March 2024

INTRODUCTION

Pagaya Technologies

PAGAYA

Disclaimer

Forward-Looking Statements

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Non-GAAP Financial Measures

This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). This presentation also includes non-GAAP financial information, such as FRLPC, Adjusted Net Income (Loss) 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, our consolidated financial statements prepared and presented in accordance with U.S. GAAP.

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01

Company Overview

PAGAYA

MISSION

Delivering more financial opportunity to more people, more often

PAGAYA

Pagaya by the numbers

29
Lending partners

5
Markets (personal loan, auto, point-of-sale, credit card, and single-family rental)

109
Funding partners

>$1.8T
Applications evaluated since inception

>$20B
Funding raised across ~50 ABS transactions since 2018

>$9B
Annualized run-rate network volume (based on 4Q'23)

>$135M
Annualized run-rate adjusted EBITDA (based on 4Q'23)[1]

(1) These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure

Summary

What makes Pagaya different

Differentiated and Sustainable Growth Funnel

- **Constantly growing "top of the funnel" through cycles:** increasing app flow over time as we add new partners
- **Limited customer acquisition costs** ("CAC") compared to D2C lenders

Growth driven by adding lending partners, not limited by marketing expenses or CAC, or reduced pricing to attract borrowers

Growing Data Advantage on the U.S. Borrower Population

- Data that individual lenders see is **limited to their own customers, products and geographic reach**
- Pagaya sees **real-time data** across **29 lenders** and **multiple markets**

Pagaya has evaluated >$1.8T applications since inception

Fee-Generating Business with Operating Leverage

- **>95% of Pagaya's revenues come from fees** earned from both lending partners & funding partners
- **Operating leverage as a B2B2C fintech** with limited incremental marketing or acquisition costs

Resulting in >$135M in annualized Adjusted EBITDA based on 4Q23(1)

Upfront Funding Model Mitigates Liquidity Risk

- Raising cash first limits liquidity risk and utilizing corporate capital, creating a **balance sheet-light model**
- Our lending partners trust that Pagaya will source capital to support their growth

>$20B in ABS funding raised from >100 funding partners since inception(2)

Source: Company internal data. Financial data as of December 31, 2023, unless otherwise noted. (1) These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure. GAAP net loss for 4Q23 was ($14.4M). (2) Reflects total ABS originations raised since inception through 2024 year-to-date.

Consumers can't get the credit they deserve

42%

of U.S. consumers are denied a financial product or the credit they seek under legacy credit scoring models[(1)]

Financial institutions are **leaving good borrowers behind:**

~$120K

Average income of our borrowers[(2)]

Instead of going direct to the consumer with our solution, we help lenders add more borrowers to their ecosystem

- We offer a tech-enabled solution to allow lenders to **underwrite borrowers more holistically than traditional credit evaluation models**
- **Our product lets lenders keep the customer relationship without credit risk** (loans are offloaded to Pagaya's funding network)
- By partnering with lenders (compared to D2C models), we have a **growing, sustainable "top of the funnel" opportunity**

(1): Consumer Financial Protection Bureau: Making Ends Meet in 2022, Dec. 2022 (2): Company internal data, Personal Loan average for 4Q'23

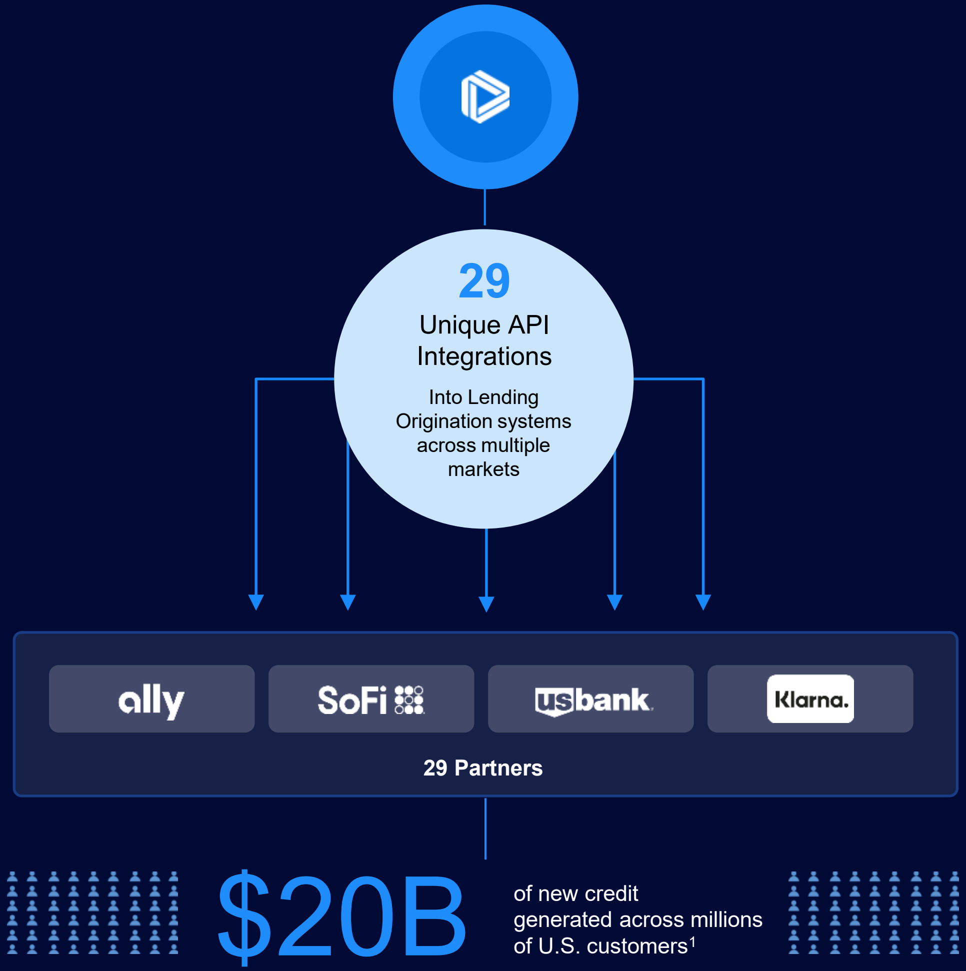
Our Product

Ensuring lenders do not leave good borrowers behind

Seamlessly integrated tech product that helps lenders **add more borrowers, retain the customer relationship, and offload credit risk** through Pagaya's funding network

Our Flagship Product:

- ✓ Embedded in lenders' loan origination systems via API
- ✓ < 1 second application evaluation time
- ✓ Powered by proprietary AI technology, backed by >$1.8T of applications evaluated
- ✓ Access to steady funding flow through Pagaya's pre-funded model



PAGAYA

Source: Company internal data. Financial data as of December 31, 2023, unless otherwise noted. (1) Reflects total ABS originations raised since inception through 2024 year-to-date.

