

February 2025

INTRODUCTION

# Pagaya Technologies

*Investor Presentation*

# Disclaimer: Forward Looking Statements and Non-GAAP Information

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

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

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

However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by U.S. GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, our unaudited consolidated financial statements prepared and presented in accordance with U.S. GAAP. To address these limitations, management provides a reconciliation of Adjusted Net Income (Loss) and Adjusted EBITDA to net income (loss) attributable to Pagaya's shareholders and a calculation of FRLPC and FRLPC %. Management encourages investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view each non-GAAP metric in conjunction with its respective related GAAP financial measures.

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

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

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)

132

Funding partners

>\$2.5T

Applications evaluated since inception

~\$27B

Funding raised across 65+ ABS transactions since 2018

~\$1.1B

Annualized run-rate total revenue (based on 4Q'24)

~\$260M

Annualized run-rate adjusted EBITDA (based on 4Q'24)<sup>1</sup>

## 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<sup>(1)</sup>

~\$120K

Average income of our borrowers<sup>(2)</sup>

## Our Solution

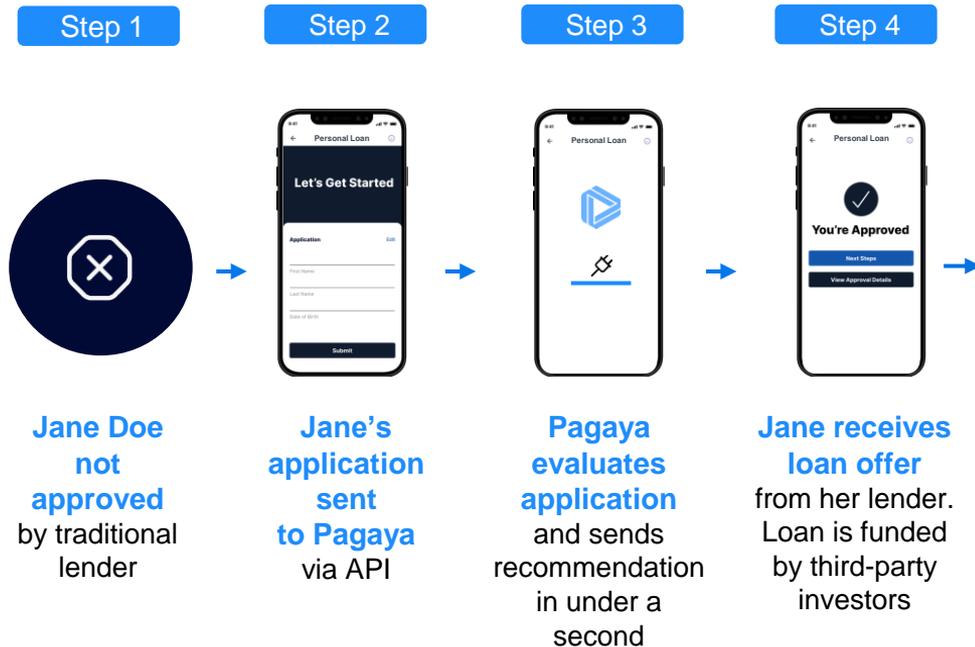
Ensuring lenders do not leave good borrowers behind by helping lenders **add more borrowers, retain the customer relationship, and offload credit risk**

- ✓ **Embedded** via API
- ✓ **< 1 second** application evaluation time
- ✓ **Powered** by >\$2.5T 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.<sup>1</sup>

VS.

### Traditional funding model

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

**~\$27B**

Funding raised  
since 2018

**132**

Unique investment firms  
in our funding network

## How We Make Money

# Pagaya earns \$3.5 - \$4.5 in FRLPC<sup>1</sup> for every \$100 of loans issued

FRLPC<sup>1</sup> 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%

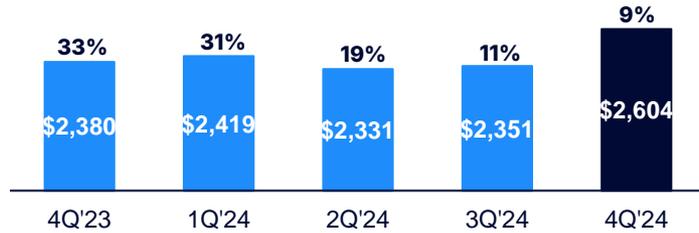
Fee revenue less production costs  
("FRLPC")<sup>(1)</sup> as % of network volume

