

November 2024

INTRODUCTION

Pagaya Technologies

Investor Presentation

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

MISSION

Delivering
more financial
opportunity
to more
people,
more often

Pagaya by the numbers

31

Lending partners

5

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

125

Funding partners

>\$2T

Applications evaluated since inception

>\$24B

Funding raised across 50+ ABS transactions since 2018

~\$1B

Annualized run-rate total revenue (based on 3Q'24)¹

~\$220M

Annualized run-rate adjusted EBITDA (based on 3Q'24)¹

The Problem

Consumers can't get the credit they deserve

42%

of U.S. consumers are denied the credit they seek under legacy credit scoring models⁽¹⁾

~\$120K

Average income of our borrowers⁽²⁾

Our Solution

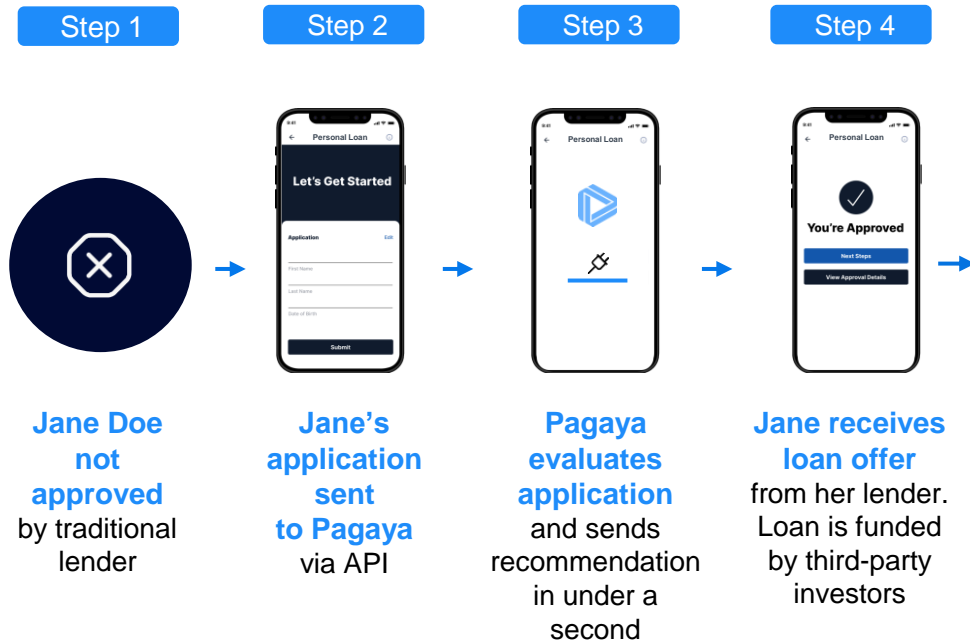
Ensuring lenders do not leave good borrowers behind by helping lenders **add more borrowers, retain the customer relationship, and offload credit risk**

- ✓ **Embedded** via API
- ✓ **< 1 second** application evaluation time
- ✓ **Powered** by >\$2T of apps evaluated



Lenders add more borrowers under their brand

With Pagaya, the end borrower gets an offer from the lender they trust



The outcome: a seamless experience for lenders & borrowers

- **Lender** keeps the relationship and benefits from customer lifetime value, without any credit risk
- **Borrower** gets a direct offer from the lender she trusts, 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 investors first**, which sits in a trust waiting to be deployed
- ✓ Originated loans never touch Pagaya's balance sheet

AAA-rated
personal loan
ABS program

#1

Personal Loan ABS
issuer in the U.S.¹

VS.

