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, 2026
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	**98-1704718**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
335 Madison Ave, 16th Floor **New York, New York**	**10017**
(Address of principal executive offices)	(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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 30, 2026, the registrant had 72,739,104 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 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. All statements other than statements of historical facts contained in this Quarterly Report 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," "could," "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 include, without limitation, statements regarding: our expectations concerning the outlook for our business and our industry; our strategic plans; developing and scaling new asset types, products, and services; expanding our current Partner relationships and adding new Partners; leveraging our data and AI capabilities; improving our cost of capital; diversifying our funding network; delivering assets to meet our investors' expectations; the performance of assets originated on our platform versus the broader market; the impact of economic cycles on our financial performance and related metrics; the impact of macroeconomic and geopolitical conditions, including interest rates, inflation, and the ongoing conflict involving Israel, the United States, and Iran; increasing Network Volume and the importance of generating Network Volume, which is a key operating metric; making strategic investments to support our business plans, including in sales, marketing, technology, data, and product development; potential acquisitions of, or investments in, complementary businesses, products, and technologies; the sufficiency of our liquidity and capital resources to support our business operations; the Company's capital efficiency strategies; our effective tax rate and tax status in Israel; the impact of legal proceedings, claims, and tax audits; monitoring and upgrading our internal controls; and the impact of recently issued accounting standards.

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:

- our rapid growth and our ability to effectively manage our growth and maintain profitability;
- adverse global economic conditions and other catastrophic events;
- adverse developments impacting the banking and financial services industries, consumer credit activity, and the availability of equity and debt financing;
- our reliance on services provided by third-party vendors;
- our dependence on our AI technology;
- our reliance on a limited number of partners which presents concentration risk for Network Volume and Revenue;
- retaining and attracting new partners by improving our platform and offering new and relevant products;
- our ability to raise capital from investors;
- developing and maintaining robust and diverse funding sources;
- the competitive nature of our industry;
- changes to our accounting policies or financial reporting standards;
- maintaining our brand image and reputation;
- managing risks related to fraudulent activity;
- our reliance on key employees including our founders;
- effectively managing conflicts of interest related to our financing vehicles;
- legal proceedings, investigations, or claims;
- maintaining adequate insurance coverage;
- the effectiveness of our risk management processes;
- realizing the intended benefits of any strategic transactions;
- the regulation of AI technologies by the FTC, CFPB, and other governmental agencies;
- enforcing our intellectual property rights;
- our use of open-source software components;
- our ability to continue receiving accurate data from our partners;
- cyberattacks and other security breaches;

- risks related to our single-family rental operations including volatility in the single-family rental market, lease renewal and default rates, HOA regulations, the accuracy of resident-supplied information, leasing fraud, renovation and maintenance costs, and regulations impacting the single-family rental business;
- our compliance with laws related to consumer protection, consumer finance, lending, fair lending, data protection and privacy, cybersecurity, and investment advisory services, and maintaining required licenses to operate;
- heightened regulation of the financial services industry;
- the risks that we are deemed to be an investment company or that we cannot rely on exemptions under various laws to conduct the funding component of our business;
- our ability to continue accessing the securitization market;
- our compliance with anti-corruption, anti-bribery, anti-money laundering, economic and trade sanctions and similar laws;
- the risk that we would be deemed the true lender for loans originated by our partners;
- the enforceability of assets we acquire from our partners;
- risks related to ongoing conflicts including between Russia and Ukraine and Israel, the United States, and Iran;
- risks related to our operations in Israel including regional hostilities and our employees' required military service;
- risks related to being a public company including limited management experience and increased costs;
- covenants in our indebtedness arrangements that could limit our ability to operate our business;
- changes in tax laws and the outcome of potential tax audits; and
- the other matters described in "*Risk Factors*" in our 2025 Annual Report on Form 10-K (defined below).

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 on Form 10-Q. 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 on Form 10-Q, 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. This data involves 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 filed on March 2, 2026, and amended on April 30, 2026 and June 1, 2026 (collectively, the "2025 Annual Report on Form 10-K"), and Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q.

PART I - Financial Information

Item 1. Financial Statements
PAGAYA TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share amounts)

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 247,115	$ 235,329
Restricted cash and cash equivalents	58,445	53,020
Fee receivables (1)	203,982	153,250
Investments in loans and securities at fair value	1,100,832	945,269
Equity method and other investments	10,678	13,518
Right-of-use assets	25,651	30,578
Property, equipment and software, net	33,853	30,221
Goodwill	25,296	22,903
Intangible assets, net	4,574	7,661
Other assets (1)	87,803	54,165
Total Assets	$ 1,798,229	$ 1,545,914
Liabilities and Equity		
Liabilities:		
Accounts payable	$ 4,565	$ 3,931
Accrued expenses and other liabilities	82,434	74,635
Operating lease liabilities	29,710	34,212
Income taxes payable and other tax liabilities	22,266	18,687
Warrant liability	208	4,723
Revolving credit facility	25,000	—
Secured borrowing	314,301	193,892
Exchangeable notes	150,746	148,782
Long-term debt	472,333	481,598
Total Liabilities	1,101,563	960,460
Redeemable convertible preferred shares, no par value, 6,666,666 shares authorized, 2,027,147 shares issued and outstanding as of both September 30, 2026 and December 31, 2025; aggregate liquidation preference of $60,814 both as of September 30, 2026 and December 31, 2025.	30,103	30,103
Shareholders' equity:		
Class A ordinary shares, no par value, 666,666,666 shares authorized, 72,637,016 and 70,747,357 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively.	—	—
Class B ordinary shares, no par value, 166,666,666 shares authorized, 11,288,577 shares issued and outstanding as of both September 30, 2026 and December 31, 2025.	—	—
Additional paid-in capital	1,419,123	1,390,990
Accumulated other comprehensive loss	(53,786)	(48,319)
Accumulated deficit	(742,955)	(862,654)
Total Pagaya Technologies Ltd. shareholders' equity	622,382	480,017
Noncontrolling interests	44,181	75,334
Total Equity	666,563	555,351
Total Liabilities, Redeemable Convertible Preferred Shares, and Equity	$ 1,798,229	$ 1,545,914

(1) Includes related-party fee receivables from ABS securitization trusts and investment funds totaling $138.3 million and $106.9 million and other related-party assets from ABS securitization trusts and investment funds of $75.0 million and $42.6 million, as of September 30, 2026 and December 31, 2025, respectively. Refer to Note 11, "Transactions with Related Parties," for additional information regarding related-party transactions with ABS securitization trusts and investment funds.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue				
Revenue from fees (1)	$ 362,155	$ 339,887	$ 1,026,785	$ 940,305
Other Income				
Interest income	28,962	14,918	68,833	33,333
Investment loss, net	(625)	(4,640)	(140)	(7,086)
Total Revenue and Other Income	390,492	350,165	1,095,478	966,552
Production costs	215,701	200,574	611,977	559,122
Technology, data and product development	17,352	18,236	50,640	56,135
Sales and marketing	9,514	14,453	30,733	43,707
General and administrative	35,377	36,944	103,776	123,476
Total Costs and Operating Expenses	277,944	270,207	797,126	782,440
Operating Income	112,548	79,958	298,352	184,112
Gains and (losses) on investments in loans and securities	(43,400)	(19,557)	(123,714)	(62,832)
Other expenses, net	(23,606)	(27,377)	(62,044)	(66,267)
Gains and (losses) from extinguishment of debt	—	(24,961)	1,504	(25,457)
Income Before Income Taxes	45,542	8,063	114,098	29,556
Income tax expense (benefit)	1,054	(15,210)	3,115	(12,772)
Net Income Including Noncontrolling Interests	44,488	23,273	110,983	42,328
Less: Net (loss) income attributable to noncontrolling interests	(5,244)	728	(8,716)	(4,765)
Net Income Attributable to Pagaya Technologies Ltd.	$ 49,732	$ 22,545	$ 119,699	$ 47,093
Earnings per share attributable to Pagaya Technologies Ltd.'s ordinary shareholders (Note 12):				
Basic	$ 0.58	$ 0.27	$ 1.41	$ 0.57
Diluted	$ 0.52	$ 0.23	$ 1.30	$ 0.55
Weighted average shares outstanding:				
Basic	83,672,736	78,539,137	83,142,891	77,086,125
Diluted	98,474,463	91,046,530	96,802,502	80,945,983

(1) Includes related-party revenues from ABS securitization trusts and investment funds totaling $237.3 million and $159.3 million for the three months ended September 30, 2026 and 2025, and $627.5 million and $473.7 million for the nine months ended September 30, 2026 and 2025, respectively. Refer to Note 11, "Transactions with Related Parties," for additional information regarding related-party transactions with ABS securitization trusts and investment funds.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net Income Including Noncontrolling Interests	$ 44,488	$ 23,273	$ 110,983	$ 42,328
Other Comprehensive Income:				
Unrealized non-credit related adjustments to investment securities	(31,655)	(13,088)	(4,346)	(34,580)
Comprehensive Income Including Noncontrolling Interests	12,833	10,185	106,637	7,748
Less: Comprehensive loss attributable to noncontrolling interests	(5,105)	(135)	(7,595)	(5,543)
Comprehensive Income Attributable to Pagaya Technologies Ltd.	$ 17,938	$ 10,320	$ 114,232	$ 13,291

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 EQUITY (UNAUDITED)
(In thousands, except share amounts)

	Redeemable Convertible Preferred Shares		Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Pagaya Technologies Ltd. Shareholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance – June 30, 2026	2,027,147	$ 30,103	83,335,527	$ —	$ 1,408,832	$ (21,992)	$ (792,687)	$ 594,153	$ 54,630	$ 648,783
Issuance of ordinary shares upon exercise of share options	—	—	14,317	—	173	—	—	173	—	173
Issuance of ordinary shares upon vesting of RSUs	—	—	495,935	—		—	—	—	—	—
Issuance of ordinary shares upon purchase of shares under employee stock purchase plan	—	—	79,814	—	821	—	—	821	—	821
Share-based compensation	—	—	—	—	9,297	—	—	9,297	—	9,297
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	—	(5,344)	(5,344)
Other comprehensive income (loss)	—	—	—	—	—	(31,794)	—	(31,794)	139	(31,655)
Net income (loss)	—	—	—	—	—		49,732	49,732	(5,244)	44,488
Balance – September 30, 2026	2,027,147	$ 30,103	83,925,593	$ —	$ 1,419,123	$ (53,786)	$ (742,955)	$ 622,382	$ 44,181	$ 666,563
Balance – December 31, 2025	2,027,147	$ 30,103	82,035,934	$ —	$ 1,390,990	$ (48,319)	$ (862,654)	$ 480,017	$ 75,334	$ 555,351
Issuance of ordinary shares upon exercise of share options	—	—	58,910	—	390	—	—	390	—	390
Issuance of ordinary shares upon vesting of RSUs	—	—	1,684,121	—	—	—	—	—	—	—
Issuance of ordinary shares upon purchase of shares under employee stock purchase plan	—	—	146,628	—	1,506	—	—	1,506	—	1,506
Share-based compensation	—	—	—	—	26,237	—	—	26,237	—	26,237
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	—	(23,558)	(23,558)
Other comprehensive income	—	—	—	—	—	(5,467)	—	(5,467)	1,121	(4,346)
Net income (loss)	—	—	—	—	—	—	119,699	119,699	(8,716)	110,983
Balance – September 30, 2026	2,027,147	$ 30,103	83,925,593	$ —	$ 1,419,123	$ (53,786)	$ (742,955)	$ 622,382	$ 44,181	$ 666,563

	Redeemable Convertible Preferred Shares		Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Pagaya Technologies Ltd. Shareholders' Equity	Non-Controlling Interests	Total 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 (loss)	—	—	—	—	—	—	22,545	22,545	728	23,273
Balance – September 30, 2025	2,027,147	$ 30,103	80,127,904	$ —	$1,380,535	$ (45,290)	$ (896,950)	$ 438,295	$ 97,540	$ 535,835
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 income (loss)	—	—	—	—	—	(33,802)	—	(33,802)	(778)	(34,580)
Net income (loss)	—	—	—	—	—	—	47,093	47,093	(4,765)	42,328
Balance – September 30, 2025	2,027,147	$ 30,103	80,127,904	$ —	$1,380,535	$ (45,290)	$ (896,950)	$ 438,295	$ 97,540	$ 535,835