### Funding Partners

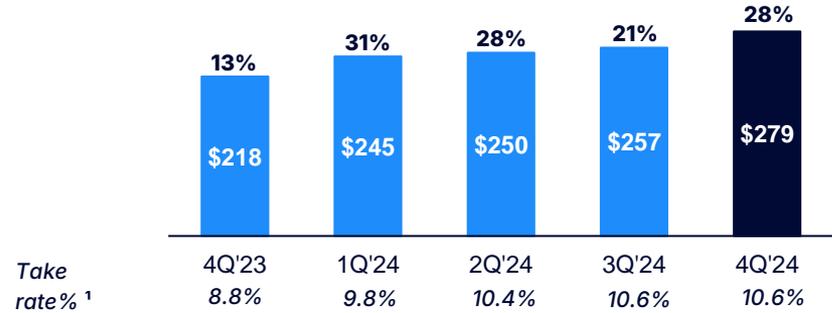
Pay fees to Pagaya for sourcing diversified, AI-enabled assets at scale

# Driving profitability with growing unit economics

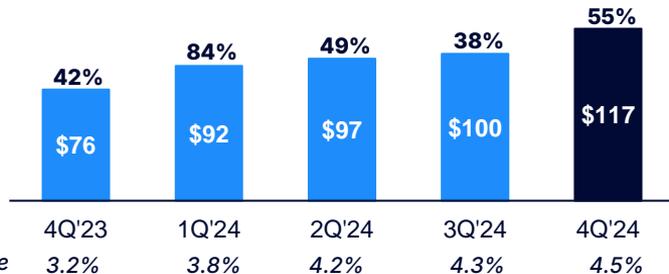
**Network volume**  
\$ in millions & YoY % growth



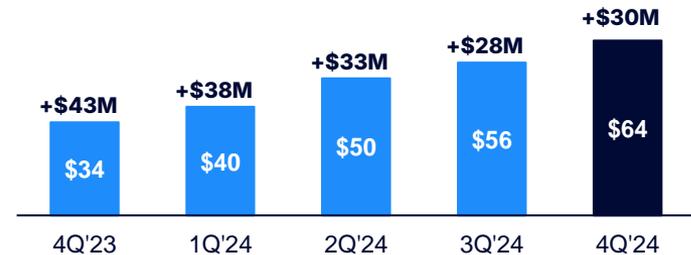
**Total revenues**  
\$ in millions & YoY % growth



**Fee revenue less production costs**  
\$ in millions & YoY % growth



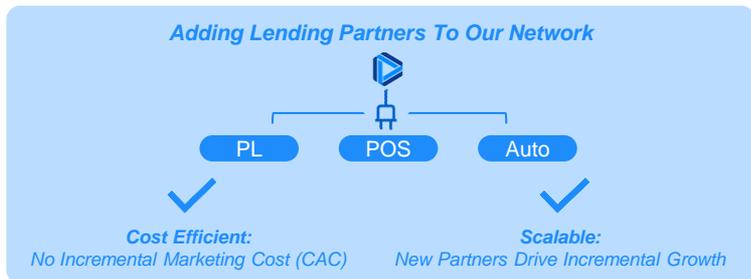
**Adj. EBITDA**  
\$ in millions & YoY % growth