Traditional funding model

- **D2C lender originates loans first using own capital**
- ✗ Liquidity risk if funding cannot be secured

\$24B+

Funding raised
since 2018

125

Unique investment firms
in our funding network

How We Make Money

Pagaya earns \$3.5 - \$4.5 in FRLPC¹ for every \$100 of loans issued

FRLPC¹ 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



3.5% to 4.5%

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

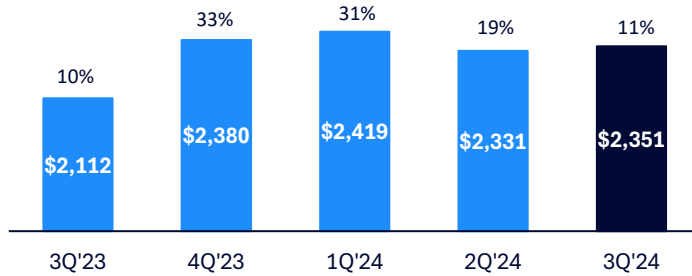
Funding Partners

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

Driving profitability with growing unit economics

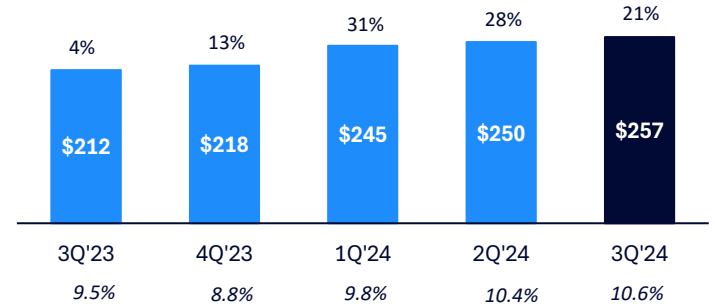
Network volume

\$ in millions & YoY % growth



Total revenues

\$ in millions & YoY % growth

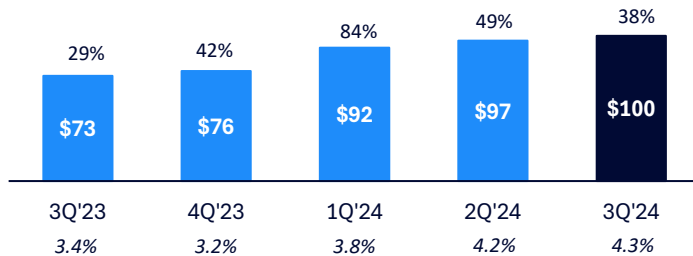


Take rate%¹



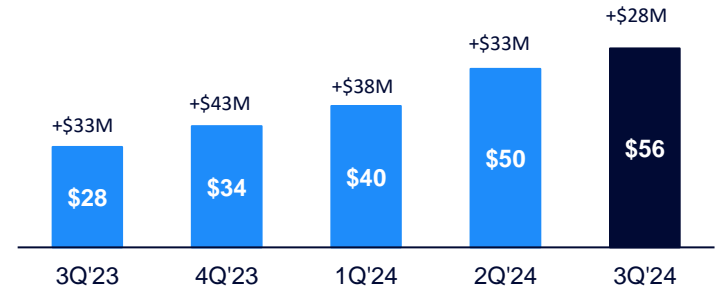