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,	
	2026	**2025**
Cash flows from operating activities		
Net income including noncontrolling interests	$ 110,983	$ 42,328
Adjustments to reconcile net income to net cash used in operating activities:		
Equity method and other investments loss	140	7,086
Depreciation and amortization	12,034	22,951
Share-based compensation	24,372	44,982
Fair value adjustment to warrant liability	(4,515)	6,486
(Gains) and losses on investments in loans and securities	119,204	65,473
Amortization of deferred costs	19,516	8,250
(Gains) and losses from extinguishment of debt	(1,504)	18,585
Write-off of capitalized software and other assets	11,276	4,741
Losses on foreign exchange	149	1,092
Change in operating assets and liabilities:		
Fee receivables	(56,237)	(28,178)
Accrued interest on investments	(40,792)	(28,467)
Right-of-use assets	4,927	4,598
Other assets	(39,112)	1,438
Accounts payable	1,092	4,597
Accrued expenses and other liabilities	7,471	2,737
Operating lease liability	(5,684)	(4,669)
Income taxes	3,617	(15,207)
Net cash provided by operating activities	166,937	158,823
Cash flows from investing activities		
Proceeds from the maturity and prepayment of investments in loans and securities (1)	510,790	146,809
Proceeds from the sales of investments in loans and securities (1)	19,394	31,387
Proceeds from equity method and other investments	2,700	—
Acquisition of Theorem Technology, Inc., net of cash acquired	—	159
Purchases of investments in loans and securities	(782,989)	(361,070)
Purchases of property, equipment and software	(9,907)	(10,816)
Purchases of other assets	(3,186)	(16,000)
Net cash used in investing activities	(263,198)	(209,531)
Cash flows from financing activities		
Proceeds from long-term debt	—	500,000
Proceeds from secured borrowing	324,595	263,484
Proceeds from revolving credit facility	139,700	—
Proceeds from exercise of stock options, warrants and contributions to ESPP	1,896	6,545
Distributions made to noncontrolling interests	(23,558)	(11,972)
Payments made to revolving credit facility	(114,700)	—
Payments made to secured borrowing	(206,142)	(310,844)
Payments made to long-term debt	(9,461)	(347,643)
Payments for debt issuance costs	—	(12,660)
Net cash provided by financing activities	112,330	86,910
Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents	1,142	2,047
Net increase in cash and cash equivalents, and restricted cash and cash equivalents	17,211	38,249
Cash and cash equivalents, and restricted cash and cash equivalents, beginning of period	288,349	226,518
Cash and cash equivalents, and restricted cash and cash equivalents, end of period	$ 305,560	$ 264,767

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	$ 247,115	$ 218,314
Restricted cash and cash equivalents	58,445	46,453
Total cash and cash equivalents, and restricted cash and cash equivalents	$ 305,560	$ 264,767

(1) Prior period amounts have been reclassified to conform to the current period's presentation.

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. Service 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 and auto finance 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) investment funds managed or advised by Pagaya or one of its affiliates, (ii) asset backed securitization ("ABS") vehicles sponsored or administered by Pagaya or one of its affiliates, (iii) special purpose vehicles established by third-party investors to facilitate the purchase of assets under forward flow agreements and (iv) 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 do 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, 2025 included in the Company's Annual Report on Form 10-K filed on March 2, 2026, and as amended on April 30, 2026 and June 1, 2026 (collectively, the "2025 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, 2026, the Company's consolidated results of operations and equity for the three and nine months ended September 30, 2026 and 2025, and the Company's cash flows for the nine months ended September 30, 2026 and 2025. The results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026 or any other future interim or annual period.

Significant Accounting Estimates

During the first quarter of 2026, the Company completed an assessment of the useful life of its internally-developed software and adjusted the estimated useful life from an average of two years to an average of three years, effective on January 1, 2026. Refer to the Company's accounting policies disclosed in Note 2, "Summary of Significant Accounting Policies," in the 2025 Annual Report on Form 10-K.

Recent Accounting Pronouncements Not Yet Adopted

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 consolidated statements of income 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 does not expect the adoption of these amendments to have a significant impact on its consolidated financial statements or related disclosures.

In November 2025, the FASB issued ASU 2025-08, "Financial Instruments - Credit Losses (Topic 326)." The amendments in this update expand the use of the gross-up approach to certain acquired loans beyond purchased financial assets with credit deterioration. The new guidance is effective for annual reporting periods beginning after December 15, 2026, with early adoption permitted. The amendments in this update must be adopted prospectively to loans that are acquired on or after the initial application date. The Company does not expect the adoption of these amendments to have a significant impact on its consolidated financial statements or related disclosures.

In December 2025, the FASB issued ASU 2025-10, "Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities." The update provides recognition, measurement, presentation, and disclosure requirements for government grants, including guidance for grants related to an asset and grants related to income. The amendments introduced two permitted approaches for asset-related grants: a deferred income approach or a cost accumulation approach. The guidance is effective for the Company beginning December 15, 2028, with early adoption permitted. The Company is currently evaluating the impact of these amendments on its consolidated financial statements or related disclosures.

In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270) Narrow-Scope Improvements," which is intended to improve the navigability of the guidance in ASC 270, Interim Reporting, and clarify when it applies. Under the amendments, an entity is subject to ASC 270 if it provides interim financial statements and notes in accordance with GAAP. ASU 2025-11 also addresses the form and content of such financial statements, interim disclosures requirements, and establishes a principle under which an entity must disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. The Company does not expect the adoption of these amendments to have a significant impact on its consolidated financial statements or related 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 personal loans, auto loans, and point-of-sale loans that comprise Network Volume. The Company utilizes multiple funding channels to purchase these loans from Partners, including asset backed securitizations, and forward flow arrangements. Capital markets execution fees are earned from the market pricing of ABS transactions, as well as upon the execution of forward flow transactions, while contract fees are administration and management fees, performance fees, and servicing 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 $312.0 million and $304.6 million for the three months ended September 30, 2026 and 2025, respectively, and $897.4 million and $843.9 million for the nine months ended September 30, 2026 and 2025, respectively. AI integration fees totaled $333.9 million and $309.5 million for the three months ended September 30, 2026 and 2025, and $941.1 million and $858.8 million for the nine months ended September 30, 2026 and 2025, respectively. Capital market execution fees totaled $(21.8) million and $(4.9) million for the three months ended September 30, 2026 and 2025, and $(43.7) million and $(14.8) million for the nine months ended September 30, 2026, 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 to a customer, which is not in exchange for distinct goods or services, 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 income as Production Costs.

Contract Fees

Contract fees include administration and management fees, performance fees, and servicing fees. Contract fees totaled $50.1 million and $35.3 million for the three months ended September 30, 2026 and 2025, respectively, and $129.4 million and $96.4 million for the nine months ended September 30, 2026 and 2025, 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. The Company includes variable consideration in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur; to date, adjustments to these estimates have not resulted in a significant reversal of previously recognized revenue.

Performance fees are earned when certain Fund Financing Vehicles exceed contractual return thresholds. The Company recognizes these fees only to the extent that it is probable that a significant reversal of cumulative revenue will not occur. The Company initially estimates these fees based on a variety of factors including market conditions and expected loan performance. In the subsequent periods, the Company measures actual performance and adjusts our recognized revenue accordingly. Because of these adjustments, the Company may recognize additional revenue or reverse previously recognized revenue related to performance obligations satisfied in prior years. During the three and nine months ended September 30, 2026, the Company recognized $0.4 million and $0.7 million, respectively, in performance fee revenue related to performance obligations satisfied in prior years. During the three and nine months ended September 30, 2025, the Company recognized $0.1 million and $0.9 million, respectively, in performance fee revenue related to performance obligations satisfied in prior years.

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 do 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 sheets in fee 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,	
	2026	2025	2026	2025
	(in thousands)			
Services transferred at a point in time	$ 332,453	$ 302,197	$ 943,612	$ 834,798
Services transferred over time	29,702	37,690	83,173	105,507
Total revenue from fees	$ 362,155	$ 339,887	$ 1,026,785	$ 940,305

The timing of the revenue recognition may differ from the timing of payment from customers. A contract asset is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. A right that is unconditional (only the passage of time until payment remains) is presented as a receivable, not a contract asset. A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. As of September 30, 2026 and December 31, 2025, contract assets from contracts with customers were $32.2 million and $13.0 million, respectively, which are included in other assets on the unaudited condensed consolidated balance sheets. Contract liabilities were $1.3 million and $8.0 million as of September 30, 2026 and December 31, 2025, respectively, which are included in accrued expenses and other liabilities on the unaudited condensed consolidated balance sheets.

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. Three ABS securitization trusts (which are related parties), represented greater than 10% of total fee revenue and totaled approximately 46% for three months ended September 30, 2026. No customer represented more than 10% of the Company's total fee revenue for the nine months ended September 30, 2026. Two customers, including one ABS securitization trust (which is a related party), individually represented greater than 10% of total fee revenue and collectively totaled approximately 25% for the three months ended September 30, 2025. No customer represented more than 10% of the Company's total fee revenue for the nine months ended September 30, 2025. Refer to Note 11, "Transactions with Related Parties," for additional information regarding related party transactions.

NOTE 4 - INVESTMENTS

As of September 30, 2026 and December 31, 2025, our investments in loans and securities portfolio consisted of (i) Investments in Securities Available for Sale ("AFS securities") under ASC 325-40 held at fair value with credit related changes recorded in earnings and non-credit related changes recorded in other comprehensive income; and (ii) investments in loans and securities held at fair value under the fair value option, with changes in fair value recorded in earnings. Below is a 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, 2026	December 31, 2025
Investments in securities, available for sale		
Securitization notes, available for sale	$ 530,945	$ 395,717
Securitization certificates, available for sale	498,754	471,661
Total	1,029,699	867,378
Investments in loans and securities, under the fair value option		
Securitization notes	8,220	12,473
Securitization certificates	40,179	60,840
Loans	22,734	4,578
Total	71,133	77,891
Total investments in loans and securities (1)	$ 1,100,832	$ 945,269

(1) $510.9 million and $504.3 million were held by the Company for regulatory risk retention purposes as of September 30, 2026 and December 31, 2025, respectively.

Investments in Securities, Available for Sale

The Company has determined that it is the primary beneficiary of certain VIEs that were established to purchase its investments in Pagaya sponsored ABS notes and certificates. The portion of these consolidated VIEs that the Company does not own is accounted for as a noncontrolling interest in the consolidated financial statements. Refer to Note 5, "Consolidation and Variable Interest Entities," for additional information.

The amortized cost, gross unrealized gains and losses, and fair value of AFS securities as of September 30, 2026 and December 31, 2025 were as follows (in thousands):

	As of September 30, 2026				
Investments in securities, available for sale (2):	**Amortized Cost**	**Gross Unrealized Gains (1)**	**Gross Unrealized Losses (1)**	**Allowance for Credit Losses**	**Fair Value**
Securitization notes	$ 534,444	$ 7,954	$ (11,453)	$ —	$ 530,945
Securitization certificates	792,721	16,645	(11,787)	(298,825)	498,754
Total	$ 1,327,165	$ 24,599	$ (23,240)	$ (298,825)	$ 1,029,699

	As of December 31, 2025				
Investments in securities, available for sale (2):	**Amortized Cost**	**Gross Unrealized Gains (1)**	**Gross Unrealized Losses (1)**	**Allowance for Credit Losses**	**Fair Value**
Securitization notes	$ 395,217	$ 970	$ (470)	$ —	$ 395,717
Securitization certificates	874,169	6,489	(23,119)	(385,878)	471,661
Total	$ 1,269,386	$ 7,459	$ (23,589)	$ (385,878)	$ 867,378

(1) The difference between accumulated other comprehensive income ("AOCI") and gross unrealized gains and losses represents capitalized transaction costs which have been reclassified to OCI and are amortized to interest income over the average life of the investments.

(2) Includes accrued interest receivables of $51.9 million and $25.8 million as of September 30, 2026 and December 31, 2025, respectively.