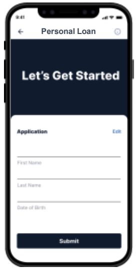
Lenders add more borrowers under their brand

When a lender integrates with Pagaya, the end borrower gets an offer from the lender they trust

Pagaya's funding partner network provides funding for the loan

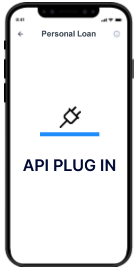
Applicant not approved by traditional lender

Step 1



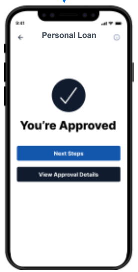
Application passed to Pagaya model via API

Step 2



Pagaya model analyzes application and sends recommendation in under a second

Step 3



Applicant receives loan offer from their lender, accepts offer. Loan is funded by third-party investors

Step 4

The lender keeps the relationship and benefits from customer lifetime value, while offloading the loan to Pagaya's network of investors

Seamless Lending Partner / Customer Experience

Step 1: Jane submits an application that falls outside her lender's credit box

Step 2: Jane's application is sent to Pagaya via API

Step 3: Pagaya model analyzes application and sends recommendation in under a second

Result: Jane gets a direct offer from the lender she trusts, that was enabled by Pagaya behind the scenes

Unlike traditional funding models, we raise funding before assets are created – minimizing liquidity risk

Upfront funding model mitigates liquidity risk

Pagaya's upfront funding model

- **Pagaya raises cash from funding partners first,** which sits in a trust waiting to be deployed

✓ Originated loans never touch Pagaya's balance sheet and we have constant **dry powder on hand to deploy**

VS.

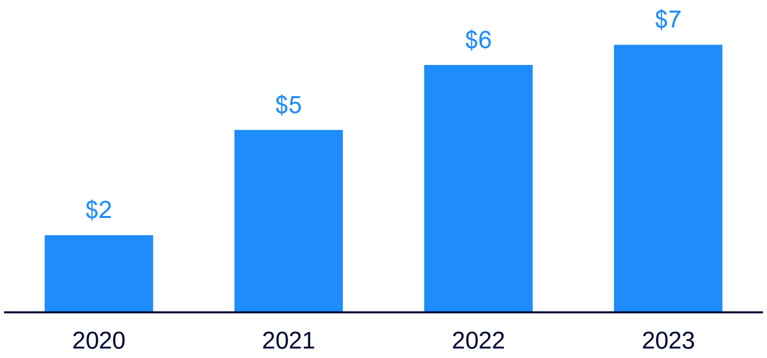
Traditional funding model

- **D2C lender originates loans first using own capital, then sells assets to funding vehicles**

✗ Exposed to market volatility resulting in liquidity risk if funding cannot be secured

Consistently growing our funding network

Annual total ABS originations across all products ($B)



$20B+
Funding raised since 2018

109
Unique investment firms in our funding network

#1
Personal Loan ABS issuer in the U.S[1]

 Source: Company internal data (1) FinSight report on USOA ABS Top Parents as of January 9, 2024

Pagaya earns $3-4 in FRLPC[1] for every $100 of loans issued

FRLPC[1] (our "gross profit") driven primarily by fees paid by our lending partners for **helping them add more borrowers**

Lending Partners

Pay fees to Pagaya to use our product to originate more loans and gain new customers

63%

of 4Q'23 FRLPC(1)

3-4%

Fee revenue less production costs ("FRLPC")(1) as % of network volume

Funding Partners

Pay fees to Pagaya for sourcing diversified, AI-enabled assets at scale

37%

of 4Q'23 FRLPC(1)

Source: Company internal data. Financial data as of December 31, 2023, unless otherwise noted. (1) Fee Revenue Less Production Costs ("FRLPC") is defined as revenue from fees less production costs. These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure.

Our flagship product provides a "win-win-win" for lending partners, their customers and funding partners

Lending Partners

Grow originations and customers with no incremental cost or risk

ally

"We just celebrated the one-year anniversary of our successful partnership. We look forward to continuing our relationship."
- Douglas Timmerman, President, Dealer Financial Services

29
Lending partners

100%
Partner retention since inception

Lending Partner Customers

Access to more financial opportunities

"I just want to say 'Thank You!' I prayed concerning how to move forward…Best Egg was there! Seamless, professional, thorough and fast, "a weight has been lifted" and I am so grateful. So much so I already recommended to others! Thank you again for a painless process."
- Judith (Customer review for Best Egg)

$20B+
New credit generated by Pagaya's network(1)

Funding Partners

Efficiently deploy capital at scale in unique assets

VÄRDE

"We are pleased to bring private capital solutions to credit unions and other financial institutions looking to make room for growth in their balance sheets....The collaboration with Pagaya and other like-minded investors expands our financing reach, improves our underwriting capabilities, and enhances our ability to bring dependable capital to an increasingly dislocated credit market."
- Aneek Mamik, Partner and Head of Financial Services at Värde

109
Institutional investors

~50
Pre-funded ABS transactions since 2018

Source: Company internal data. Financial data as of December 31, 2023, unless otherwise noted. (1) Reflects total ABS originations raised since inception through 2024 year-to-date.

02

Growth Strategy

PAGAYA

Our medium-term growth ambition

	Network Volume[1]	FRLPC Margin[2]	Adj. EBITDA[2][3]
Actual 4Q'23 Annualized	>$9B	3.2%	>$135M
Medium-Term Target[2][4]	~$25B	3-4%	~$500M

Source: Company internal data. Please see Appendix for reconciliations of non-GAAP financial measures along with defined terms. Financial data as of December 31, 2023, unless otherwise noted. (1) Network Volume refers to the gross dollar amount of assets originated by our Partners with the assistance of our AI technology and, with respect to single-family rental operations, the gross dollar value of services, which may include the value of newly onboarded properties onto our Darwin platform. (2) These are non-GAAP measures. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure. (3) GAAP net loss for 4Q23 was ($14.4M). (4) These are not projections; they are goals/ targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved and the Company undertakes no duty to update its goals.

Sustainable, cost-efficient growth strategy compared to D2C lenders

PAGAYA

Adding Lending Partners To Our Network

PL | POS | Auto

Cost Efficient:
No Incremental Marketing Cost (CAC)

Scalable:
New Partners Drive Incremental Growth

vs.

Traditional DTC Lender

Price Loans More Aggressively

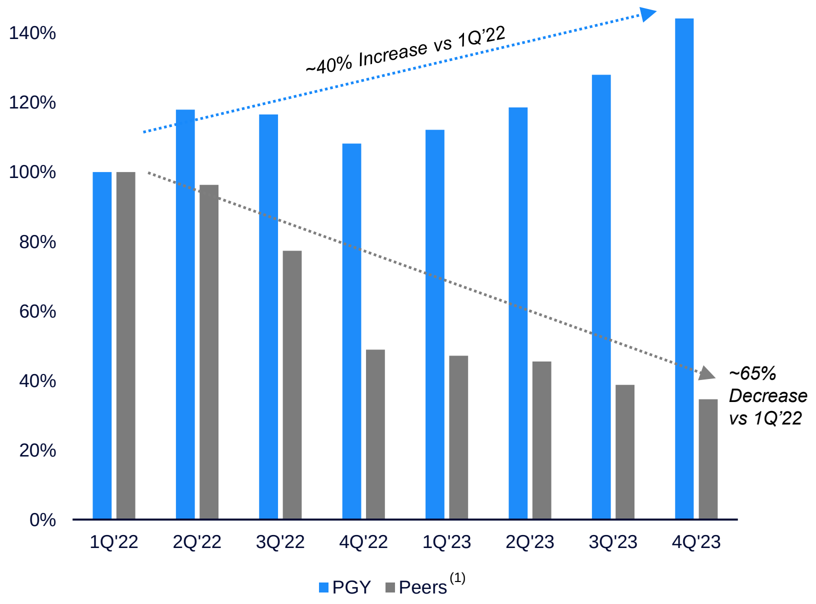
Risky:
Pricing the Borrowers Lower (Mispricing)

Spend More on Marketing

Expensive:
Growth Driven by Marketing Spend

Sustainable growth through macro volatility

Volume change (%) indexed to 1Q'22



 Source: Company Filings. (1) Select peers based on Pagaya internal benchmark.