02

# Growth Strategy

# Sustainable, cost-efficient growth strategy compared to D2C lenders



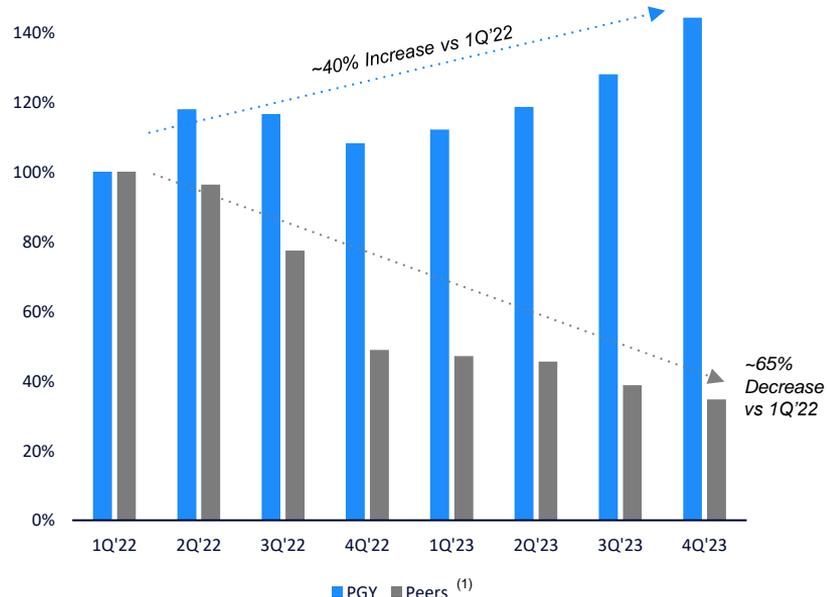
VS.

## 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



**OneMain**  
Financial.



**W**  
Westlake Financial\*



**Top 5**  
Auto  
Captive

# 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<sup>(1)</sup>

2021

**Auto Loan** TAM ~\$600B<sup>(1)</sup>

2023

**Point-of-Sale** TAM ~\$70B<sup>(1)</sup>

**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**      **2<sup>nd</sup> Loan**

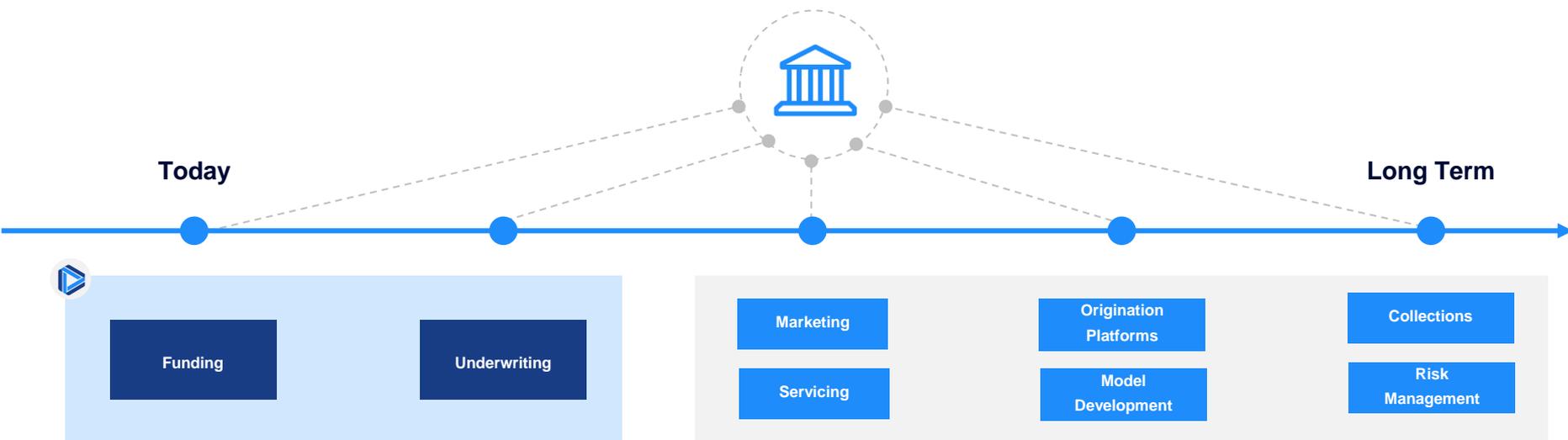
Potential to help our 31+ lenders further monetize their