The following tables set forth the fair value and gross unrealized losses on investments in AFS 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, 2026					
	Less than or equal to 1 year		**Greater than 1 year**		**Total**	
Investments in securities, available for sale:	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Securitization notes	$ 259,531	$ (11,396)	$ 2,174	$ (57)	$ 261,705	$ (11,453)
Securitization certificates	268,427	(9,989)	—	—	268,427	(9,989)
Total	$ 527,958	$ (21,385)	$ 2,174	$ (57)	$ 530,132	$ (21,442)

	As of December 31, 2025					
	Less than or equal to 1 year		Greater than 1 year		Total	
Investments in securities, available for sale:	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Securitization notes	$ 36,797	$ (442)	$ 5,504	$ (27)	$ 42,301	$ (469)

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

	As of September 30, 2026					
	Within 1 year		Greater than 1 year, less than or equal to 5 years		Total	
Investments in securities, available for sale (1):	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Securitization notes	$ 5,308	$ 5,272	$ 529,136	$ 525,673	$ 534,444	$ 530,945
Securitization certificates	56,470	10,998	736,251	487,756	792,721	498,754
Total	$ 61,778	$ 16,270	$ 1,265,387	$ 1,013,429	$ 1,327,165	$ 1,029,699

	As of December 31, 2025					
	Within 1 year		Greater than 1 year, less than or equal to 5 years		Total	
Investments in securities, available for sale (1):	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Securitization notes	$ 15,279	$ 15,602	$ 379,938	$ 380,115	$ 395,217	$ 395,717
Securitization certificates	42,698	13,495	831,471	458,166	874,169	471,661
Total	$ 57,977	$ 29,097	$ 1,211,409	$ 838,281	$ 1,269,386	$ 867,378

(1) Based on expected maturity date cash flows.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Investments in securities, available for sale:				
Proceeds from sales/maturities/prepayments	$ 158,574	$ 48,845	$ 486,967	$ 178,196
Gross investment gains from sales/maturities/prepayments	$ (56,733)	$ (12)	$ (202,990)	$ (8,702)
Gross investment losses from sales/maturities/prepayments	$ 49,913	$ 16,288	$ 173,115	$ 16,288
Write-offs charged against the allowance	$ —	$ 211	$ —	$ 804
Reductions to allowance for credit losses	$ 14,868	$ 57,385	$ 87,053	$ 72,216

The following table sets forth the activity in the allowance for credit losses for investments in AFS securitization certificates, as of the dates indicated (in thousands):

Investments in securitization certificates, available for sale:	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Balance, beginning of period	$ (313,693)	$ (493,770)	$ (385,878)	$ (508,741)
Additions to allowance for credit losses on securities without a previous allowance	(26,305)	(11,510)	(35,262)	(60,503)
Reductions from sales/maturities/prepayments	19,765	72,443	154,152	150,766
Reductions (additions) to allowance for credit losses on securities with a previous allowance, net	21,408	(3,497)	(31,837)	(17,856)
Balance, end of period	$ (298,825)	$ (436,334)	$ (298,825)	$ (436,334)

Refer to Note 7, “Fair Value Measurement,” for additional information regarding the allowance for credit losses for investments.

Investments in loans and 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 and all loans held by the company, as we believe that fair value best reflects the economic transaction of investing in certain securities and all loans. We determined the fair value of these securities and loans 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 income. 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 loans and securities for which we elected the fair value option (in thousands):

Investments in loans and securities under the fair value option	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Balance, beginning of period	$ 69,040	$ 32,888	$ 77,891	$ —
Cash purchases	17,015	7,829	33,061	28,855
Principal and interest payments received	(23,816)	(9,010)	(79,222)	(9,010)
Gain on sale of investments in loans and securities (1)	1,297	—	14,858	—
Accrued interest	1,978	—	6,821	—
Non-cash transactions	(72)	—	(166)	—
Fair value gains (1)	5,691	17,051	17,890	28,913
Balance, end of period	$ 71,133	$ 48,758	$ 71,133	$ 48,758

(1) Gain on sale of investments in loans and securities and change in fair value are included in gains and (losses) on investments in loans and securities in the unaudited condensed consolidated statements of income.

Refer to Note 7, “Fair Value Measurement,” regarding the discounted cash methodology and the assumptions used for investments in loans and securities for which we elected the fair value option.

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, 2026 and December 31, 2025 (in thousands):

	Carrying Value	
	September 30, 2026	December 31, 2025
Investments in Pagaya SmartResi F1 Fund, LP (1)	$ 6,585	$ 8,324
Other (2)	4,093	5,194
Total (3)	$ 10,678	$ 13,518

(1) The Company owns approximately 5.4% and is the general partner of Pagaya SmartResi F1 Fund LP.
(2) Represents the Company's proprietary investments.
(3) Income (loss) from these investments is included in investment loss, net in the unaudited condensed consolidated statements of income.

NOTE 5 - CONSOLIDATION AND VARIABLE INTEREST ENTITIES

The Company has variable interests in asset-backed 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, 2026 and December 31, 2025, 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 (collectively, the "Risk Retention Entities"). These entities were established by Pagaya to purchase investments in ABS notes and certificates issued by Pagaya-sponsored ABS entities. Pagaya owns a 20% interest in these entities, and the remaining 80% ownership shares are held by affiliate entities. As these entities are consolidated, we present 100% of the assets and liabilities on our consolidated balance sheets. The 80% ownership interest not owned by the Company in each of these consolidated VIEs is accounted for as a noncontrolling interest on the consolidated balance sheets. Any income or loss associated with the consolidated VIEs' activities is reported within the corresponding line items of the consolidated statements of income, with the results of the 80% ownership interest not owned by the Company presented as net income (loss) attributable to noncontrolling interests.

As the sponsor of securitization transactions, the Company is subject to risk retention requirements and established the Risk Retention Entities to meet these requirements.

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

	Assets (1)	Liabilities	Net Assets
As of September 30, 2026	$ 54,359	$ —	$ 54,359
As of December 31, 2025	$ 93,404	$ —	$ 93,404

(1) Assets comprised of securitization notes and residual certificates to comply with risk retention requirements.

Unconsolidated VIEs

ABS Securitization Trusts

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. These trusts include Pagaya AI Debt Trust (PAID) for personal loans, Research-Driven Pagaya Motor Asset Trust (RPM) for auto loans and Pagaya Point of Sale Holdings Trust (POSH) for point-of-

sale loans. The Company does not have the power to direct or control the activities that most significantly affect the performance of the trusts, which were determined to be servicing loans in the ABS securitization trusts. Once the loans are purchased by the ABS securitization trusts, only the third-party loan servicers have direct engagement with the underlying borrowers and are responsible for loan collections, prepayments, disputes, modifications and settlements which are the activities that most significantly impact the VIEs' economic performance.

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 residual certificates the Company holds to comply with risk retention requirements declines to zero.

The following table summarizes the aggregate carrying value of assets, liabilities and net assets of unconsolidated VIEs, along with the Company's maximum exposure to loss, in which the Company holds a variable interest but is not the primary beneficiary (in thousands):

	Assets	Liabilities	Net Assets	Maximum Exposure to Loss
As of September 30, 2026	$ 13,421,366	$ 12,572,276	$ 849,090	$ 1,046,473
As of December 31, 2025	$ 11,256,332	$ 10,455,901	$ 800,431	$ 847,290

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. Refer to Note 11, "Transactions with Related Parties," for additional information.

Warehouse Facility

In September 2026, the Company entered into a $0.7 billion variable funding note ("VFN") warehouse facility. The VFN was established to purchase loans from the Company's lending partners. This warehouse facility provides further diversification of funding at scale allowing the Company to assess other capital market funding structures and further reduce reliance on pre-funded ABS.

The Company is not the primary beneficiary of the VFN trust and does not consolidate the trust because it lacks power over the activities that most significantly impact the trust's economic performance. These activities include servicing the underlying loans which are performed by the originating lending partners and substantive participating rights held by the administrative agent, who is the primary lender in the facility, to approve any purchase or sale of loans by the trust. The Company's maximum exposure to loss is generally limited to the carrying amount of its residual certificate.

The following table summarizes the aggregate carrying value of assets and liabilities of the nonconsolidated VFN warehouse facility, along with the Company's maximum exposure to loss, in which the Company holds a variable interest but is not the primary beneficiary (in thousands):

	Assets	Liabilities	Net Assets	Maximum Exposure to Loss
As of September 30, 2026	$ 100,000	$ 95,000	$ 5,000	$ 2,500

NOTE 6 - BORROWINGS

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

	September 30, 2026	December 31, 2025
Revolving credit facility	$ 25,000	$ —
Secured borrowing	314,301	193,892
Exchangeable notes	150,746	148,782
Long-term debt	472,333	481,598

The Company was in compliance with all covenants as of September 30, 2026 and December 31, 2025.

Secured Borrowing

Secured borrowings are comprised of borrowings under risk retention master repurchase agreements and the Company's receivable facilities. Interest expenses related to secured borrowings was $6.4 million and $6.4 million for the three months ended September 30, 2026 and 2025, respectively, and $13.6 million and $18.6 million for the nine months ended September 30, 2026 and 2025, respectively.

Risk Retention Master Repurchase

In the normal course of business, the Company, through consolidated VIEs, enters into repurchase agreements to finance the Company's discretionary and risk retention balances in securitization notes and residual certificates retained from securitization transactions. Under these agreements, the Company sells its investment securities with an obligation to repurchase them in the future. As these agreements contain repurchase obligations, they are accounted for as secured borrowings with the sold investment retained on the unaudited condensed consolidated balance sheets. As of September 30, 2026 and December 31, 2025, the outstanding principal balance under the repurchase agreements was $188.7 million and $107.3 million, respectively, which is recorded within secured borrowing on the unaudited condensed consolidated balance sheets. The majority of this balance was for borrowing against discretionary investment holdings in securitization notes. The weighted average interest rate for both periods was approximately 10%. The average remaining contractual maturities of the repurchase agreements were greater than 90 days as of both September 30, 2026 and December 31, 2025.

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 a certain lender. 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. In March 2026, the maximum principal amount under the CIA Facility was increased to $30 million.

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 fee receivables from sponsored securitization transactions. In July 2026, the Company entered into an Amendment to its ALPF Facility with the lender, which increased the aggregate borrowing commitment from $65 million to $100 million. Pursuant to the amendment, the revolving period end date was extended from June 11, 2027, to July 16, 2028, and the scheduled maturity date was extended from December 11, 2027, to January 16, 2029. 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, 2026 and December 31, 2025, the combined outstanding principal balance under the CIA Facility and ALPF Facility was $126.7 million and $86.6 million, respectively, which is recorded within secured borrowing on the unaudited condensed consolidated balance sheets.

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 due 2029 (the "2029 Notes"). The issuance was in connection with a purchase agreement dated September 26, 2024, with certain initial purchasers. The 2029 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 2029 Notes will mature on October 1, 2029, unless they are repurchased, redeemed or exchanged prior to that date.

During the third quarter of 2026, the Sales Price Contingent Exchange Condition was met as the closing sale price of the Company's Class A Ordinary Shares exceeded $18.19 (130% of the exchange price, $13.99) for the required period and, as a result, noteholders were entitled to exchange their 2029 Notes during the fourth quarter of 2026. As of September 30, 2026, no holders had elected to exchange their 2029 Notes.

The Company accounted for the issuance of the 2029 Notes as a single liability at par as the conversion feature does not require bifurcation as a derivative under ASC 815 and the 2029 Notes were not issued at a substantial premium. Debt issuance costs consisting of underwriting fees and third-party offering costs, totaled $6.2 million. Original Issue Discount ("OID") totaled $8.0 million. Both issuance costs and OID are amortized to interest expense using the effective interest method over the contractual term of the 2029 Notes. The Company recorded interest expense of $3.2 million and $9.4 million for the three and

nine months ended September 30, 2026, respectively, compared to $3.1 million and $9.2 million for the three and nine months ended September 30, 2025, respectively. Interest expense included amortization of debt issuance costs of $0.7 million and $2.0 million for the three and nine months ended September 30, 2026, respectively, and $0.6 million and $1.8 million for the three and nine months ended September 30, 2025, respectively. The effective interest rate of the 2029 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 due 2030 (the "2030 Notes"). The 2030 Notes bear 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 2030 Notes will mature on August 1, 2030, unless earlier repurchased or redeemed.

At any time prior to August 1, 2027, Pagaya US may redeem the 2030 Notes, in whole or in part, at its option at a redemption price equal to 100% of the principal amount of the 2030 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 2030 Notes, in whole or in part, at the redemption prices set forth in the indenture.

The following table details the 2030 Notes as of September 30, 2026 and December 31, 2025 (in thousands):

	September 30, 2026	December 31, 2025
Principal amount	$ 481,865	$ 493,085
Less: Unamortized issuance costs	(9,532)	(11,487)
Carrying amount	$ 472,333	$ 481,598

The Company recorded interest expense of $11.4 million and $34.0 million, including $1.0 million and $2.2 million of amortization of debt issuance costs, for the three and nine months ended September 30, 2026, respectively.

In February 2026, the Company repurchased $7.4 million of the outstanding 2030 Notes at a price equal to 87.3% of the principal amount. The Company paid total consideration of $6.5 million, excluding accrued interest, resulting in a $0.8 million gain on extinguishment of debt. This gain is net of the unamortized issuance costs and is recognized within gains and (losses) from extinguishment of debt on the unaudited condensed consolidated statements of income.

In May 2026, the Company repurchased $3.8 million of the outstanding 2030 Notes at a price equal to 78.5% of the principal amount. The Company paid total consideration of $3.0 million, excluding accrued interest, resulting in a $0.7 million gain on extinguishment of debt. This gain is net of the unamortized issuance costs and is recognized within gains and (losses) from extinguishment of debt on the unaudited condensed consolidated statements of income.

2025 Revolving Credit Facility

On October 1, 2025, the Company refinanced its revolving credit facility by way of terminating its prior 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 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.

As of September 30, 2026, the Company had $25.0 million in borrowings outstanding and $18.1 million in letters of credit issued. As a result, $88.9 million of borrowing capacity remained available under the 2025 Revolving Credit Facility as of September 30, 2026.

As of December 31, 2025, the Company had no borrowings outstanding, with $16.1 million in letters of credit issued. As a result, $115.9 million of borrowing capacity remained available under the 2025 Revolving Credit Facility as of December 31, 2025.