Strategic growth initiatives to drive network volume

Adding new enterprise-grade lending partners to increase application flow

01

Targeting 2-4 bank and other large lending partner additions annually, driving billions of dollars in new application volume

In conversations with

80%

of top 25 U.S. Banks by asset size

Reduce investor cost of capital with funding scale & efficiency

02

Growing scale in funding markets, coupled with consistent asset performance and structuring capabilities, is leading to lower investor cost of capital

#1

Personal Loan ABS issuer in the U.S[1]

Smarter models help drive increased conversion rates

03

As models ingest more data, our decisioning gets sharper and **more efficient over time**

Pagaya has evaluated over

$1.8T

applications since inception

Source: Company internal data. (1) FinSight report on USOA ABS Top Parents as of January 9, 2024

Robust pipeline of enterprise-grade financial institutions

Step-change in lending network in 2023:
Added 4 enterprise-level partnerships for a total of 29 lending partners

usbank

Top 5 auto captive

Exeter

Westlake Financial

Targeting

15

Tangible opportunities in our partner pipeline

2-4

Partner additions annually, with a focus on large banks and auto captives

In conversations with

80%

of top 25 U.S. Banks by asset size

POS

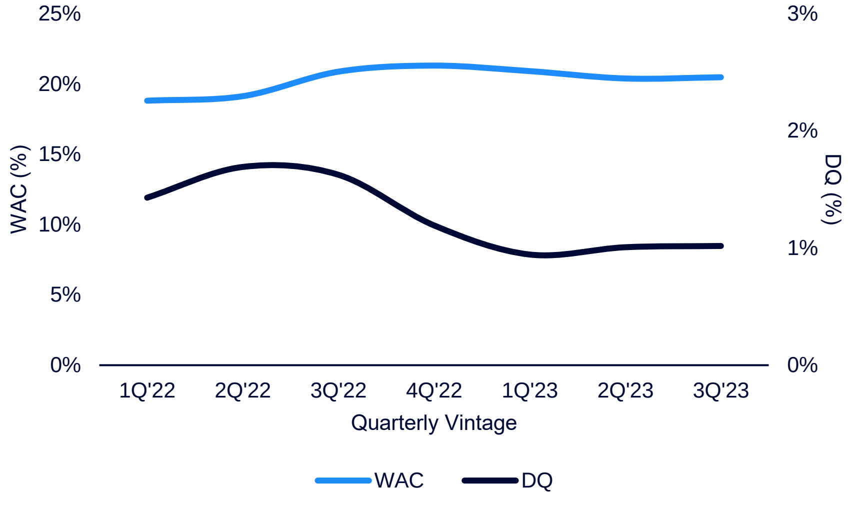
Strong demand for point-of-sale financing product from banks looking to capture market share from fintechs

Source: Company internal data. Financial data as of December 31, 2023, unless otherwise noted.

Scale, efficiency and stable asset performance leading to growing funding partner demand at a lower cost

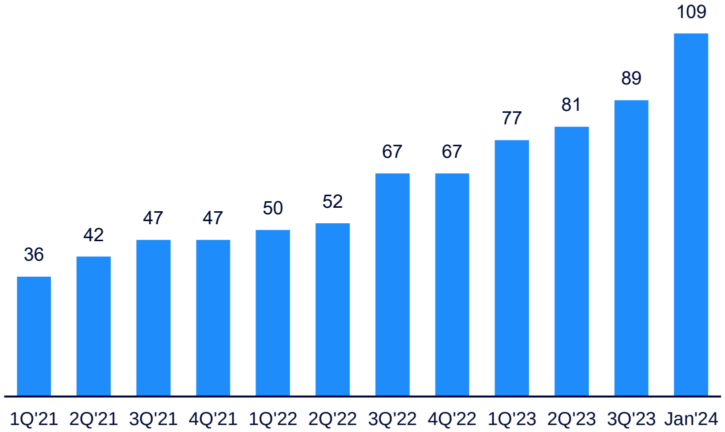
Delivering stable asset performance

Pagaya personal loan portfolio weighted average coupon ("WAC") vs. MOB 3 30-day+ DQs plus cumulative gross loss ("DQ")



Our funding partner network has consistently grown through cycles

Cumulative ABS Investors



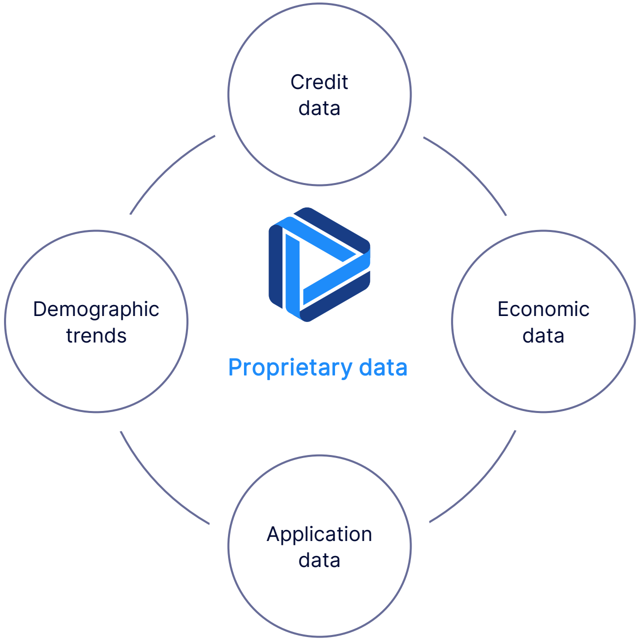
Source: Company internal data.

Network effect fuels our data flywheel driving improved conversion

We see real-time data from millions of borrowers from 29 lenders, 5 markets, and across the country