Fee revenue less production costs

\$ in millions & YoY % growth



Adj. EBITDA

\$ in millions & YoY \$ growth



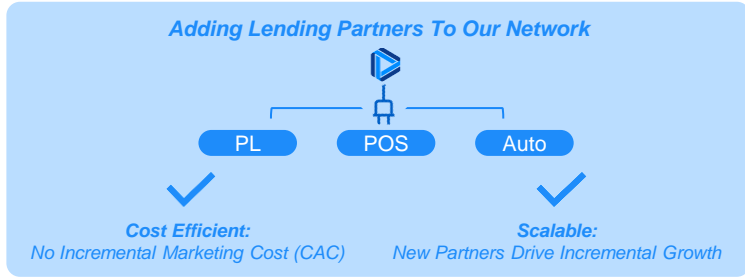
% of Volume



02

Growth Strategy

Sustainable, cost-efficient growth strategy compared to D2C lenders



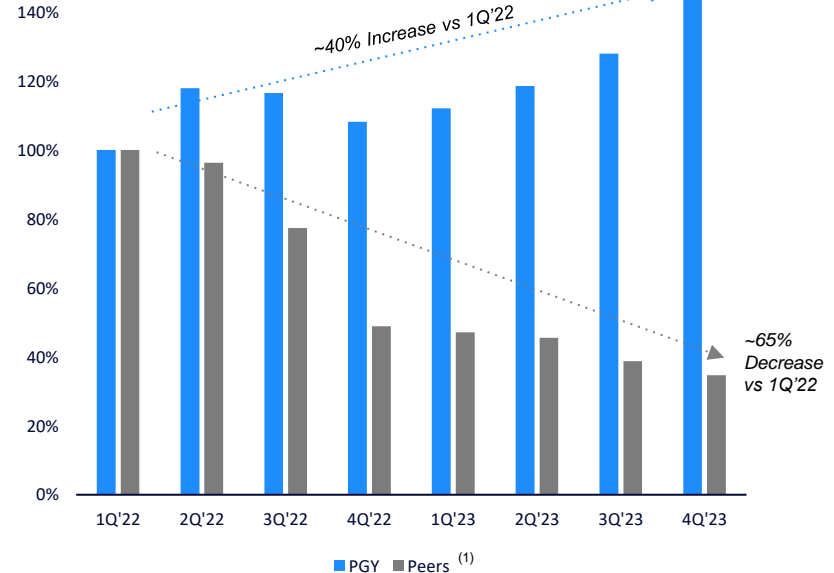
VS.

Traditional DTC Lender



Sustainable growth through macro volatility

Volume change (%) indexed to 1Q'22



Expanding our partner network with top U.S. lenders

Added 6 enterprise-level partnerships since 2023 for a total of **31** lending partners



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

Product roadmap designed to enhance CLV of existing customers of our lending partners

 **Increase Customer Lifetime Value (CLV)**

Pre-screen **2nd Loan**

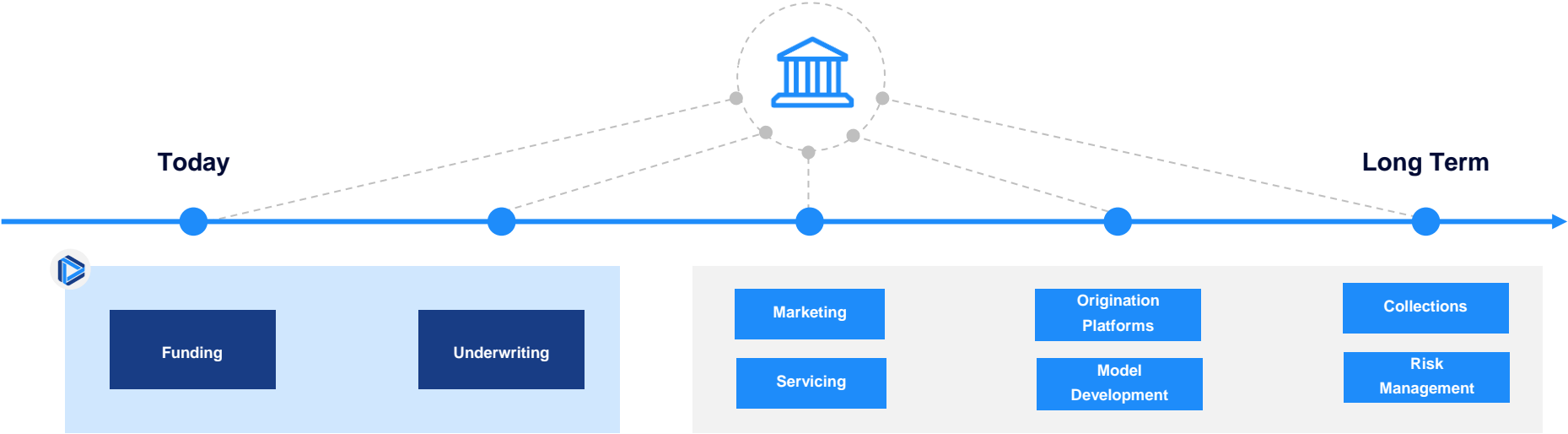
Potential to help our 30+ lenders further monetize their