NOTE 7 - 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 a discounted cash flow model that uses, 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 each investment security and loan, the Company reviews performance characteristics of the underlying loan pool including origination vintage, borrower credit quality, and macroeconomic environment, among other factors. The Company determines the fair value for each investment security and loan by then estimating significant assumptions including discount rates, cumulative net loss rates, expected prepayment rates and consideration of any optional redemption features 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 investments in loans and securities. The Company reviews and validates its significant assumptions with reference to historical performance and expectations of future performance including: discount rate, cumulative net loss rates and prepayment rates. Finally, the Company reviews and validates that the fair value used for financial reporting falls within the range of fair value estimates by the third-party service provider for its significant investment in loans and securities.

Financial instruments are categorized in the fair value hierarchy based on the significance of unobservable inputs and assumptions in the overall fair value measurement. Financial instruments classified as Level 3 within the fair value hierarchy do not trade in an active market with readily observable prices. Accordingly, the Company uses significant unobservable inputs to measure the fair value of these assets. The Company has determined that its certificates, loans and certain subordinated notes meet the definition of Level 3 assets, as their fair value measurements are characterized by a lack of observable market data and a reliance on management's assumptions.

Financial Assets and Liabilities Recorded at Fair Value

The following tables present information about the Company’s assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair values (in thousands):

	September 30, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Investments in loans and securities (Notes)	$ —	$ 176,895	$ 362,270	$ 539,165
Investments in loans and securities (Certificates)	—	—	538,933	538,933
Investments in loans and securities (Loans)	—	—	22,734	22,734
Liabilities:				
Warrant liability	$ 208	$ —	$ —	$ 208
Other liabilities (1)	—	—	28,104	28,104

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in loans and securities (Notes)	$ —	$ 67,715	$ 340,475	$ 408,190
Investments in loans and securities (Certificates)	—	—	532,501	532,501
Investments in loans and securities (Loans)	—	—	4,578	4,578
Liabilities:				
Warrant liability	$ 4,723	$ —	$ —	$ 4,723
Other liabilities (1)	—	—	13,112	13,112

(1) Included in “accrued expenses and other liabilities” on the unaudited condensed consolidated balance sheets. Refer to Note 9, “Commitment and Contingencies," for additional information.

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

Warrant Liability (Level 1)

The following tables summarize the warrant liability activity for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,	
	2026	2025
Balance, beginning of period	$ 775	$ 2,471
Change in fair value	(567)	4,908
Balance, end of period	$ 208	$ 7,379

	Nine Months Ended September 30,	
	2026	2025
Balance, beginning of period	$ 4,723	$ 893
Change in fair value	(4,515)	6,486
Balance, end of period	$ 208	$ 7,379

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

Investments in Loans and Securities (Level 3)

As of September 30, 2026, investments in loans and securities categorized as Level 3 investments include loans and securities under the fair value option and securities classified as available for sale which are measured at fair value on a recurring basis. 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.

AFS securities under ASC 325-40 are held at fair value. Credit related changes in fair value are recognized in earnings, while non-credit related changes are recorded in other comprehensive income. Separately, investments in loans and securities held at fair value under the fair value option are measured at fair value, with all changes in fair value recognized in earnings.

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, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Balance, beginning of period	$ 886,718	$ 736,735	$ 877,554	$ 663,189
Transfer to Level 2	(477)	—	(37,761)	—
Purchases of Investments in loans and securities (1)	235,125	67,811	603,328	316,789
Cash received	(169,000)	(40,407)	(469,906)	(148,423)
Gain on sale of Investments in loans and securities	50,876	2	165,555	8,595
Loss on sale of Investments in loans and securities	(56,733)	(16,279)	(202,935)	(16,279)
Change in accrued interest on investments	28,578	10,599	66,789	20,497
Non-cash transactions	(72)	—	(166)	—
Change in fair value (OCI)	(19,143)	(14,134)	24,234	(36,892)
Credit-related impairment loss, net of recoveries	(31,935)	8,137	(102,755)	(55,012)
Balance, end of period	$ 923,937	$ 752,464	$ 923,937	$ 752,464

(1) Exclude capitalized transaction costs which have been reclassified to OCI and are amortized to interest income over the average life of the investments.

Significant unobservable inputs used for our Level 3 fair value measurement of the securities are the discount rate, net credit loss rate, prepayment rate and consideration of any optional redemption features in our investment securities. The discount rate reflects management's estimate of the market-required return for similar financial instruments, to convert estimated future cash flows to a present value. The net credit loss rate is management's estimate of potential loan losses, net of recoveries, from borrower defaults. The prepayment rate estimate is the proportion of principal received in advance of the contractual terms of the loan, which can impact the future interest cash flows of the investments and the investments expected duration. Because these inputs represent increased risk or accelerated capital return, they maintain an inverse relationship with valuation. Accordingly, an increase in the discount, credit risk, or prepayment rates, in isolation, would result in a lower 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, 2026 and December 31, 2025:

	September 30, 2026			December 31, 2025		
Unobservable Input	**Minimum**	**Maximum**	**Weighted Average**	**Minimum**	**Maximum**	**Weighted Average**
Discount rate	12.2 %	16.0 %	15.6 %	5.0 %	15.0 %	15.0 %
Net loss rate	6.2 %	35.4 %	16.2 %	4.9 %	33.1 %	17.0 %
Prepayment rate	0.0 %	84.0 %	14.5 %	0.0 %	40.0 %	14.2 %

Credit Support Liabilities (Level 3)

The Company entered into credit support agreements with certain strategic investors, which are accounted for as credit derivative liabilities at fair value under ASC 815, "Derivatives and Hedging." These agreements, which are not designated as accounting hedges, obligate the Company to make payments to a limited number of investors if credit losses exceed predetermined thresholds, up to a specified maximum exposure. As of September 30, 2026 and December 31, 2025, the credit derivative liability amounted to $27.9 million and $12.9 million, which are recorded within accrued expenses and other liabilities on the unaudited condensed consolidated balance sheets.

The significant unobservable inputs used to estimate the fair value of the credit derivatives include probability weighted discount rates, which averaged 9.1% and 9.3%, net loss rates, which averaged 19.6% and 19.1%, and prepayment rates, which averaged 12.5% and 12.8% as of September 30, 2026 and December 31, 2025, respectively. Refer to Note 9, "Commitment and Contingencies," for additional information.

The following table summarizes the activity related to the fair value of credit derivative liabilities for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Balance, beginning of period	$ 20,932	$ 6,000	$ 12,930	$ —
Change in fair value	7,898	2,432	23,254	8,432
Cash payments	(909)	—	(8,263)	—
Balance, end of period	$ 27,921	$ 8,432	$ 27,921	$ 8,432

Financial Assets and Liabilities Not Recorded at Fair Value

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

The tables below contain information about assets that are not measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025 (in thousands):

	September 30, 2026				
		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents, and restricted cash and cash equivalents	$ 305,560	$ 305,560	$ —	$ —	$ 305,560
Fee receivables	203,982	—	78,813	125,169	203,982
Liabilities:					
Secured borrowing	$ 314,301	$ —	$ —	$ 315,289	$ 315,289
Exchangeable notes	150,746	—	243,544	—	243,544
Long-term debt	472,333	—	412,905	—	412,905

	December 31, 2025				
		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets:					
Cash and cash equivalents, and restricted cash and cash equivalents	$ 288,349	$ 288,349	$ —	$ —	$ 288,349
Fee receivables	153,250	—	69,864	83,386	153,250
Liabilities:					
Secured borrowing	$ 193,892	$ —	$ —	$ 191,983	$ 191,983
Exchangeable notes	148,782	—	292,445	—	292,445
Long-term debt	481,598	—	430,616	—	430,616

NOTE 8 - SHARE BASED COMPENSATION

Share Options

Granted share options generally 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 summarizes the Company's share option activity during the nine months ended September 30, 2026:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (000's)
Balance, December 31, 2025	3,197,713	$ 6.7	5.7	$ 45,031
Granted	3,750	—		
Exercised	(58,910)	6.1		
Forfeited	(42,175)	30.0		
Balance, September 30, 2026	3,100,378	$ 6.5	5.0	$ 33,637
Vested and exercisable, September 30, 2026	2,571,326	$ 4.7	4.3	$ 32,354

The weighted-average grant-date fair value of share options granted was approximately $20.94 for the nine months ended September 30, 2026. The aggregate intrinsic value of share options exercised, and fair value of share options vested for the nine months ended September 30, 2026 was $0.7 million and $1.6 million, respectively.

As of September 30, 2026, unrecognized compensation expense related to unvested share options was approximately $3.7 million, which is expected to be recognized over a remaining weighted-average vesting 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 basis each quarter over the remaining twelve months. RSUs for existing employees are granted periodically and generally vest quarterly over 2 years. Unvested RSUs are forfeited at termination of employment. Any RSUs that are forfeited become available for future grants.

The following table summarizes the Company's RSU activity during the nine months ended September 30, 2026:

	Number of RSUs	Weighted Average Grant Date Fair Value Per Share
Unvested at December 31, 2025	2,150,173	$ 14.5
Granted	2,663,262	13.0
Vested	(1,684,121)	13.4
Forfeited	(373,097)	13.7
Unvested at September 30, 2026	2,756,217	$ 13.8

As of September 30, 2026, unrecognized compensation expense related to RSUs was approximately $27.5 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.

The following table summarizes the Company's options to restricted shares activity during the nine months ended September 30, 2026:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (000's)
Balance, December 31, 2025	19,884,985	$ 19.3	5.2	$ 30,967
Forfeited	(21,930)	50.5		
Balance, September 30, 2026	19,863,055	$ 19.3	4.5	$ —
Vested and exercisable, September 30, 2026	16,561,111	$ 19.3	4.5	$ —

As of September 30, 2026, unrecognized compensation expense related to options to restricted shares was approximately $3.2 million, which is expected to be recognized over a remaining weighted-average period of 0.6 years.

Employee Stock Purchase Plan

The Employee Stock Purchase Plan ("ESPP") allows eligible employees to purchase 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, 2026, 146,628 shares were issued under the ESPP. Compensation expense related to the ESPP was $0.2 million and $0.5 million for the three and nine months ended September 30, 2026, 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, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Technology, data and product development	$ 902	$ 1,243	$ 3,156	$ 3,666
Sales and marketing	1,727	5,452	4,842	18,963
General and administrative	5,978	6,887	16,374	22,353
Total	$ 8,607	$ 13,582	$ 24,372	$ 44,982

NOTE 9 - 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 not expected to have a material impact on the Company's unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2026.

Contractual Obligations and Commitments

From time to time, the Company enters into purchase commitments with our third-party cloud computing web services providers. As of September 30, 2026, the total remaining contractual obligations from these purchase commitments are approximately $7.7 million, of which $6.9 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. During the normal course of business, we enter into certain lease contracts with lease terms through 2032. As of September 30,

2026, the total remaining contractual obligations are approximately $35.9 million, of which $7.6 million is for the next 12 months.

For additional information regarding outstanding letters of credit issued in the ordinary course of business, refer to Note 6, “Borrowings,” for additional information.

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 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, 2026, 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, 2026, the unfunded maximum potential amount of undiscounted future payments the Company could be required to make under these guarantees totaled $143.0 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, 2026, $48.6 million has been segregated and recognized within restricted cash and cash equivalents, of which $27.9 million has been accrued within accrued expenses and other liabilities on the unaudited condensed consolidated balance sheets in accordance with these contractual requirements.

NOTE 10 - INCOME TAXES

Corporate Income Tax

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

Income from a PTE is generally subject to a 12% tax rate, unless a tax payer is subject to Pillar Two taxation. Following Israel’s adoption of the OECD Pillar Two framework and the introduction of a Qualified Domestic Minimum Top-Up Tax (“QDMTT”) in late 2025, the Company became subject to a minimum corporate tax rate of 15%, partially offset by a refundable R&D tax credit beginning in the first half of 2026.

Pillar Two Taxation

On October 8, 2021, the Organisation for Economic Co-operation and Development (“OECD”)/G20 inclusive framework (the “Inclusive Framework”) on Base Erosion and Profit Shifting published a statement updating and finalizing the key components of a two-pillar plan on global tax reform. The Inclusive Framework plan has now been agreed to by more than 140 OECD members. While many countries have adopted some or all aspects of these rules, some countries have not adopted any or all of them, and many interpretive questions remain that are expected to be addressed in future guidance.

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 income tax expense (benefit) (in thousands) and effective tax rates for the three and nine months ended September 30, 2026 and 2025 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Income before income taxes	$ 45,542	$ 8,063	$ 114,098	$ 29,556
Income tax expense (benefit)	1,054	(15,210)	3,115	(12,772)
Effective tax rate	2.3 %	NM	2.7 %	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 is mainly related to a change in valuation allowances, tax expenses in the United States, and a change in uncertain tax positions. The change in the effective tax rate for the three and nine months ended September 30, 2026, compared to the corresponding prior-year periods, was primarily attributable to an increase in pre-tax income and changes 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 full 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.