**~60M+**  
Customers<sup>(2)</sup>

(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

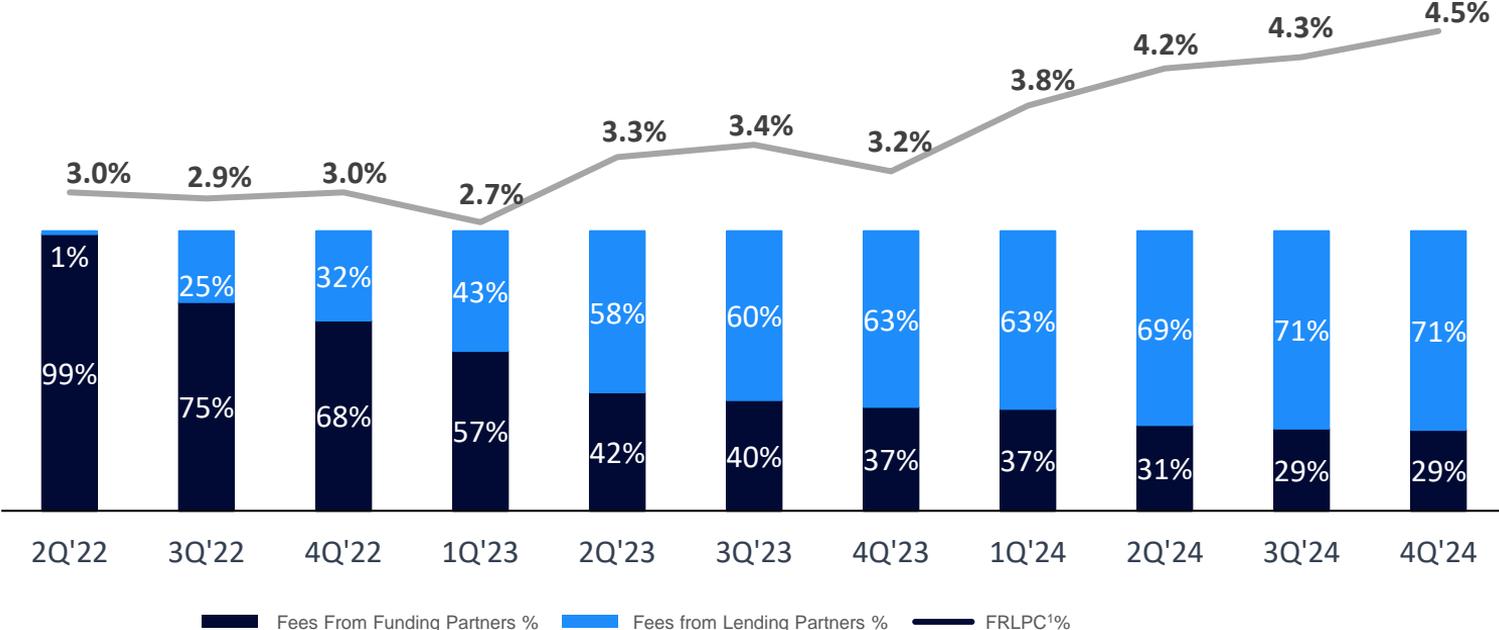
# Financials

# Illustrative unit economics: FRLPC<sup>1</sup> structure

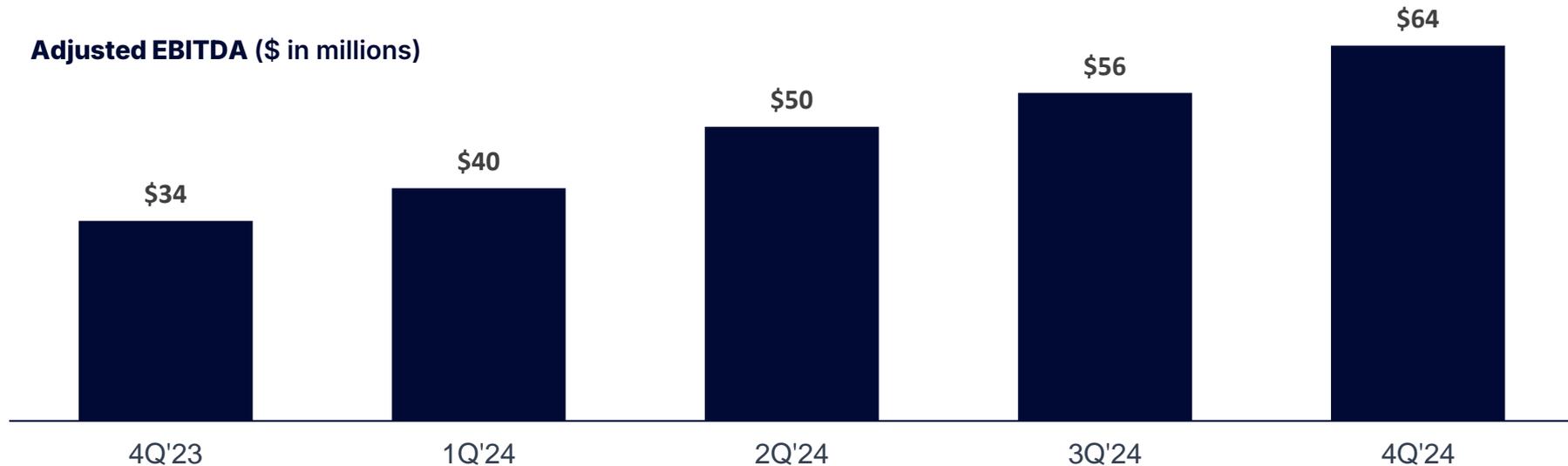
Metric	Definition	Illustrative
Application Volume	Total applications seen from lending partners	\$1,000,000
Conversion Rate	% of loan offers accepted by the borrower	1%
<b>Network Volume (“NV”)</b>	<b>The notional value of all assets created using our technology</b>	<b>\$10,000</b>
Take Rate (fee revenue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