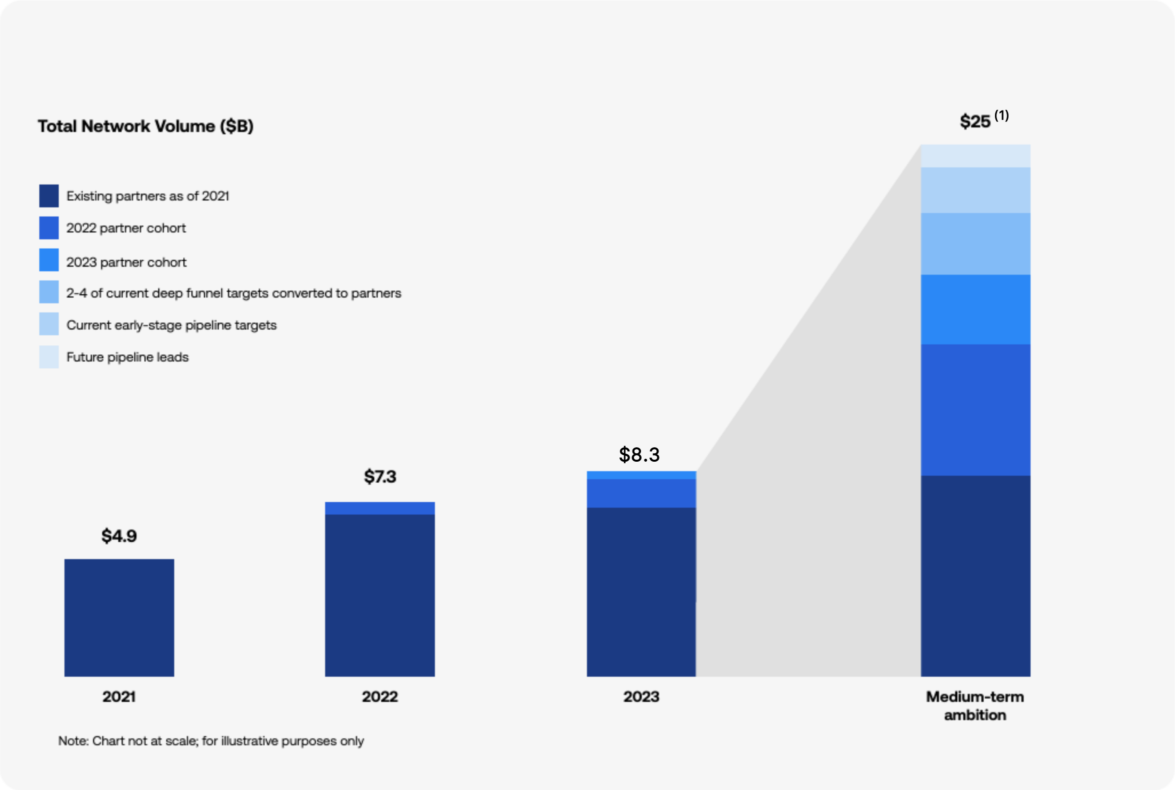
>$1.8T
in applications evaluated by our technology since inception

~100M
data points flow through our network daily from our lending partners



 Source: Company internal data. Financial data as of December 31, 2023, unless otherwise noted.

Goal of achieving $25B in network volume



>65%

of our $25B target is expected to come from **partners already on our network today**

2-4

new partners expected annually

Additional Upside

from new product offerings

Source: Company internal data. (1) These are not projections; they are goals/ targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved and the Company undertakes no duty to update its goals.

03
Future Product Roadmap

PAGAYA

Developing new products to help lenders extract more customer lifetime value

Increasing Market Share

Flagship Product

Enable lenders to capture customers that otherwise would have been turned away and reduce customer acquisition cost

Reduce CAC

2019

Personal Loan TAM **~$180B**(1)

2021

Auto Loan TAM **~$600B**(1)

2023

Point-of-Sale TAM **~$70B**(1)

Increasing Customer Wallet Share

Products in Development

Our future product roadmap is designed to monetize an existing captive and loyal customer base across our 29 partners, with no incremental marketing costs

Increase Customer Lifetime Value (LTV)

Pre-Qual

Expanding our partners lending products across their ecosystem

2nd Loan

Rewarding customers with expanded credit access

Potential to help our 29 lenders further monetize their

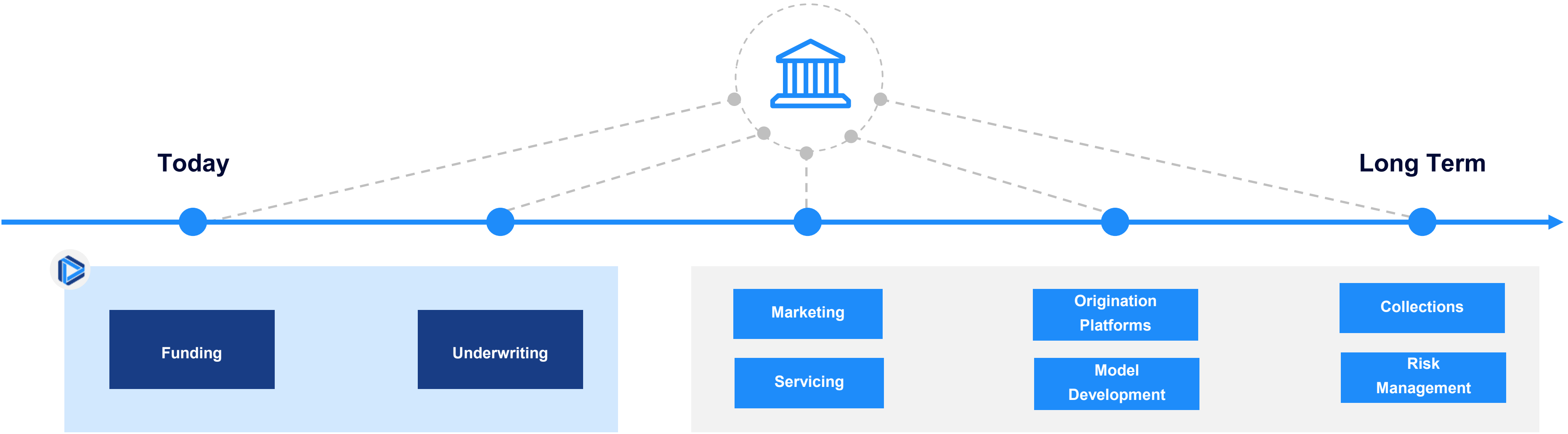
~60M+

Customers(2)

(1) Personal Loan data reflects secured and unsecured personal loan origination balances annualized as of 9 months ended Q3'23 per Transunion Credit Industry Insights Report, volumes Q2, Q3, and Q4. Auto Loan data reflects total loan origination balances annualized as of the last 11 months ended November '23 per Equifax's Monthly U.S. National Consumer Credit Trends Report: January 2024 – Originations. POS reflects forecasted 2023 BNPL volume per eMarketer as of June 2023. (2) Based on public filings of a subset of our partners.

Pagaya aspires to be the go-to lending technology partner for the consumer finance ecosystem

Pagaya's flagship product started in credit. We strive to help transform a bank's full value chain with technology



04

Financial Overview and Strategy

PAGAYA

FY2023 financial results

- **Record** Network Volume, Revenue, and Adjusted EBITDA
- **Step-change in lending network:** Added 4 enterprise-level partnerships for a total of 29 lending partners

usbank | Westlake Financial | Exeter | **Top 5 auto captive**

- **Diversifying our funding sources** with the addition of 31 new funding partners in 2023
- Record $6.6B ABS originations. **Pagaya remains the #1 personal loan ABS issuer in the U.S.**
- **Successful execution of $290M credit facility with Blackrock, UBS O'Connor and JPM in early 2024 –** showcasing market confidence in our earnings power

BlackRock | UBS | J.P.Morgan

Network Volume

$8.3B

14% ↑ vs. 2022

>$9B 4Q'23 Annualized

Total Revenues

$812M

8% ↑ vs. 2022

>$870M 4Q'23 Annualized

Fee Revenue Less Production Costs[1]