Tax Assessments

The Company files income tax returns in various jurisdictions with varying statutes of limitation. As of September 30, 2026, the Company has received final tax assessments in Israel through 2020. As of September 30, 2026, the Company is currently subject to tax audits in Israel and federal 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.

Legislative Updates

On March 31, 2026, the Law for the Encouragement and Incentivization of Research and Development (the "R&D Law") was enacted. The R&D Law introduces a refundable tax credit regime for qualifying research and development expenditures incurred in Israel beginning in the 2026 tax year. Eligible companies may apply the credits against Israeli income taxes or the QDMTT, or alternatively receive a government grant. Refundable tax credits under the R&D Law are not within the scope of ASC 740 and are accounted for using a government-grant accounting model. The impact of the R&D Law was immaterial to the Company's unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2026.

On September 30, 2026, the IRS issued Notice 2026-63, which further extended the filing and tax payment dates through September 30, 2027 for taxpayers affected by the ongoing conflict in Israel. The filing and payment relief applies to eligible tax filing, payment, and other time-sensitive tax compliance obligations that were originally due on or after October 7, 2023. Pagaya has determined that it qualifies for this relief. Consequently, the Company's federal income tax filings and related tax payment obligations for the tax years ended December 31, 2023 through December 31, 2026 have been deferred to September 30, 2027. The deferral of tax filings and tax payments provided under the IRS notice does not reduce or alter Pagaya's total income tax liability or income tax expense under ASC 740.

NOTE 11 - TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of business, the Company earns revenues and has outstanding receivable balances from the ABS securitization trusts and to a lesser extent investment funds when these entities purchase personal loans, auto loans, and point-of-sale loans. Both the ABS securitization trusts and investment funds are primarily funded with capital from third-party investors.

The ABS securitization trusts purchase loans originated by our lending partners using our proprietary technology. Despite the fact that the ABS securitization trusts are primarily funded by third-party investors, these vehicles are considered related parties because Pagaya is the sponsor and administrative agent of the trusts. The investment funds invest in ABS securities as well as whole loans originated by our lending partners using our proprietary technology. Despite the fact that the investment funds are primarily funded by third-party investors, Pagaya is the registered investment advisor of the funds.

The Company has not entered into any transactions with directors, principal officers, their immediate families, and affiliated companies in which they are principal shareholders (commonly referred to as related parties).

As of September 30, 2026, the fee receivables from related parties are $138.3 million, which consist of $128.5 million from the ABS securitization trusts and $9.8 million from investment funds for which the Company is the registered investment advisor. As of December 31, 2025, the fee receivables from related parties are $106.9 million, which consists of $85.9 million from ABS securitization trusts and $21.0 million from investment funds.

As of September 30, 2026 and December 31, 2025, other assets include revolving facilities and other amounts due from related parties of $75.0 million and $42.6 million, respectively, all of which were attributable to the ABS securitization trusts and investment funds.

For the three months ended September 30, 2026, the total revenue from related parties is $237.3 million, which consists of $233.7 million from the ABS securitization trusts and $3.6 million from investment funds. For the nine months ended September 30, 2026, the total revenue from related parties is $627.5 million, which consists of $615.7 million from the ABS securitization trusts and $11.9 million from investment funds. 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 the ABS securitization trusts and $8.5 million from investment funds. For the nine months ended September 30, 2025, the total revenue from related parties is $473.7 million, which consists of $447.7 million from the ABS securitization trusts and $26.0 million from investment funds.

During the three and nine months ended September 30, 2026, the Company purchased approximately $17.0 million and $33.1 million of loan principal from the ABS securitization trusts, resulting in a net loss of approximately $0.8 million and $3.9 million, respectively. During the nine months ended September 30, 2025, the Company purchased approximately $5.8 million of loan principal from the ABS securitization trusts, resulting in a net loss of approximately $5.4 million. The Company made no loan repurchases during the three months ended September 30, 2025.

NOTE 12 - EARNINGS PER SHARE

The following tables set forth the calculation of basic and diluted earnings per share attributable to ordinary shareholders for the three and nine months ended September 30, 2026 and 2025 (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Basic EPS:				
Numerator:				
Net income attributable to Pagaya Technologies Ltd.	$ 49,732	$ 22,545	$ 119,699	$ 47,093
Less: Undistributed earnings allocated to preferred shares	1,176	1,259	2,849	2,804
Net income attributable to Pagaya Technologies Ltd. ordinary shareholders, basic	$ 48,556	$ 21,286	$ 116,850	$ 44,289
Denominator:				
Weighted average shares used for earnings per ordinary share, basic	83,672,736	78,539,137	83,142,891	77,086,125
Earnings per share attributable to ordinary shareholders, basic	$ 0.58	$ 0.27	$ 1.41	$ 0.57
Diluted EPS:				
Numerator:				
Net income attributable to Pagaya Technologies Ltd. ordinary shareholders, diluted	$ 48,556	$ 21,286	$ 116,850	$ 44,289
Interest expense (add back) from exchangeable notes, net of tax (1)	3,106	—	9,139	—
Net income for diluted EPS	$ 51,662	$ 21,286	$ 125,989	$ 44,289
Denominator:				
Shares used in computation of basic earnings per share	83,672,736	78,539,137	83,142,891	77,086,125
Assumed conversion of shares from exchangeable notes (1)	11,434,704	—	11,434,704	—
Ordinary share warrants	—	786,333	—	785,789
Share options	2,220,122	9,993,930	1,555,668	1,950,226
RSUs	1,146,901	1,727,105	669,239	1,123,843
Employee stock purchase plan	—	25	—	—
Weighted average shares used for earnings per ordinary share, diluted	98,474,463	91,046,530	96,802,502	80,945,983
Earnings per share attributable to ordinary shareholders, diluted	$ 0.52	$ 0.23	$ 1.30	$ 0.55

(1) The effect of interest expense and assumed conversion from exchangeable notes on the diluted EPS calculation for the three and nine months ended September 30, 2025 would have been anti-dilutive and has been removed from the calculation.

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.

The following potentially dilutive outstanding securities as of September 30, 2026 and 2025 were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive for the periods:

	September 30,	
	2026	2025
Share options	258,522	—
Options to restricted shares	—	—
RSUs	241,143	23,718
Ordinary share warrants	1,229,166	1,229,166
Exchangeable notes	—	11,434,704
Total	1,728,831	12,687,588

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 in this Quarterly Report on Form 10-Q (this "Form 10-Q") and our audited annual consolidated financial statements as of and for the year ended December 31, 2025, and the related notes included in our Annual Report on Form 10-K filed on March 2, 2026, and as amended on April 30, 2026 and June 1, 2026 (collectively, the "2025 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 the 2025 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 (i) investment funds managed or advised by Pagaya or one of its affiliates, (ii) asset backed securitization ("ABS") vehicles sponsored or administered by Pagaya or one of its affiliates, (iii) special purpose vehicles established by third-party investors to facilitate the purchase of assets under forward flow agreements and (iv) 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.

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") technology[1]. 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, including AI integration fees and capital markets

[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.

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 personal loans, auto loans, and point-of-sale loans from our Partners, such as asset backed securitizations and forward flow arrangements. Capital markets execution fees are primarily earned from the market pricing of ABS transactions, as well as upon the execution of forward flow transactions, while contract fees are management, performance and similar fees.

Additionally, we earn interest income from our investments in loans and securities, including risk retention holdings and additional investments we may make in our sponsored asset backed securitizations, and from our corporate cash balances. We earn investment income associated with our ownership interests in certain investment fund where Pagaya is the Registered Investment Advisor ("RIA") 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. FRLPC is not calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP"). See the section below entitled "Reconciliation of Non-GAAP Financial Measures" for a description and reconciliation of this measure to the most directly comparable GAAP measure.

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. Excluding Production Costs, headcount, technology overhead and research and development expenses represent the most 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 asset types, products and services, enabling Partners to expand their relationship with Pagaya and further increase origination volumes.

Adoption of Our Network by New Partners

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 and products.

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 and products, 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 $4.6 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. For the nine months ended

September 30, 2026 and 2025, our top 5 investors collectively accounted for approximately 41% and 53%, respectively, of our total funding.

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, 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.

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.

Geopolitical instability persists in the Middle East and Eastern Europe. The ongoing conflict between Israel, the U.S., and Iran that erupted in February 2026 has resulted in volatility and disruption of global energy and financial markets, which has increased our cost of capital and may diminish investor appetite for risk assets. Management is actively monitoring the situation for systemic risks and will continue to evaluate our operational protocols as the security landscape evolves. Although these regional dynamics remain a source of uncertainty, to date we have not experienced material impacts on our business from this conflict. Prolonged hostilities or further escalation of this conflict could exacerbate disruptions to the global energy and financial markets, global inflationary pressures, and supply chain challenges, all of which could adversely affect consumer credit demand, investor appetite for risk assets, and our Network Volume.

Macroeconomic pressures, including sustained high interest rates and inflation, continue to shape our operating environment. Central banks, including the Federal Reserve, have slightly raised interest rates during the third quarter of 2026 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 in the U.S., though moderating from its 2022-2023 peak, remains above historical norms, driving up operating costs such as employee compensation, financing expenses, and technology investments. 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. 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. 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. Economic downturns or prolonged uncertainty may pressure the performance of assets acquired by Financing Vehicles from our network.

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, other measures under U.S. GAAP, and certain non-GAAP financial measures (see the section below entitled "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, 2026 and 2025:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in millions, except percentages)					
Network Volume	$ 3,605	$ 2,802	29 %	$ 9,764	$ 7,850	24 %

Network Volume

We believe that Network Volume metric is 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. 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, and point-of-sale receivables.

Components of Results of Operations

Revenue and Other Income

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 unaudited condensed 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 Customers" ("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 loans that comprise our Network Volume. Multiple funding channels are used to enable the purchase of personal loans, auto loans, and point-of-sale loans from our Partners, such as ABS and forward flow arrangements. Capital markets execution fees are earned from the market pricing of ABS transactions, as well as upon the execution of forward flow transactions.

Contract fees. Contract fees primarily include administration and management fees, and performance fees. Administration and management fees are contracted upon the establishment of ABS trusts and investment funds. These fees are earned as the ABS trusts purchase loans and as the Company provides services to the ABS trusts and investment funds over their remaining lives. Performance fees are earned if certain Financing Vehicles exceed contractual return hurdles for investors and a significant reversal in the amount of cumulative revenue recognized is not expected to occur.

We also earn interest income from our investments in loans and securities, including risk retention holdings and additional investments we may make in our sponsored asset backed securitizations, and our corporate cash balances. We earn investment income or loss associated with our ownership interests in certain investment funds where we are the RIA 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 additional application flow. Accordingly, the amount and growth of our Production Costs are highly correlated to Network Volume.

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 salaries and personnel-related costs, allocated overhead, 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. Capitalized internal-use software is amortized on a straight-line method over the estimated useful life, which averages three years. We have invested and believe continued investments in technology, data and product development are important to achieving our strategic objectives.

Sales and Marketing

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 salaries and 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 investments 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 available for sale 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 recovery (or decline) in fair value which management identifies as a credit loss (or a reversal of previously recognized credit loss) is recognized as gain (or loss) on investments in loans and securities.

Other Expenses, Net

Other expenses, net primarily consist of interest expenses from borrowings, allowance for doubtful accounts, changes in the fair value of warrant liabilities, and other non-recurring items.

Gains and (Losses) from Extinguishment of Debt

Gains and (losses) from extinguishment of debt represents the difference between the reacquisition price and the net carrying amount of any retired debt. These amounts include gains from debt repurchases at a discount and losses related to early payment penalties and the write-off of unamortized deferred issuance costs and original issue discounts. Such amounts are recognized in the unaudited condensed consolidated statements of income upon the settlement of the underlying obligations.