~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



03

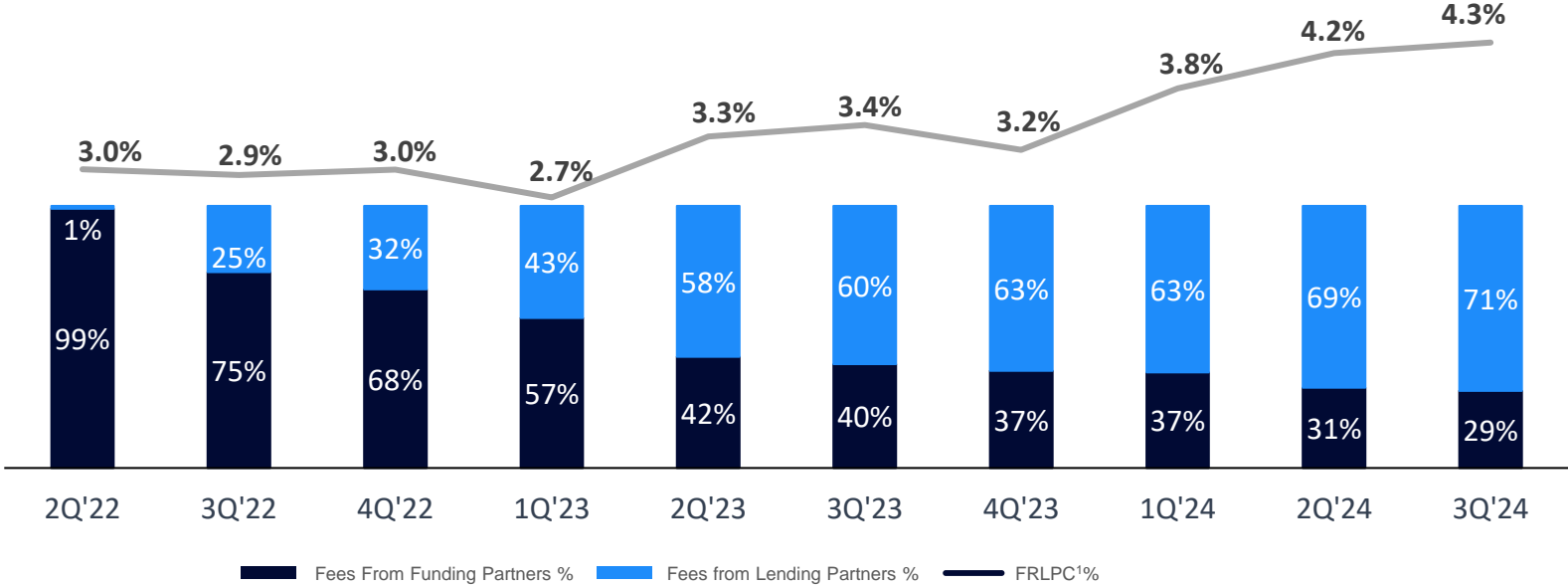
Financials

Illustrative unit economics: FRLPC¹ structure

Metric	Definition	Illustrative
Application Volume	Total applications seen from lending partners	\$1,000,000
Conversion Rate	% of loan offers accepted by the borrower	1%
Network Volume (“NV”)	The notional value of all assets created using our technology	\$10,000
Take Rate (fee revenue % NV)	Gross fees earned from lenders and funding partners	9.5%-10.5%
Production Costs (% NV)	Expenses incurred from our lending partners	6-7%
Fee Revenue Less Production Costs (FRLPC⁽¹⁾ % NV)	Net fees earned from lenders and funding partners	\$350-\$450 (3.5%-4.5%)