$264M

13% ↑ vs. 2022

>$300M 4Q'23 Annualized

Adjusted EBITDA[1]

$82M

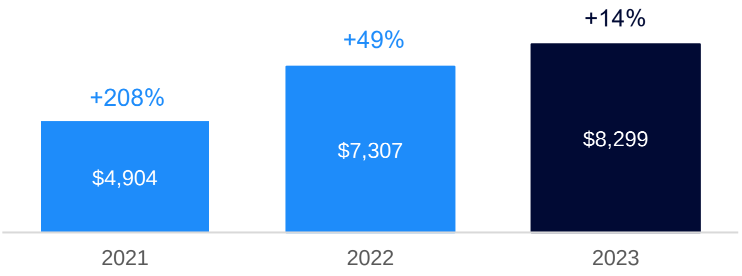
$87M ↑ vs. 2022

>$135M 4Q'23 Annualized

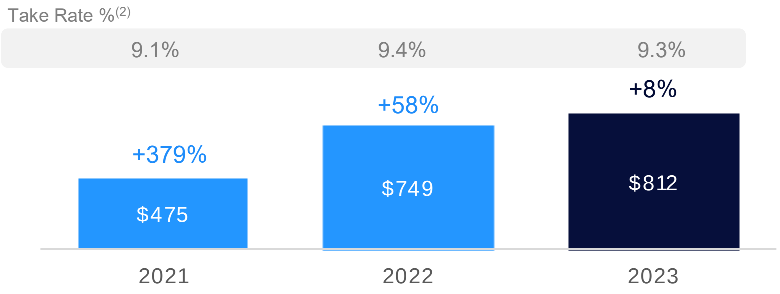
PAGAYA (1) These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure

Consistent financial performance through macro volatility showcases the durability of our business model

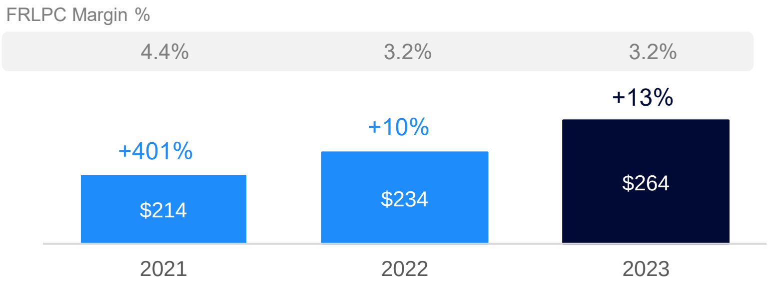
Network Volume
($ in millions & YoY % growth)



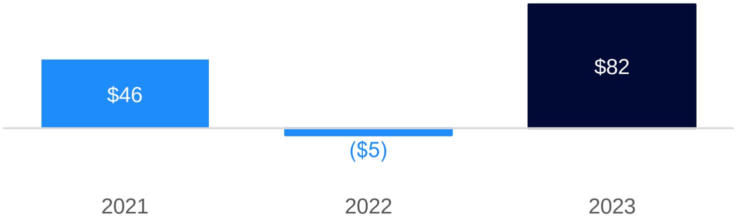
Total Revenues
($ in millions & YoY % growth)



Fee Revenue Less Production Costs[1]
($ in millions & YoY % growth)



Adjusted EBITDA[1]
($ in millions)



Source: Company internal data. (1) These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure (2) Take rates are calculated using revenue from fees.

Illustrative unit economics: FRLPC[1] margin structure

Metric	Definition	Illustrative	Driver
Application Volume	Total applications seen from lending partners	$1,000,000	• >$180B per quarter • Increasing app flow as we add 2-4 new partners / year
Conversion Rate	Loan offers accepted by the borrower as a percentage of total application volume	1%	• Optimization lever for funding partner returns, growth, and profitability
Network Volume ("NV")	**The notional value of all assets created using our technology**	**$10,000**	
Take Rate (fee revenue % NV)	Consists of fees we earn from our lending partner and funding partner products	9-10%	• Driven by lending partner & asset class mix
Production Costs (% NV)	Expenses incurred from our lending partners for the cost of originating and servicing loans	6-7%	• Variable expenses
Fee Revenue Less Production Costs (FRLPC[(1)] % NV)	**Our measure of gross profit, with fees coming from both sides of our network**	**$300-$400 (3-4%)**	• **3 – 4% over time** • **Higher for mature partners, offset by new partners**

PAGAYA (1) These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure

Our financial strategy

1 | Growth & Monetization

Deepen monetization of our product as we grow our network

- **>95% of revenue composed of sustainable, recurring fees** from lending and funding partners
- **Established playbook to deepen monetization** with each lender over time as they grow on our network

2 | Operating Leverage with Increasing Scale

Drive growing profitability through improved operating leverage

- **B2B model** means limited incremental marketing (customer acquisition) costs to grow
- Disciplined expense management combined with fee-generating potential → **sustainable, profitable growth**

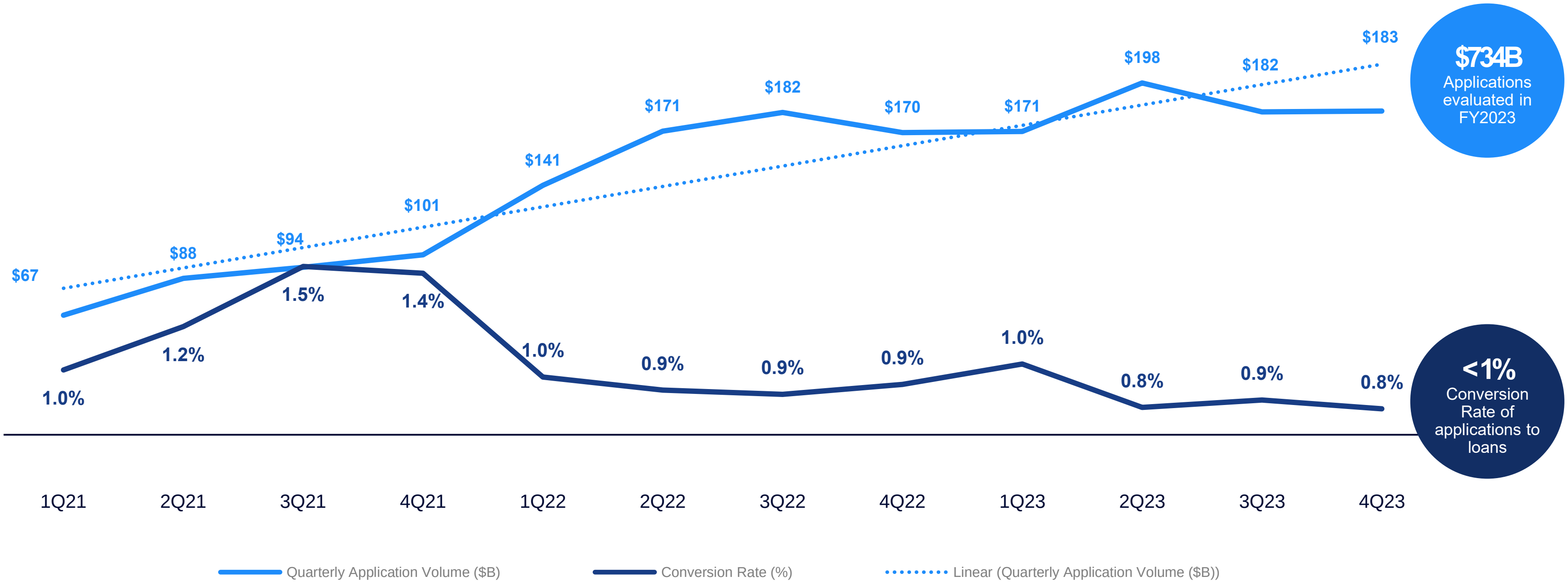
3 | Capital Efficiency

Execute on efficient funding and capital solutions

- Focused on a capital-efficient strategy to **optimize profitable growth and liquidity**
- **Strengthen liquidity position** and reduce combined net cash outflow from investing and financing activities

Source: Company internal data. (1) These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by and person that these goals/targets will be achieved and the Company undertakes no duty to update its goals.