Income Tax Expense (Benefit)

We account for taxes on income in accordance with ASC 740, “Income Taxes” (“ASC 740”). We are eligible for certain tax benefits in Israel as a Preferred Technological Enterprise (“PTE”), where income is generally subject to a 12% tax rate unless subject to Pillar Two taxation. Following Israel’s adoption of the OECD Pillar Two framework and the introduction of a Qualified Domestic Minimum Top-Up Tax (“QDMTT”) in late 2025, we became subject to a minimum corporate tax rate of 15%. Accordingly, as we generate taxable income in Israel, our effective tax rate is expected to be lower than the statutory corporate tax rate for Israeli companies of 23%, but subject to the 15% minimum corporate tax rate. 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 (Loss) Income Attributable to Noncontrolling Interests

Net (loss) income attributable to noncontrolling interests in the unaudited condensed consolidated statements of income is a result of our investments in certain of our consolidated variable interest entities (‘‘VIEs’’) and consists of the portion of the net loss 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,	
	2026	2025	2026	2025
Revenue				
Revenue from fees	$ 362,155	$ 339,887	$ 1,026,785	$ 940,305
Other Income				
Interest income	28,962	14,918	68,833	33,333
Investment loss, net	(625)	(4,640)	(140)	(7,086)
Total Revenue and Other Income	390,492	350,165	1,095,478	966,552
Production costs	215,701	200,574	611,977	559,122
Technology, data and product development (1)	17,352	18,236	50,640	56,135
Sales and marketing (1)	9,514	14,453	30,733	43,707
General and administrative (1)	35,377	36,944	103,776	123,476
Total Costs and Operating Expenses	277,944	270,207	797,126	782,440
Operating Income	112,548	79,958	298,352	184,112
Gains and (losses) on investments in loans and securities	(43,400)	(19,557)	(123,714)	(62,832)
Other expenses, net	(23,606)	(27,377)	(62,044)	(66,267)
Gains and (losses) from extinguishment of debt	—	(24,961)	1,504	(25,457)
Income Before Income Taxes	45,542	8,063	114,098	29,556
Income tax expense (benefit)	1,054	(15,210)	3,115	(12,772)
Net Income Including Noncontrolling Interests	44,488	23,273	110,983	42,328
Less: Net (loss) income attributable to noncontrolling interests	(5,244)	728	(8,716)	(4,765)
Net Income Attributable to Pagaya Technologies Ltd.	$ 49,732	$ 22,545	$ 119,699	$ 47,093
Earnings per share attributable to Pagaya Technologies Ltd.’s ordinary shareholders:				
Basic	$ 0.58	$ 0.27	$ 1.41	$ 0.57
Diluted	$ 0.52	$ 0.23	$ 1.30	$ 0.55
Weighted average shares outstanding:				
Basic	83,672,736	78,539,137	83,142,891	77,086,125
Diluted	98,474,463	91,046,530	96,802,502	80,945,983

(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,	
	2026	2025	2026	2025
Technology, data and product development	$ 902	$ 1,243	$ 3,156	$ 3,666
Sales and marketing	1,727	5,452	4,842	18,963
General and administrative	5,978	6,887	16,374	22,353
Total	$ 8,607	$ 13,582	$ 24,372	$ 44,982

Comparison of Three Months Ended September 30, 2026 and 2025

Total Revenue and Other Income

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Revenue from fees	$ 362,155	$ 339,887	$ 22,268	7 %
Interest income	28,962	14,918	14,044	94 %
Investment loss, net	(625)	(4,640)	4,015	87 %
Total Revenue and Other Income	$ 390,492	$ 350,165	$ 40,327	12 %

Total revenue and other income, increased by $40.3 million, or 12%, to $390.5 million for the three months ended September 30, 2026, compared to $350.2 million for the three months ended September 30, 2025. The increase was primarily driven by an increase in revenue from fees and interest income.

Revenue from fees for the three months ended September 30, 2026 increased by $22.3 million, or 7%, to $362.2 million, compared to $339.9 million for the three months ended September 30, 2025. The increase was primarily due to a $14.9 million increase in contract fees, comprised of administration and management fees, to $50.1 million for the three months ended September 30, 2026 from $35.3 million for the three months ended September 30, 2025. The increase in contract fees was primarily driven by an increase in the assets held by securitization vehicles driven by continued business growth. Network AI fees, comprised of AI integration fees and capital markets execution fees, increased by $7.4 million to $312.0 million for the three months ended September 30, 2026 from $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 growth in Network Volume, which increased by 29% to $3.6 billion for the three months ended September 30, 2026 from $2.8 billion for the three months ended September 30, 2025.

Interest income for the three months ended September 30, 2026 increased by $14.0 million, or 94%, to $29.0 million compared to $14.9 million for the three months ended September 30, 2025. The increase in interest income was directly related to our investments in loans and securities, including 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 Loss Attributable to Noncontrolling Interests." The increase was primarily the result of a higher average balance in investments in loans and securities, as well as changes in the structure and composition of our asset portfolio toward a greater proportion of cash-yielding senior note tranches of our sponsored securitization transactions.

Investment loss, net for the three months ended September 30, 2026 decreased by $4.0 million to $0.6 million, compared to $4.6 million for the three months ended September 30, 2025, reflecting a less unfavorable impact from the change in valuation of certain proprietary investments.

Costs and Operating Expenses

	Three Months Ended September 30,	
	2026	2025
	(in thousands)	
Production costs	$ 215,701	$ 200,574
Technology, data and product development	17,352	18,236
Sales and marketing	9,514	14,453
General and administrative	35,377	36,944
Total Costs and Operating Expenses	$ 277,944	$ 270,207

Production Costs

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Production costs	$ 215,701	$ 200,574	$ 15,127	8 %

Production costs for the three months ended September 30, 2026 increased by $15.1 million, or 8%, to $215.7 million, compared to $200.6 million for the three months ended September 30, 2025. The increase was due to growth in Network Volume, which

increased by 29% to $3.6 billion for the three months ended September 30, 2026 from $2.8 billion for the three months ended September 30, 2025, attributable to continued business growth as well as shifts in the composition of the asset classes and products comprising our Network Volume.

Technology, Data and Product Development

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Technology, data and product development	$ 17,352	$ 18,236	$ (884)	(5)%

Technology, data and product development costs for the three months ended September 30, 2026 decreased by $0.9 million, or 5%, to $17.4 million, compared to $18.2 million for the three months ended September 30, 2025. The decrease was driven by a $3.2 million decrease in depreciation expenses, net of capitalization. The reduction in depreciation expense was primarily due to an increase in the estimated useful life of internal-use software effective January 1, 2026. This decrease was partially offset by a $1.0 million increase in compensation expenses primarily driven by the appreciation of the Israeli Shekel against the U.S. Dollar and a $0.7 million increase in consultant expenses.

During the three months ended September 30, 2026 and 2025, we capitalized $3.8 million and $3.9 million of software development costs, respectively. Depreciation expense was $2.5 million and $5.8 million during the three months ended September 30, 2026 and 2025, respectively.

Sales and Marketing

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Sales and marketing	$ 9,514	$ 14,453	$ (4,939)	(34)%

Sales and marketing costs for the three months ended September 30, 2026 decreased by $4.9 million, or 34%, to $9.5 million, compared to $14.5 million for the three months ended September 30, 2025. The decrease was primarily driven by a $4.1 million decrease in compensation expenses, including share-based compensation, due to lower sales and marketing headcount.

General and Administrative

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
General and administrative	$ 35,377	$ 36,944	$ (1,567)	(4)%

General and administrative costs for the three months ended September 30, 2026 decreased by $1.6 million, or 4%, to $35.4 million, compared to $36.9 million for the three months ended September 30, 2025. The decrease was primarily driven by a $1.8 million decrease in compensation expenses, including share-based compensation, from lower general and administrative headcount, partially offset by a $0.2 million increase in server cloud expenses.

Gains and (Losses) on Investments in Loans and Securities

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Gains and (losses) on investments in loans and securities	$ (43,400)	$ (19,557)	$ (23,843)	(122)%

Losses on investments in loans and securities for the three months ended September 30, 2026 increased by $23.8 million, or 122% to $43.4 million, compared to $19.6 million for the three months ended September 30, 2025. The increase was primarily driven by an increase in credit-related impairment losses on ABS securities. Of the credit-related impairment loss in the current period, $6.5 million is attributable to the noncontrolling interests in certain VIEs and accordingly does not impact net income attributable to Pagaya shareholders.

Other Expense, Net

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Other expense, net	$ (23,606)	$ (27,377)	$ 3,771	14 %

Other expense, net for the three months ended September 30, 2026 decreased by $3.8 million, or 14%, to $23.6 million, compared to $27.4 million for the three months ended September 30, 2025. The decrease was primarily driven by a $5.5 million favorable change in fair value of warrant liability, partially offset by a $1.2 million increase in asset reserves compared to the prior-year period.

Gains and (Losses) from Extinguishment of Debt

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Gains and (losses) from extinguishment of debt	$ —	$ (24,961)	$ 24,961	NM

NM: Not Meaningful

Gain (loss) on extinguishment of debt for the three months ended September 30, 2026 was $0 million, compared to a loss of $25.0 million for the three months ended September 30, 2025. The variance was primarily driven by the $25.0 million loss recognized in the prior-year period associated with the write-off of deferred issuance costs and early prepayment penalties from the full repayment of the outstanding principal balance under the Credit Agreement and secured borrowings, whereas no repurchases or early extinguishments of outstanding debt occurred during the three months ended September 30, 2026, resulting in no gain or loss recognized during the current period.

Income Tax Expense (Benefit)

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Income tax expense (benefit)	$ 1,054	$ (15,210)	$ 16,264	NM

Income tax expense for the three months ended September 30, 2026 was $1.1 million, compared to income tax benefit of $15.2 million for the three months ended September 30, 2025. The change was primarily attributable to an increase in pre-tax income and change in uncertain tax positions, specifically a net decrease in 2025 compared to an increase in 2026.

Net (Loss) Income Attributable to Noncontrolling Interests

	Three Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Net (loss) income attributable to noncontrolling interests	$ (5,244)	$ 728	$ (5,972)	NM

Net loss attributable to noncontrolling interests for the three months ended September 30, 2026 increased by $6.0 million to $5.2 million, compared to $0.7 million net income attributable noncontrolling interests for the three months ended September 30, 2025. The increase was driven by the net loss generated by our consolidated VIEs associated with investments in asset backed securitizations. This amount represented the net loss of the consolidated VIEs held by other investors in the VIEs for which we have no economic exposure. This amount was primarily driven by $6.5 million of credit-related impairment losses in the current period. For further information regarding credit-related impairment losses, see "—Total Revenue and Other Income" and "—Gains and (Losses) on Investments in Loans and Securities."

Comparison of Nine Months Ended September 30, 2026 and 2025

Total Revenue and Other Income

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Revenue from fees	$ 1,026,785	$ 940,305	$ 86,480	9 %
Interest income	68,833	33,333	35,500	107 %
Investment loss, net	(140)	(7,086)	6,946	NM
Total Revenue and Other Income	$ 1,095,478	$ 966,552	$ 128,926	13 %

Total revenue and other income for the nine months ended September 30, 2026 increased by $128.9 million, or 13%, to $1,095.5 million, compared to $966.6 million for the nine months ended September 30, 2025. The increase was primarily driven by an increase in revenue from fees and interest income.

Revenue from fees for the nine months ended September 30, 2026 increased by $86.5 million, or 9%, to $1,026.8 million, compared to $940.3 million for the nine months ended September 30, 2025. The increase was primarily due to a $53.4 million increase in Network AI fees, comprised of AI integration fees and capital markets execution fees, to $897.4 million for the nine months ended September 30, 2026 from $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 24% to $9.8 billion for the nine months ended September 30, 2026 from $7.9 billion for the nine months ended September 30, 2025. Contract fees, comprised of administration and management fees, performance fees, and servicing fees, increased by $33.0 million to $129.4 million for the nine months ended September 30, 2026 from $96.4 million for the nine months ended September 30, 2025, reflecting an increase in the quantity and value of loans held by securitization vehicles driven by continued business growth.

Interest income for the nine months ended September 30, 2026 increased by $35.5 million, or 107%, to $68.8 million compared to $33.3 million for the nine months ended September 30, 2025. The increase in interest income was directly related to our investments in loans and securities, including 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 Loss Attributable to Noncontrolling Interests." The increase was primarily the result of a higher average balance in investments in loans and securities, as well as changes in the structure and composition of our asset portfolio toward a greater proportion of cash-yielding senior note tranches of our sponsored securitization transactions.

Investment loss, net for the nine months ended September 30, 2026 decreased by $6.9 million to $0.1 million, compared to $7.1 million for the nine months ended September 30, 2025, reflecting a less unfavorable impact from the change in valuation of certain proprietary investments.

Costs and Operating Expenses

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Production costs	$ 611,977	$ 559,122
Technology, data and product development	50,640	56,135
Sales and marketing	30,733	43,707
General and administrative	103,776	123,476
Total Costs and Operating Expenses	$ 797,126	$ 782,440

Production Costs

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Production costs	$ 611,977	$ 559,122	$ 52,855	9 %

Production costs for the nine months ended September 30, 2026 increased by $52.9 million, or 9%, to $612.0 million, compared to $559.1 million for the nine months ended September 30, 2025. The increase was due to growth in the Network Volume, which increased by 24% to $9.8 billion for the nine months ended September 30, 2026 from $7.9 billion for the nine months ended

September 30, 2025, attributable to continued business growth as well as shifts in the composition of the asset classes comprising our Network Volume.

