not limited to rising interest rates, inflation, supply chain disruptions, exchange rate fluctuations and labor shortages; the effect of and uncertainties related to public health crises such as the COVID-19 pandemic (including any government responses thereto); geopolitical conflicts such as the war in Israel; its ability to realize the potential benefits of past or future acquisitions; anticipated benefits and savings from our recently announced reduction in workforce; changes in the political, legal and regulatory framework for AI technology, machine learning, financial institutions and consumer protection; the ability to maintain the listing of our securities on Nasdaq; the financial performance of its partners, and fluctuations in the U.S. consumer credit and housing market; its ability to grow effectively through strategic alliances; seasonal fluctuations in our revenue as a result of consumer spending and saving patterns; pending and future litigation, regulatory actions and/or compliance issues including with respect to the merger with EJV Acquisition Corp.; and other risks that are described in and the Company's Form 10-K filed on March 12, 2025 and subsequent filings with the U.S. Securities and



Exchange Commission. These forward-looking statements reflect the Company's views with respect to future events as of the date hereof and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. The forward-looking statements are made as of the date hereof, reflect the Company's current beliefs and are based on information currently available as of the date they are made, and the Company assumes no obligation and does not intend to update these forward-looking statements.

Financial Information; Non-GAAP Financial Measures

Some of the unaudited financial information and data contained in this press release and Form 8-K, such as Fee Revenue Less Production Costs ("FRLPC"), FRLPC % (FRLPC divided by Network Volume), Adjusted EBITDA and Adjusted Net Income, have not been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). To supplement the unaudited consolidated financial statements prepared and presented in accordance with U.S. GAAP, management uses the non-GAAP financial measures FRLPC, 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. 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 and Adjusted EBITDA to net income (loss) attributable to Pagaya's shareholders and FRLPC to operating income, and a calculation of FRLPC % as FRLPC divided by Network Volume. Management encourages investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view Adjusted Net Income and Adjusted EBITDA in conjunction with its respective related GAAP financial measures.

Non-GAAP financial measures include the following items:

Fee Revenue Less Production Costs ("FRLPC") is defined as revenue from fees less production costs. FRLPC % is defined as FRLPC divided by Network Volume.

Adjusted Net Income is defined as net income (loss) attributable to Pagaya Technologies Ltd.'s 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.

Adjusted EBITDA is defined as net income (loss) attributable to Pagaya Technologies Ltd.'s 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, interest expense, depreciation expense, and income tax expense (benefit).



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 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. The tables below provide reconciliations of Adjusted EBITDA to Net Income Attributable to Pagaya Technologies Ltd. and FRLPC to operating income, in each case the most directly comparable U.S. GAAP measure.

In addition, Pagaya provides an outlook for the second quarter and fiscal 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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PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except share and per share data)

	Three Months Ended March 31,	
	2025	2024
Revenue		
Revenue from fees	\$ 282,704	\$ 237,004
Other Income		
Interest income	7,676	7,744
Investment (loss) income	(391)	528
Total Revenue and Other Income	289,989	245,276
Production costs	167,083	144,881
Technology, data and product development (1)	19,444	19,380
Sales and marketing (1)	9,594	10,257
General and administrative (1)	46,183	63,068
Total Costs and Operating Expenses	242,304	237,586
Operating Income	47,685	7,690
Other expense, net	(47,733)	(34,349)
Loss Before Income Taxes	(48)	(26,659)
Income tax (benefit) expense	(2,540)	5,003
Net Income (Loss) Including Noncontrolling Interests	2,492	(31,662)
Less: Net loss attributable to noncontrolling interests	(5,401)	(10,439)
Net Income (Loss) Attributable to Pagaya Technologies Ltd.	\$ 7,893	\$ (21,223)
Per share data:		
Net income (loss) attributable to Pagaya Technologies Ltd. shareholders	\$ 7,893	\$ (21,223)
Less: Undistributed earnings allocated to preferred shares	489	—
Net income (loss) attributable to Pagaya Technologies Ltd.'s ordinary shares	\$ 7,404	\$ (21,223)
Earnings (loss) per share attributable to Pagaya Technologies Ltd.'s ordinary shares:		
Basic	\$ 0.10	\$ (0.33)
Diluted	\$ 0.10	\$ (0.33)
Non-GAAP adjusted net income (2)	\$ 53,189	\$ 13,331
Non-GAAP adjusted net income per share:		
Basic	\$ 0.70	\$ 0.21
Diluted	\$ 0.69	\$ 0.20
Weighted average shares outstanding:		
Basic	75,765,080	64,504,458
Diluted	77,043,464	65,890,518

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

	Three Months Ended March 31,	
	2025	2024
Technology, data and product development	\$ 1,097	\$ 2,905
Selling and marketing	4,780	2,852
General and administrative	7,295	9,718
Total	\$ 13,172	\$ 15,475

(2) See "Reconciliation of Non-GAAP Financial Measures."

PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 186,797	\$ 187,921
Restricted cash	18,123	18,595
Fees and other receivables (1)	107,543	97,932
Investments in loans and securities (1)	19,665	22,087
Prepaid expenses and other current assets	23,435	24,944
Total current assets	355,563	351,479
Non-current assets:		
Restricted cash	24,714	20,002
Fees and other receivables	28,427	29,182
Investments in loans and securities	740,828	756,322
Equity method and other investments	21,543	21,933
Right-of-use assets	35,371	36,876
Property and equipment, net	36,135	37,974
Goodwill	22,903	23,062
Intangible assets, net	11,671	12,821
Prepaid expenses and other assets	1,210	1,421
Total non-current assets	922,802	939,593
Total Assets	\$ 1,278,365	\$ 1,291,072
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 10,006	\$ 6,992
Accrued expenses and other liabilities	33,621	45,362
Current maturities of operating lease liabilities	6,574	6,453
Current portion of long-term debt	17,750	17,750
Secured borrowing	118,058	109,079
Income taxes payable	12,686	9,858
Total current liabilities	198,695	195,494
Non-current liabilities:		
Warrant liability	1,992	893
Long-term debt	300,169	303,567
Exchangeable notes	146,925	146,342
Secured borrowing	60,691	67,010
Operating lease liabilities	28,574	30,611
Long-term tax and deferred tax liabilities, net	26,266	31,359
Total non-current liabilities	564,617	579,782
Total Liabilities	763,312	775,276
Redeemable convertible preferred shares	74,250	74,250
Shareholders' equity:		
Additional paid-in capital	1,299,010	1,282,022
Accumulated other comprehensive loss	(27,370)	(11,488)
Accumulated deficit	(936,150)	(944,043)
Total Pagaya Technologies Ltd. shareholders' equity	335,490	326,491
Noncontrolling interests	105,313	115,055
Total shareholders' equity	440,803	441,546
Total Liabilities, Redeemable Convertible Preferred Shares, and Shareholders' Equity	\$ 1,278,365	\$ 1,291,072

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

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

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net income (loss) including noncontrolling interests	\$ 2,492	\$ (31,662)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Equity method loss (income)	391	(528)
Depreciation and amortization	7,722	6,317
Share-based compensation	13,172	15,475
Fair value adjustment to warrant liability	1,099	(1,900)
Impairment loss on investments in loans and securities (1)	37,080	26,987
Gain on sale of investments in loans and securities	(5,894)	—
Amortization of deferred costs	2,396	475
Write-off of capitalized software	—	408
Loss on foreign exchange	32	264
Change in operating assets and liabilities:		
Fees and other receivables (1)	(8,844)	(6,832)
Accrued interest on investments (1)	(6,088)	(4,940)
Prepaid expenses and other assets	1,652	(1,936)
Right-of-use assets	1,505	1,879
Accounts payable	3,016	1,885
Accrued expenses and other liabilities	(11,615)	8,298
Operating lease liability	(1,415)	(1,524)
Income taxes	(2,274)	5,043
Net cash provided by operating activities	34,427	17,709
Cash flows from investing activities		
Proceeds from the sale/maturity/prepayment of:		
Investments in loans and securities (1)	58,674	38,658
Cash and restricted cash acquired from Theorem Technologv. Inc.	159	—
Payments for the purchase of:		
Investments in loans and securities	(81,943)	(261,638)
Property and equipment	(3,776)	(5,145)
Net cash used in investing activities	(26,886)	(228,125)
Cash flows from financing activities		
Proceeds from sale of ordinary shares, net of issuance costs	—	89,938
Proceeds from long-term debt	—	244,725
Proceeds from secured borrowing	49,162	97,448
Proceeds received from noncontrolling interests	—	2,815
Proceeds from revolving credit facility	—	44,000
Proceeds from exercise of stock options, warrants and contributions to ESPP	2,859	161
Proceeds from issuance of ordinary shares from the Equity Financing Purchase Agreement	—	5,338
Distributions made to noncontrolling interests	(4,442)	(2,515)
Payments made to revolving credit facility	—	(134,000)
Payments made to secured borrowing	(46,919)	(38,005)
Payments made to long-term debt	(4,439)	(3,188)
Debt issuance costs	—	(7,974)
Net cash (used in) provided by financing activities	(3,779)	298,743
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(646)	(820)
Net increase in cash, cash equivalents and restricted cash	3,116	87,507
Cash, cash equivalents and restricted cash, beginning of period	226,518	222,541
Cash, cash equivalents and restricted cash, end of period	\$ 229,634	\$ 310,048

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

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
(\$ in thousands, unless otherwise noted)

	Three Months Ended March 31,	
	2025	2024
Net Income (Loss) Attributable to Pagaya Technologies Ltd.	\$ 7,893	\$ (21,223)
Adjusted to exclude the following:		
Share-based compensation	13,172	15,475
Fair value adjustment to contingent liability	(3,184)	—
Fair value adjustment to warrant liability	1,099	(1,900)
Impairment loss on certain investments	29,511	19,483
Restructuring expenses	962	820
Transaction-related expenses	14	400
Non-recurring expenses	3,722	276
Adjusted Net Income	\$ 53,189	\$ 13,331
Adjusted to exclude the following:		
Interest expenses	21,212	15,164
Income tax (benefit) expense	(2,540)	5,003
Depreciation and amortization	7,722	6,317
Adjusted EBITDA	\$ 79,583	\$ 39,815

	Three Months Ended March 31,	
	2025	2024
Operating Income	\$ 47,685	\$ 7,690
Add: Technology, data and product development	19,444	19,380
Add: Sales and marketing	9,594	10,257
Add: General and administrative	46,183	63,068
Less: Interest income	7,676	7,744
Less: Investment (loss) income	(391)	528
Fee Revenue Less Production Costs (FRLPC)	\$ 115,621	\$ 92,123
Network Volume (in millions)	2,400	2,419
Fee Revenue Less Production Costs % (FRLPC %)	4.8 %	3.8 %