Growth driven by increasing application volume as we add partners, while we remain prudent with our conversion rate



Source: Company internal data.

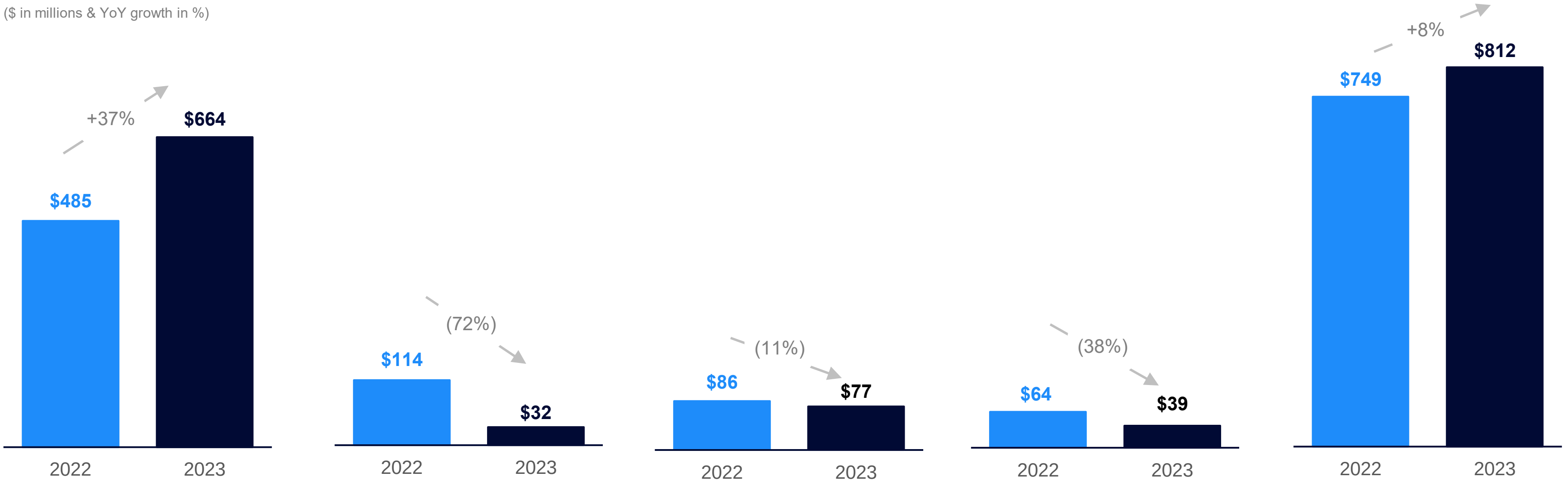
1 | Growth & Monetization

>95% of total revenue from diversified fee streams

Lending Product Fees | **Investor Product Fees**

AI Integration[1] + **Capital Markets Execution** + **Contract** + **Interest & Investment Income** = **Total Revenue**

($ in millions & YoY growth in %)



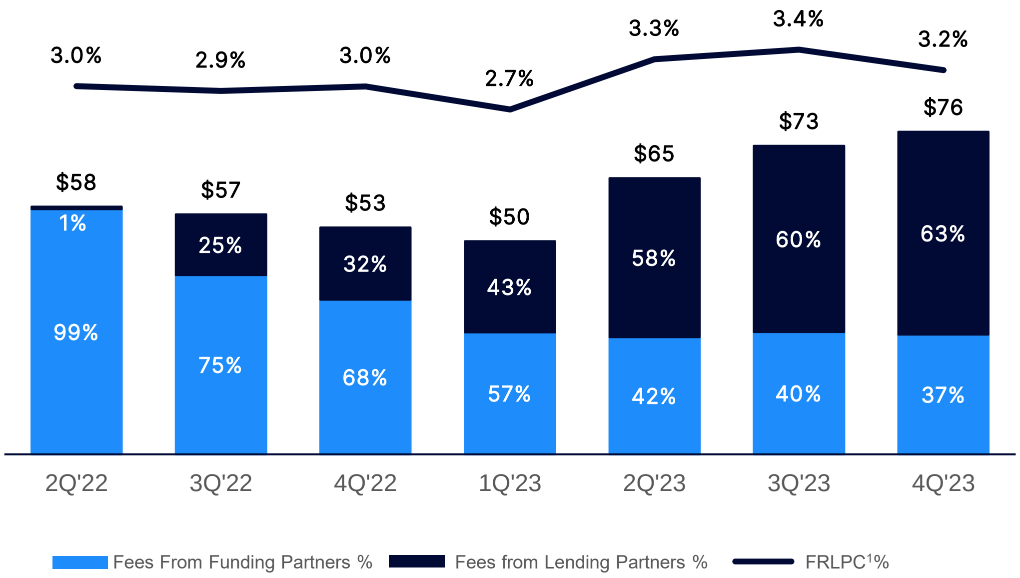
Continued revenue growth through cycles supported by diverse fee sources from lending and funding partners

Source: Company internal data. (1) AI Integration fees composed primarily of fees earned from lending partners for the use of our technology to underwrite new loans

FRLPC[1] expansion with growth of stable lending product fees

Fee revenue less production costs ("FRLPC(1)") by product

($ in millions)



→ **Total FRLPC[1]%:** Net AI Integration Fees + Capital Markets and Contract Fees as a % of Network Volume

→ **Lending Partners (Net AI Integration Fees):** primarily fees earned for the use of our technology to underwrite new loans, net of production costs (costs incurred by Pagaya to compensate lending partners for the cost of marketing, origination, and servicing)

→ **Funding Partners (Capital Markets and Contract Fees):** fees earned related to pricing of ABS transactions and management, administration and performance of financing vehicles

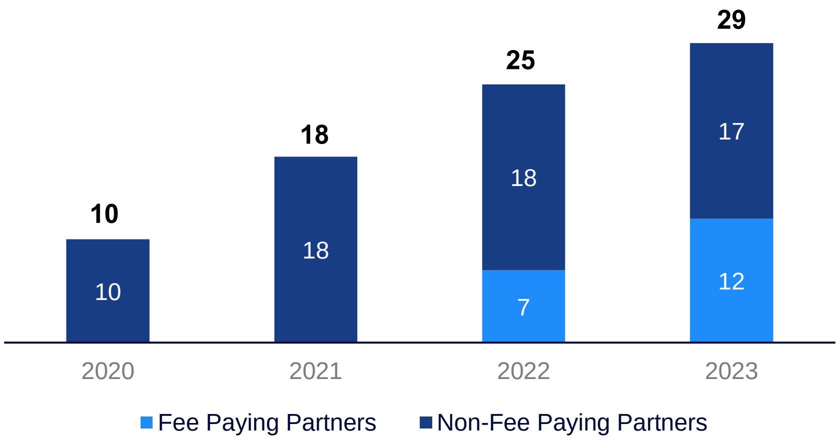
Sustainable and recurring fee-generating power through macro cycles

(1)These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure. Financial data as of December 31, 2023, unless otherwise noted.