Technology, Data and Product Development

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Technology, data and product development	$ 50,640	$ 56,135	$ (5,495)	(10)%

Technology, data and product development costs for the nine months ended September 30, 2026 decreased by $5.5 million, or 10%, to $50.6 million, compared to $56.1 million for the nine months ended September 30, 2025. The decrease was driven by a $9.7 million decrease in depreciation expenses, net of capitalization. The reduction in depreciation expense was primarily due to an increase in the estimated useful life of certain internal-use software effective January 1, 2026. This decrease was partially offset by a $3.0 million increase in compensation expenses primarily driven by the appreciation of the Israeli Shekel against the U.S. Dollar and a $0.9 million increase in consultant expenses.

During the nine months ended September 30, 2026 and 2025, we capitalized $11.3 million and $12.4 million of software development costs, respectively. Depreciation expense was $7.3 million and $18.0 million during the nine months ended September 30, 2026 and 2025, respectively.

Sales and Marketing

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Sales and marketing	$ 30,733	$ 43,707	$ (12,974)	(30)%

Sales and marketing costs for the nine months ended September 30, 2026 decreased by $13.0 million, or 30%, to $30.7 million, compared to $43.7 million for the nine months ended September 30, 2025. The decrease was primarily driven by a $13.4 million decrease in compensation expenses, including share-based compensation, due to lower sales and marketing headcount, partially offset by a $0.6 million increase in amortization of intangible assets.

General and Administrative

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
General and administrative	$ 103,776	$ 123,476	$ (19,700)	(16)%

General and administrative costs for the nine months ended September 30, 2026 decreased by $19.7 million, or 16%, to $103.8 million, compared to $123.5 million for the nine months ended September 30, 2025. Excluding the impact of a one-time item of $8.8 million in the prior year period, general and administrative expenses decreased by $10.9 million due to a $7.8 million decrease in compensation expenses, including share-based compensation, from lower general and administrative headcounts, and a $3.1 million decrease in miscellaneous expenses.

Gains and (Losses) on Investments in Loans and Securities

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Gains and (losses) on investments in loans and securities	$ (123,714)	$ (62,832)	$ (60,882)	(97)%

Losses on investments in loans and securities for the nine months ended September 30, 2026 increased by $60.9 million, or 97%, to $123.7 million, compared to $62.8 million for the nine months ended September 30, 2025. The increase was primarily driven by an increase in credit-related impairment losses on ABS securities. Of the credit-related impairment loss in the current period,

$15.2 million is attributable to the noncontrolling interests in certain VIEs and accordingly does not impact net income attributable to Pagaya shareholders.

Other Expense, Net

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Other expense, net	$ (62,044)	$ (66,267)	$ 4,223	6 %

Other expense, net for the nine months ended September 30, 2026 decreased by $4.2 million, or 6%, to $62.0 million, compared to $66.3 million for the nine months ended September 30, 2025. The decrease was primarily driven by a $4.3 million reduction in interest expenses, a $0.9 million of favorable foreign currency exchange adjustments, a $0.6 million increase in sublease income, and a $0.4 million decrease in fee receivables write-offs. These favorable impacts were partially offset by the absence of a $5.8 million favorable adjustment on the contingent liability associated with the Theorem acquisition recorded in the prior year period.

Gain and (Loss) From Extinguishment of Debt

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Gains and (losses) from extinguishment of debt	$ 1,504	$ (25,457)	$ 26,961	NM

NM: Not Meaningful

Gain from extinguishment of debt for the nine months ended September 30, 2026 was $1.5 million, compared to a loss of $25.5 million for the nine months ended September 30, 2025. The $1.5 million gain resulted from the repurchase of $7.4 million and $3.8 million of the outstanding 2030 Notes at a price equal to 87.3% and 78.5% of the principal amount in February 2026 and in May 2026, respectively. Whereas, a $25.5 million loss recognized in the prior-year period associated with the write-off of deferred issuance costs and early prepayment penalties from the full repayment of the outstanding principal balance under the Credit Agreement and secured borrowings.

Income Tax Expense (Benefit)

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Income tax expense (benefit)	$ 3,115	$ (12,772)	$ 15,887	124 %

Income tax expense for the nine months ended September 30, 2026 was $3.1 million, compared to income tax benefit of $12.8 million for the nine months ended September 30, 2025. The change was primarily attributable to an increase in pre-tax income and change in uncertain tax positions, specifically a net decrease in 2025 compared to an increase in 2026.

Net Loss Attributable to Noncontrolling Interests

	Nine Months Ended September 30,			
	2026	2025	Change	% Change
	(in thousands, except percentages)			
Net loss attributable to noncontrolling interests	$ (8,716)	$ (4,765)	$ (3,951)	(83)%

Net loss attributable to noncontrolling interests for the nine months ended September 30, 2026 increased by $4.0 million, or 83%, to $8.7 million, compared to $4.8 million for the nine months ended September 30, 2025. The increase was driven by the net loss generated by our consolidated VIEs associated with our risk retention holdings, which represents the net loss of the consolidated VIEs held by other investors in the VIEs for which we have no economic exposure. This amount was primarily driven by $15.2 million of credit-related impairment losses on the risk retention holdings during the current period. For further information regarding credit-related impairment losses, see “—Total Revenue and Other Income” and “—Gains and (Losses) on Investments in Loans and Securities.”

Reconciliation of Non-GAAP Financial Measures

To supplement the unaudited condensed consolidated financial statements prepared and presented in accordance with U.S. GAAP, we use the non-GAAP financial measures such as Fee Revenue Less Production Costs ("FRLPC"), FRLPC as a % 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.

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, the unaudited condensed 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, 2026 and 2025 are summarized below ($ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Fee Revenue Less Production Cost (FRLPC)	$ 146,454	$ 139,313	$ 414,808	$ 381,183
Fee Revenue Less Production Costs % (FRLPC %)	4.1 %	5.0 %	4.2 %	4.9 %
Adjusted Net Income	$ 102,458	$ 92,754	$ 270,946	$ 196,567
Adjusted EBITDA	$ 130,252	$ 107,038	$ 347,938	$ 272,904

FRLPC is defined as operating income plus technology, data and product development, sales and marketing, and general and administrative costs, and less interest income and net investment income (loss). We use FRLPC as part of our 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 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 Pagaya Technologies Ltd. excluding share-based compensation expense, change in fair value of contingent liability, change in fair value of warrant liability, impairment loss on certain investments, 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 Pagaya Technologies Ltd. excluding share-based compensation expense, change in fair value of contingent liability, change in fair value of warrant 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, income tax expense (benefit), and depreciation and amortization. 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, these non-GAAP financial measures are 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 following tables present reconciliations of FRLPC and FRLPC % to operating income, and Adjusted Net Income and Adjusted EBITDA to net income (loss) 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,	
	2026	2025	2026	2025
Operating Income	$ 112,548	$ 79,958	$ 298,352	$ 184,112
Add: Technology, data and product development	17,352	18,236	50,640	56,135
Add: Sales and marketing	9,514	14,453	30,733	43,707
Add: General and administrative	35,377	36,944	103,776	123,476
Less: Interest income	28,962	14,918	68,833	33,333
Less: Investment income (loss), net	(625)	(4,640)	(140)	(7,086)
Fee Revenue Less Production Costs (FRLPC)	$ 146,454	$ 139,313	$ 414,808	$ 381,183
Network Volume (in millions)	$ 3,605	$ 2,802	$ 9,764	$ 7,850
Fee Revenue Less Production Costs % (FRLPC %)	4.1 %	5.0 %	4.2 %	4.9 %

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net Income Attributable to Pagaya Technologies Ltd.	$ 49,732	$ 22,545	$ 119,699	$ 47,093
Adjusted to exclude the following:				
Share-based compensation	8,607	13,582	24,372	44,982
Fair value adjustment to contingent liability	—	(418)	—	(5,807)
Fair value adjustment to warrant liability	(567)	4,908	(4,515)	6,486
Impairment loss on certain investments, net	36,932	18,606	111,280	61,204
Write-off of capitalized software and other assets	3,829	2,817	11,276	4,741
Restructuring expenses	—	167	—	1,392
Transaction-related expenses	—	—	—	23
Non-recurring expenses	3,925	30,547	8,834	36,453
Adjusted Net Income	$ 102,458	$ 92,754	$ 270,946	$ 196,567
Adjusted to exclude the following:				
Interest expenses	22,483	21,858	61,843	66,158
Income tax expense (benefit)	1,054	(15,210)	3,115	(12,772)
Depreciation and amortization	4,257	7,636	12,034	22,951
Adjusted EBITDA	$ 130,252	$ 107,038	$ 347,938	$ 272,904

Liquidity and Capital Resources

As of September 30, 2026 and December 31, 2025, the principal sources of liquidity were cash and cash equivalents, and restricted cash and cash equivalents of $305.6 million and $288.3 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 in this Quarterly Report on 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 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, as described in the section below titled "*2025 Revolving Credit Facility*" and "*Senior Notes*" or through the sale or issuance of equity or debt securities. 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 are not guaranteed and will be dependent on not only macro-economic factors, but also on factors such as our 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.

In addition, we will receive the proceeds from any exercise of any public warrants in cash. Each public warrant that was issued and exchanged for each EJFA Private Placement Warrant in the merger of Rigel Merger Sub Inc., a Cayman Islands exempted company and a wholly-owned subsidiary of Pagaya, with and into EJF Acquisition Corp ("EJFA"), as contemplated by the EJFA Merger Agreement ("EJFA Merger"). 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 October 30, 2026, the price of our Class A Ordinary Shares was $19.23 per share. We believe the likelihood that warrant holders will exercise their public warrants that were issued 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 that were issued in the EJFA Merger. To the extent the public warrants are exercised by warrant holders, ownership interests 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.

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.

Securitizations

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 credit risk of the securities issued by securitization vehicles ("Risk Retention Holdings"). In addition to these mandatory holdings, we may hold other interests in our securitization vehicles ("Additional Investments"). Additional Investments consist of interests acquired on a discretionary basis, as well as interests previously classified as Risk Retention Holdings for which the regulatory holding requirements have expired. We may purchase these Additional Investments to facilitate the execution of specific securitization transactions, or for investment purposes where we believe the risk-adjusted return is attractive. We may also sell Additional Investments when we view the market opportunity as attractive.

The following table presents the carrying value (fair value) of our investments in loans and securities as of September 30, 2026 and December 31, 2025 distinguishing between our Risk Retention Holdings and Additional Investments (in thousands):

	September 30, 2026	December 31, 2025
Risk Retention Holdings		
Notes	$ 108,475	$ 99,640
Certificates	402,382	404,618
Total Risk Retention Holdings	$ 510,857	$ 504,258
Additional Investments		
Notes	$ 430,690	$ 308,551
Certificates	136,551	127,882
Loans	22,734	4,578
Total Additional Investments	$ 589,975	$ 441,011
Total Investments in Loans and Securities	$ 1,100,832	$ 945,269

As of September 30, 2026 and December 31, 2025, our total Risk Retention Holdings were $510.9 million and $504.3 million, and represented approximately 46% and 53% of total investments in loans and securities, respectively. As of September 30, 2026 and December 31, 2025, our total Additional Investments were $590.0 million and $441.0 million, and represented approximately 54% and 47% of total investments in loans and securities, respectively. Total Additional Investments increased by $149.0 million as of September 30, 2026 compared to December 31, 2025.

In the ordinary course of business, we enter into certain financing arrangements to finance our investments in loans and securities, including both our Risk Retention Holdings and Additional Investments. 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 unaudited condensed consolidated balance sheets. For further information, refer to Note 4, "Investments," and Note 6, "Borrowings," to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Warehouse Facility

In September 2026 we entered into a $0.7 billion variable funding note warehouse facility. This Financing Vehicle will acquire eligible Partner-originated loans which are financed primarily through senior notes purchased by unaffiliated investors. This VFN trust is not consolidated on our balance sheet. Our related liquidity needs primarily relate to funding and carrying the residual certificates. Senior note borrowings are obligations of the applicable trust and are non-recourse to us, other than limited contractual support obligations. Our funding requirement depends on collateral eligibility, advance rates, concentration limits and

other customary borrowing conditions. For additional information, see Note 5 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Cash Flows

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

	Nine Months Ended September 30,	
	2026	**2025**
Net cash provided by operating activities	$ 166,937	$ 158,823
Net cash used in investing activities	$ (263,198)	$ (209,531)
Net cash provided by financing activities	$ 112,330	$ 86,910

Operating Activities

Our primary uses of cash in operating activities are for the ordinary course of business, with the primary use related to employee and personnel-related expenses. As of September 30, 2026, we had 503 employees (221 in the U.S. and 282 in Israel) compared to 531 employees (260 in the U.S. and 271 in Israel) on September 30, 2025.

For the nine months ended September 30, 2026, net cash provided by operating activities increased by $8.1 million to $166.9 million, compared to $158.8 million for the nine months ended September 30, 2025. This reflects net income including noncontrolling interests of $111.0 million, adjusted for non-cash charges of $180.7 million, and net cash outflows of $124.7 million from changes in our operating assets and liabilities.