# Increasing fees as we deliver more value to our partners

Fee revenue less production costs (“FRLPC<sup>(1)</sup>”) by product



# Growing profitability with higher fees + operating leverage



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# 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

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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)

\$30B+

New credit generated by Pagaya’s network<sup>(1)</sup>

## 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

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Institutional investors

>65

Pre-funded ABS transactions since 2018



PAGAYA

Source: Company internal data. Financial data as of December 31, 2024, unless otherwise noted. (1) Reflects total ABS originations raised since inception through 2025 year-to-date.

# 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

>\$2.5T 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



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# Appendix: Non-GAAP Reconciliation

**PAGAYA TECHNOLOGIES LTD.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**

(in thousands)

	4Q'23	1Q'24	2Q'24	3Q'24	4Q'24
<b>Net Loss Attributable to Pagaya Technologies Ltd.</b>	<b>\$ (14,418)</b>	<b>\$ (21,223)</b>	<b>\$ (74,785)</b>	<b>\$ (67,476)</b>	<b>\$ (237,922)</b>
<i>Adjusted to exclude the following:</i>					
Share-based compensation	13,743	15,475	18,044	12,333	15,645
Fair value adjustment to warrant liability	(1,921)	(1,900)	329	1,213	(1,991)
Impairment loss on certain investments	12,603	19,483	58,179	81,827	234,995
Write-off of capitalized software	3	—	2,561	584	100
Restructuring expenses	—	820	2,725	38	—
Transaction-related expenses	1,656	400	135	1,072	488
Non-recurring expenses	723	276	—	3,531	1,910
<b>Adjusted Net Income</b>	<b>12,389</b>	<b>13,331</b>	<b>7,188</b>	<b>33,122</b>	<b>13,225</b>
<i>Adjusted to exclude the following:</i>					
Interest expenses	10,808	15,164	21,563	27,371	26,085
Income tax expense (benefit)	5,056	5,003	14,512	(11,524)	16,585
Depreciation and amortization	5,966	6,317	7,042	7,116	8,278
<b>Adjusted EBITDA</b>	<b>34,219</b>	<b>39,815</b>	<b>50,305</b>	<b>56,085</b>	<b>64,173</b>

**PAGAYA TECHNOLOGIES LTD.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**

(in thousands)

	4Q'23	1Q'24	2Q'24	3Q'24	4Q'24
<b>Operating Income (Loss)</b>	<b>10,652</b>	<b>7,690</b>	<b>5,027</b>	<b>22,384</b>	<b>31,739</b>
Add: Technology, data and product development	17,550	19,380	21,935	16,655	18,601
Add: Sales and marketing	9,576	10,257	13,331	11,440	15,376
Add: General and administrative	45,784	63,068	64,449	57,790	55,474
Less: Interest income	7,783	7,744	8,193	8,735	7,619
Less: Investment income (loss)	(167)	528	(443)	(784)	(3,894)
<b>Revenue from fees less production costs (FRLPC)</b>	<b>75,946</b>	<b>92,123</b>	<b>96,992</b>	<b>100,318</b>	<b>117,465</b>
Network Volume (in millions)	2,380	2,419	2,331	2,351	2,604
<b>Fee Revenue Less Production Costs % (FRLPC %)</b>	<b>3.2%</b>	<b>3.8%</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.5%</b>