Future FRLPC[1] % upside opportunity as partners mature

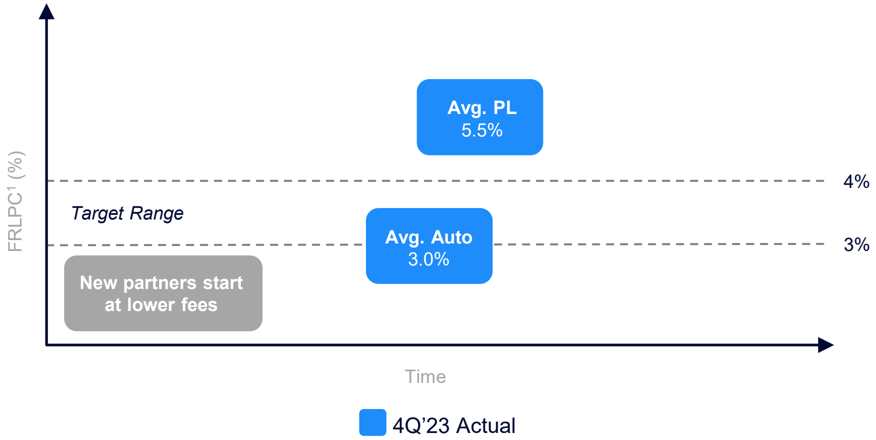
Increasing # of lending partners that generate lending product fees, with further upside as newer lenders grow

Lending product fee-paying partners vs non-fee paying partners



Established a playbook to elevate lender economics over time as we strengthen our value proposition

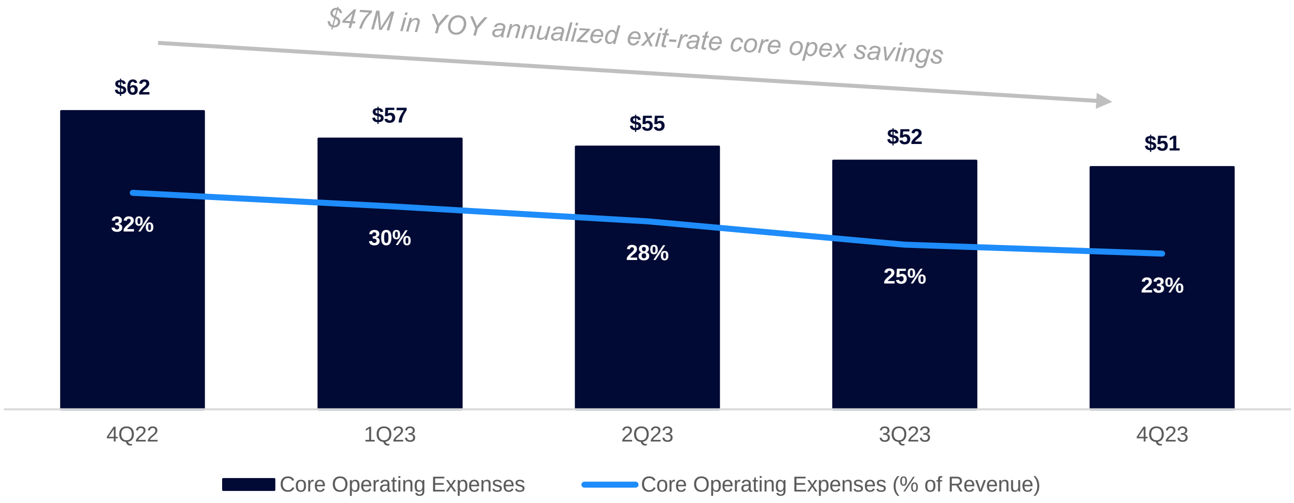
Growth of FRLPC[1] margin % over time & based on mix of new and mature partners(2)



Source: Company internal data. (1) These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure (2) These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by and person that these goals/targets will be achieved and the Company undertakes no duty to update its goals.

Driving operating leverage with stable fixed cost base and ongoing disciplined expense management

Decline in core operating expenses[1] while delivering record network volume and revenue
($ in millions)



Clear path to sustainable, profitable growth with attractive unit economics & operating leverage

These are non-GAAP measures. See appendix for further information on non-GAAP measures and a reconciliation to the nearest GAAP measure. (1) Excluding Share-based Compensation Expense, One-time Expenses, and Depreciation.

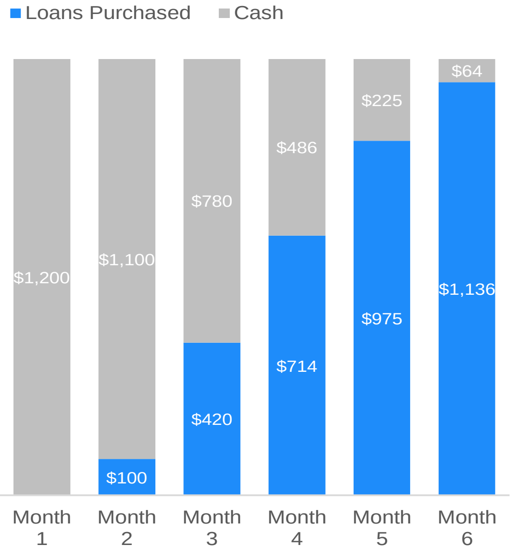
Balance sheet-light business enabled by pre-funding model

By raising funding before assets are originated, Pagaya avoids liquidity risk of warehousing assets on balance sheet

	Step 1	Step 2	Step 3
Traditional Lender	Lender originates loan **using own capital**	Funded **on-balance sheet** (inventory risk)	Loans are sold to funding partners
Pagaya	**Pagaya raises capital first** via financing vehicle	Pagaya's AI **enables partner to originate more loans**	Financing **vehicle acquires loans;** lending partner services loan

Illustrative financing vehicle deployment(1)

$ in millions



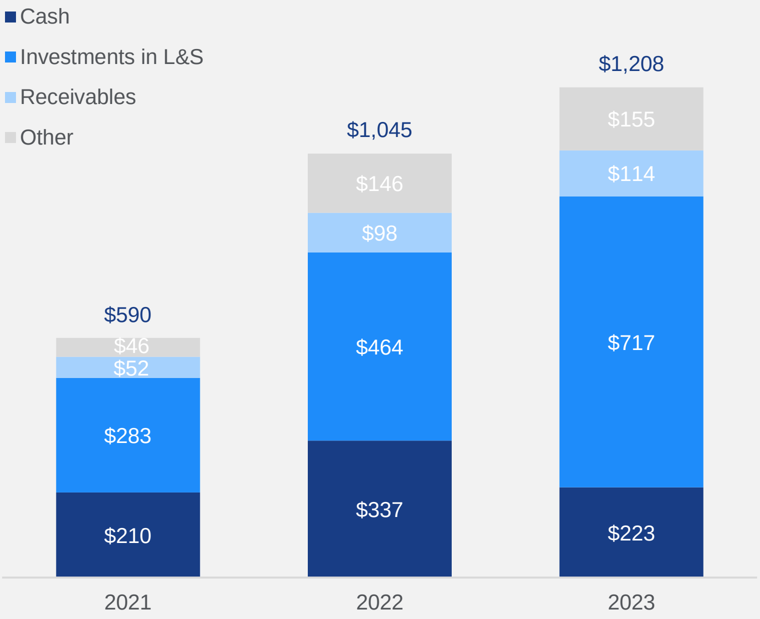
Ability to manage tail liquidity risk with a light balance sheet

(1) Please note that figures presented here are illustrative and not representative of any actual financing deployment.