Non-cash charges during nine months ended September 30, 2026 primarily consisted of (1) impairment losses on investments in loans and securities, which increased by $53.7 million compared to the same period in 2025, 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, of which $15.2 million is not attributable to Pagaya, but rather attributable to the VIEs noncontrolling interests, (2) amortization of deferred costs, which increased by $11.3 million compared to same period in 2025, (3) share-based compensation, which decreased by $20.6 million compared to the same period in 2025, (4) losses from extinguishment of debt, which decreased by $20.1 million, driven by the repurchase of $7.4 million and $3.8 million of the outstanding 2030 Notes at 87.3% and 78.5% of par value in February 2026 and May 2026, respectively. In comparison, the prior period reflected a one-time loss on extinguishment of debt associated with the write-off of deferred issuance costs and early payment penalties incurred upon the full repayment of principal under our Credit Agreement, (5) fair value adjustment to warrant liability, which decreased by $11.0 million compared to the same period in 2025, driven by changes in the market price of our Class A Ordinary Shares, and (6) depreciation and amortization, which decreased by $10.9 million compared to the same period in 2025, primarily from capitalized software.

For the nine months ended September 30, 2026, net cash flows resulting from changes in operating assets and liabilities decreased by $61.6 million to net cash outflows of $124.7 million, compared to net cash outflows of $63.2 million for the nine months ended September 30, 2025.

Investing Activities

Our primary uses of cash in investing activities are the purchase of Risk Retention Holdings and Additional Investments.

For the nine months ended September 30, 2026, net cash used in investing activities increased by $53.7 million to $263.2 million, compared to $209.5 million for the nine months ended September 30, 2025, primarily driven by purchases of Risk Retention Holdings and Additional Investments. Purchases of Risk Retention Holdings and Additional Investments during the nine months ended September 30, 2026 totaled $783.0 million, an increase of $421.9 million compared to the same period in 2025. This cash outflow was partially offset by proceeds received from existing Risk Retention Holdings and Additional Investments, which totaled $530.2 million during the nine months ended September 30, 2026, an increase of $352.0 million compared to the same period in 2025.

Financing Activities

For the nine months ended September 30, 2026, net cash provided by financing activities increased by $25.4 million to $112.3 million, compared to $86.9 million for the nine months ended September 30, 2025. The current period financing cash inflows

were primarily comprised of $324.6 million of proceeds from secured borrowings and $139.7 million of proceeds drawn on the revolving credit facility, partially offset by $206.1 million of repayments on secured borrowings, $114.7 million of repayments on the revolving credit facility, $23.6 million of distributions to noncontrolling interests, and $9.5 million of repurchases of the 2030 Notes.

The year-over-year increase in financing cash flows was primarily driven by an increase in net proceeds from secured borrowings and revolving credit facilities and lower borrowings repayments, partially offset by an absence of proceeds from long-term debt. Repayments of long-term debt decreased by $338.2 million to $9.5 million for 2026 from $347.6 million in 2025, and payments on secured borrowings decreased by $104.7 million to $206.1 million from $310.8 million. Additionally, proceeds from secured borrowings increased by $61.1 million, and the Company received net proceeds of $25.0 million under its revolving credit facility during 2026, with no comparable borrowings in 2025. These favorable impacts were partially offset by the absence of $500.0 million in proceeds from long-term debt received in 2025. These proceeds were a result of the Company's ongoing strategy to optimize its capital structure by reducing higher-cost debt and extending debt maturities.

Indebtedness

Borrowings as of September 30, 2026 primarily includes revolving credit facility, long-term debt, secured borrowings, and exchangeable notes. A detailed description of each of our borrowing arrangements is included in Note 6 Borrowing in the notes to the condensed consolidated financial statements.

2025 Revolving Credit Facility

On October 1, 2025, the Company refinanced its revolving credit facility by way of terminating its prior 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 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. As of September 30, 2026, the Company had $25.0 million in borrowings outstanding.

Senior Notes

On July 28, 2025, the Company, through Pagaya US Holding Company LLC ("Pagaya US"), a wholly-owned subsidiary of the Company, issued $500 million aggregate principal amount of 8.875% Senior Unsecured Notes due 2030 (the "2030 Notes"). The 2030 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 2030 Notes will mature on August 1, 2030, unless earlier repurchased or redeemed. The 2030 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 was a guarantor under the prior credit agreement (collectively, the "Guarantors"). The 2030 Notes and the related note guarantees will be senior unsecured obligations of Pagaya US and the Guarantors.

In December 2025, the Company repurchased $6.9 million aggregate principal amount of the outstanding 2030 Notes at a price equal to 87.4% of the principal amount. The Company paid total consideration of $6.0 million, excluding accrued interest, resulting in a $0.7 million net gain on extinguishment of debt. This gain is net of the written-off carrying value, which included associated pro rata unamortized debt issuance costs, and is reported within "Gains and (losses) from extinguishment of debt" in the consolidated statements of operations included in the Annual Report on Form 10-K.

In February 2026, the Company repurchased $7.4 million aggregate principal amount of the outstanding 2030 Notes at a price equal to 87.3% of the principal amount. The Company paid total consideration of $6.5 million, excluding accrued interest. This transaction resulted in a $0.8 million gain on extinguishment of debt, which is net of the write-off associated unamortized debt issuance costs and the carrying value of the repurchased notes.

In May 2026, the Company repurchased $3.8 million of the outstanding 2030 Notes at a price equal to 78.5% of the principal amount. The Company paid total consideration of $3.0 million, excluding accrued interest, resulting in a $0.7 million net gain on extinguishment of debt. This gain is net of the written-off carrying value, which included associated pro rata unamortized debt

issuance cost. Following the repurchase, the remaining aggregate principal amount of the 2030 Notes outstanding was $481.9 million.

As of September 30, 2026, after deducting $9.5 million in unamortized issuance costs, the net carrying amount of the 2030 Notes was $472.3 million, which is recorded within long-term debt on the unaudited condensed consolidated balance sheets.

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 a certain lender. 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. In March 2026, the maximum principal amount under the CIA Facility was increased to $30 million.

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. In July 2026, the Company entered into an Amendment to its ALPF Facility with the lender, which increased the aggregate borrowing commitment from $65 million to $100 million. Pursuant to the amendment, the revolving period end date was extended from June 11, 2027, to July 16, 2028, and the scheduled maturity date was extended from December 11, 2027, to January 16, 2029. 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, 2026 and December 31, 2025, the combined outstanding principal balance under the CIA Facility and ALPF Facility was $126.7 million and $86.6 million respectively, which is recorded within secured borrowing on the unaudited condensed consolidated balance sheets.

Exchangeable Notes

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

The 2029 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 2029 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.

For further information, see Note 6 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Contractual Obligations, Commitments and Contingencies

From time to time, the Company enters into purchase commitments with our third-party cloud computing web services providers. As of September 30, 2026, the total remaining contractual obligations from these purchase commitments are approximately $7.7 million, of which $6.9 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. During the normal course of business, we enter into certain lease contracts with lease terms through 2032. As of September 30, 2026, the total remaining contractual obligations are approximately $35.9 million, of which $7.6 million is for the next 12 months. Refer to Note 9, "Commitments and Contingencies," to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q 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, 2026, 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, 2026, the unfunded maximum potential amount of undiscounted future payments the Company could be required to make under these guarantees totaled $143.0 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, 2026, $48.6 million has been segregated and recognized within restricted cash on 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, 2026, refer to Note 6, "Borrowings," to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q and Note 14, "Leases," to the consolidated financial statements included in the 2025 Annual Report on Form 10-K for additional information.

Off-Balance Sheet Arrangements

In the ordinary course of business, we engage in activities with unconsolidated VIEs, including our sponsored securitization vehicles and warehouse facilities, which we may contractually administer. For ABS securitizations, we retain at least 5% of the credit risk of the securities issued by sponsored securitization vehicles to comply with risk retention regulatory requirements. 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 5, "Consolidation and Variable Interest Entities," to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

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 the 2025 Annual Report on Form 10-K. Management has reassessed the critical accounting policies and estimates as disclosed in Note 2, "Summary of Significant Accounting Policies," to the audited consolidated financial statements included in the 2025 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, 2026.

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, 2026 and December 31, 2025, we were exposed to credit risk on $1,101 million and $945 million, respectively, of investments in loans and securities held on our unaudited condensed consolidated balance sheets, with $1,057 million and $871 million, respectively, representing net exposure exclusive of non-controlling interests. We monitor our portfolio risk through internal monitoring as well as competitor and market assessments, reviewing 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.

The following table summarizes the potential effect that changes in estimates would have on the fair value of our investments in loans and securities as of September 30, 2026 given a hypothetical change in significant unobservable inputs (in millions):

	Change in Fair Value
Basis point change scenario	September 30, 2026
Credit loss rate increase of 100 basis points	$ (149.0)
Credit loss rate decrease of 100 basis points	$ 144.7

These scenarios illustrate a hypothetical, instantaneous shift in the value of our investments in loans and securities and do not represent management's performance expectations. As of September 30, 2026, our portfolio is comprised of 49% ABS securitization notes and 49% ABS residual certificates. Of the current portfolio of investments, 45% was originated in 2026, 33% in 2025, 12% in 2024 and 10% in 2023 and prior. We would normally expect more seasoned vintages and more senior investments to be less impacted by changes in credit loss rates. To manage this risk, management integrates these sensitivities into our continuous portfolio monitoring and stress-testing framework, ensuring our operations and capital structure remains resilient to such fluctuations.

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.

Discount Rate Risk

The discount rate risk refers to the risk of loss of future earnings, values or future cash flows that may result from changes in market discount rates. The fair values of loans, securitization notes, and residual certificates are estimated based on a discounted cash flow model, where the discount rate represents an estimate of the required rate of return by market participants. The changes in the discount rates reflect the expected returns of similar financial instruments available in the market and can be caused by changes in the interest rates.

The following table summarizes the potential effect that changes in estimates would have on the fair value of our investments in loans and securities as of September 30, 2026 given a hypothetical change in significant unobservable inputs (in millions):

	Change in Fair Value
Basis point change scenario	September 30, 2026
Discount rate increase of 100 basis points	$ (17.1)
Discount rate decrease of 100 basis points	$ 18.0

These scenarios illustrate potential market shifts rather than internal forecasts. While changes in market discount rates, reflecting the required rate of return for market participants—can influence the estimated fair value of our loans and securitization notes and residual certificates, management incorporates these hypothetical fluctuations into our proactive capital allocation and deal execution strategies. This modeling ensures we maintain operational stability and consistent access to funding across varying market conditions.

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 borrowers' 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 and payments and adversely affect our 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 affect overall deal economics as well as the returns we would generate on our related risk retention investments and discretionary 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 NIS, our inability or failure to manage foreign exchange risk could adversely affect our 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 (the "Exchange Act")) 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, 2026. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2026, 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 Exchange Act) that occurred during the quarter ended September 30, 2026 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 9, "Commitments and Contingencies," to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

From time to time, we may be subject to 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 Item 1A, "Risk Factors," in the 2025 Annual Report on Form 10-K 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 Shares. 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 the 2025 Annual Report on Form 10-K, in this Quarterly Report on Form 10-Q (including the disclosures in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in our unaudited condensed consolidated financial statements and the related notes thereto), and in the other documents that we file with the SEC.

There have been no material changes from the risk factors previously disclosed under Item 1A, "Risk Factors," in the 2025 Annual Report on Form 10-K.

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

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, 2026, three officers or directors entered into a new 10b5-1 trading arrangement, and one officer or director terminated a prior 10b5-1 trading arrangement.

On August 11, 2026, Dan Petrozzo, a director, adopted a new 10b5-1 plan with an end date of November 20, 2027, to sell up to an aggregate of 36,446 shares.

On August 11, 2026, Jonathan Dobres, the Company's Chief Financial Officer, adopted a new 10b5-1 plan with an end date of June 30, 2028, to sell up to an aggregate of 57,093 shares.

On August 24, 2026, Gal Krubiner, a director and the Company's Chief Executive Officer, terminated his prior 10b5-1 Plan, dated June 5, 2026, with an end date of December 31, 2026, to sell up to an aggregate of 350,000 shares. No sales occurred under the prior plan. On September 16, 2026, Mr. Krubiner entered into a new 10b5-1 plan with an end date of March 7, 2027, to sell up to an aggregate of 350,000 shares.

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)
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 (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

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 2, 2026

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

Date: November 2, 2026

By: /s/ Jonathan Dobres
Name: Jonathan Dobres
Title: Chief Financial Officer

Exhibit 31.1

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 2, 2026

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

Exhibit 31.2

CERTIFICATION

I, Jonathan Dobres, 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 2, 2026

By: /s/ Jonathan Dobres
Jonathan Dobres
Chief Financial Officer

Exhibit 32.1

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, 2026, 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 2, 2026

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.

Exhibit 32.2

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), Jonathan Dobres, 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, 2026, 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 2, 2026

By: /s/ Jonathan Dobres
Jonathan Dobres
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.