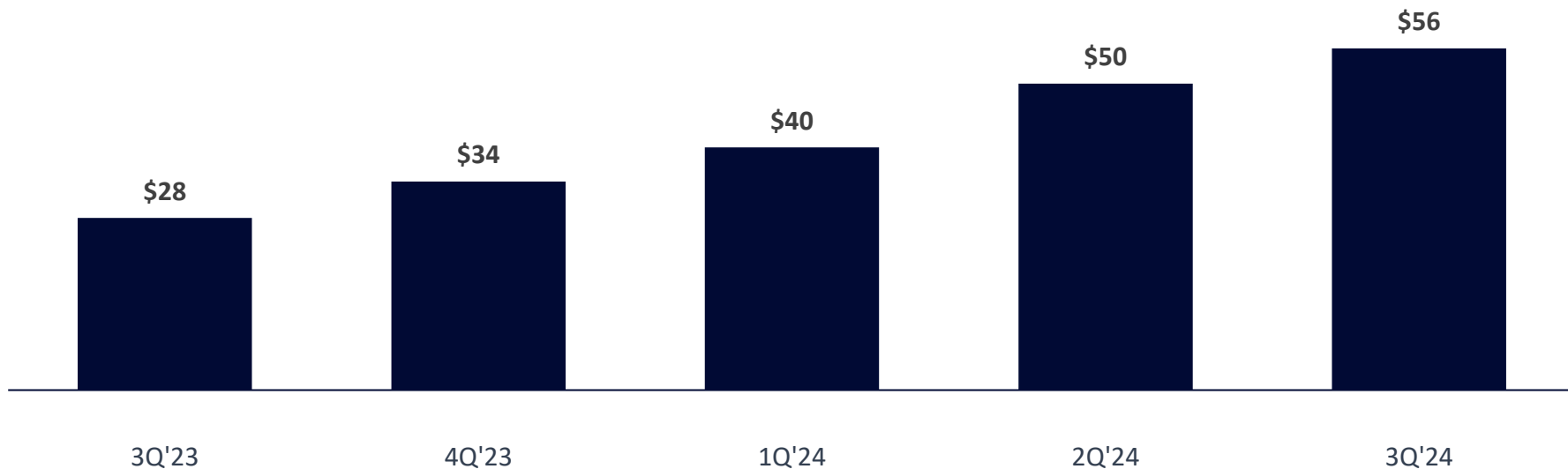
Increasing fees as we deliver more value to our partners

Fee revenue less production costs (“FRLPC⁽¹⁾”) by product



Growing profitability with higher fees + operating leverage

Adjusted EBITDA (in \$ millions)



04

Pagaya's value proposition

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

31

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)

\$24B+

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

125

Institutional investors

>50

Pre-funded ABS transactions since 2018



What makes Pagaya different

Differentiated and sustainable growth strategy

Constantly growing “top of the funnel” by partnering and expanding with new and existing lenders

Growing data advantage of US population

>\$2T of applications seen since inception across 31 lenders and 5 asset classes



Stable fee generation through cycles

Combined with operating leverage to deliver sustainable growth in profitability

Diverse funding sources, mitigating liquidity risk

Pagaya raises cash BEFORE loans are originated by our lending partners, via ABS, forward flow and other structures



05

Appendix: Non-GAAP Reconciliations

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(in thousands)

	3Q'23	4Q'23	1Q'24	2Q'24	3Q'24
Net Loss Attributable to Pagaya Technologies Ltd.	\$ (21,752)	\$ (14,418)	\$ (21,223)	\$ (74,785)	\$ (67,476)
<i>Adjusted to exclude the following:</i>					
Share-based compensation	20,737	13,743	15,475	18,044	12,333
Fair value adjustment to warrant liability	1,328	(1,921)	(1,900)	329	1,213
Impairment loss on certain investments	9,130	12,603	19,483	58,179	81,827
Write-off of capitalized software	305	3	—	2,561	584
Restructuring expenses	484	—	820	2,725	38
Transaction-related expenses	2,472	1,656	400	135	1,072
Non-recurring expenses	1,592	723	276	—	3,531
Adjusted Net Income	14,296	12,389	13,331	7,188	33,122
<i>Adjusted to exclude the following:</i>					
Interest expenses	9,918	10,808	15,164	21,563	27,371
Income tax expense	(1,158)	5,056	5,003	14,512	(11,524)
Depreciation and amortization	5,205	5,966	6,317	7,042	7,116
Adjusted EBITDA	\$ 28,261	\$ 34,219	\$ 39,815	\$ 50,305	\$ 56,085