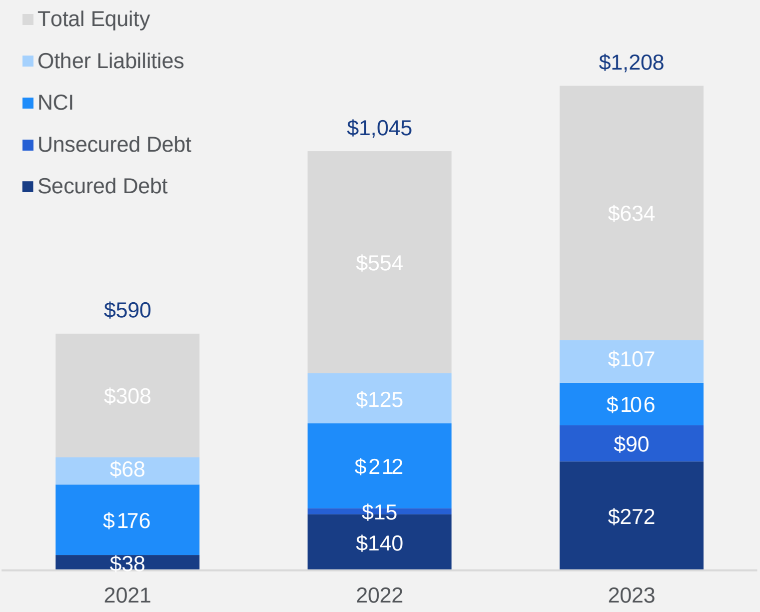
Efficient use of our balance sheet to support profitable growth

Maintaining a strong capital position as we expand our network

Assets
($ in millions)



Liabilities and Equity
($ in millions)



Appendix

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Definitions

1. **Network Volume** refers to the gross dollar amount of assets originated by our Partners with the assistance of our AI technology and, with respect to single-family rental operations, the gross dollar value of services, which may include the value of newly onboarded properties onto our Darwin platform.
2. **Fee Revenue Less Production Costs (“FRLPC”)** is defined as fee revenue less production costs.
3. **FRLPC Margin** is defined as FRLPC divided by Network Volume.
4. **Adjusted Net Income (Loss)** refers to net income (loss) attributable to Pagaya Shareholders, excluding share-based compensation expense, change in fair value of warrant liability, impairment, including credit-related charges, restructuring expenses, transaction-related expenses, and non-recurring expenses associated with mergers and acquisitions, including the EJFA Merger.
5. **Adjusted EBITDA** is defined as net income (loss) attributable to Pagaya Shareholders, excluding share-based compensation expense, 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, including the EJFA Merger, interest expense, depreciation expense, and provision (and benefit from) for income taxes.
6. **Production Costs** are primarily comprised of costs incurred when Network Volume is transferred from Partners into Financing Vehicles, to compensate our Partners for acquiring and originating assets.
7. **Take Rate** is defined as Fee Revenues divided by Network Volume.
8. **Core Operating Expenses** are calculated as operating expenses less share-based compensation, depreciation and one-time expenses.
9. **Application Volume** reflects the loan applications Pagaya receives from its partners.
10. **Conversion Rate** reflects Issued Loans divided by Application Volume.

Reconciliation of non-GAAP financial measures

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Net Loss Attributable to Pagaya Technologies Ltd.	**($128,438)**	**($302,321)**	**($91,151)**
Adjusted to exclude the following:			
Share-based compensation	$71,055	$241,689	$67,785
Fair value adjustment to warrant liability	$1,842	($11,088)	$53,019
Impairment loss on certain investments	$52,381	$8,836	-
Write-off of capitalized software	$1,938	$3,209	-
Restructuring expenses	$5,450	-	-
Transaction-related expenses	$6,153	-	-
Non-recurring expenses	$6,175	$27,011	$7,606
Adjusted Net Income (Loss)	**$16,556**	**($32,664)**	**$37,259**
Adjusted to exclude the following:			
Interest expenses	$30,740	$5,136	-
Provision for income tax	$15,571	$16,400	$7,875
Depreciation and amortization	$19,155	$6,294	$815
Adjusted EBITDA	**$82,022**	**($4,834)**	**$45,949**

PAGAYA Source: Company internal data.

Reconciliation of non-GAAP financial measures

Fee revenue less production costs (FRLPC): *(in thousands, unless otherwise noted)*	**Year Ended December 31,**		
	2023	**2022**	**2021**
Revenue from fees	$772,814	$685,414	$445,866
Production costs	($508,944)	($451,084)	($232,324)
Fee revenue less production costs (FRLPC)	**$263,870**	**$234,330**	**$213,542**

Fee revenue less production costs margin (FRLPC margin):

(in thousands, unless otherwise noted)

Fee revenue less production costs (FRLPC)	$263,870	$234,330	$213,542
Network Volume *(in millions)*	$8,299	$7,307	$4,904
Fee revenue less production costs margin % (FRLPC margin %)	**3.2%**	**3.2%**	**2.3%**

PAGAYA Source: Company internal data.

Reconciliation of non-GAAP financial measures

(In thousands)	Three Months Ended				
	DECEMBER 31, 2023	SEPTEMBER 30, 2023	JUNE 30, 2023	MARCH 31, 2023	DECEMBER 31, 2022
Operating expenses	**($72,910)**	**($82,803)**	**($85,237)**	**($86,557)**	**($94,878)**
Adjusted to exclude the following:					
Share-based compensation	$13,743	$20,737	$20,208	$16,367	$18,682
Depreciation and amortization	$5,966	$5,205	$4,468	$3,516	$2,217
Whole loan allowance for losses[1]	$227	$44	$588	$2,775	-
Other than temporary impairment of whole loans[2]	-	-	-	-	$10,418
Write-off of capitalized software	-	$305	$106	$1,524	-
Transaction-related expenses	$1,656	$2,472	$2,025	-	-
Restructuring expenses	-	$484	$1,146	$3,820	-
Non-recurring expenses	$723	$1,592	$1,837	$2,023	$1,268
Core operating expenses	**($50,595)**	**($51,964)**	**($54,859)**	**($56,532)**	**($62,293)**

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Source: Company internal data (1) Allowance for whole-loan losses, prior to fair value adjustment(s). (2) Other than temporary impairment of securities or whole loans, prior to 2023 adoption of FASB ASC 820 fair value measurement methodology