

August 2024

INTRODUCTION

Pagaya Technologies

Investor Presentation

Disclaimer

Forward-Looking Statements

This presentation (“Presentation”) is provided by Pagaya Technologies Ltd. (“Pagaya” or the “Company”) for informational purposes only. The information contained herein does not purport to be all-inclusive and none of Pagaya, its affiliates, any of its or their respective control persons, officers, directors, employees or representatives makes any representation or warranty, express or implied, as to the accuracy and completeness or reliability of the information contained in this presentation.

Forward-Looking Statements. All statements other than statements of historical facts contained in this Presentation, including statements regarding our future financial position, business strategy and plans and objectives of management for future operations, 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,” “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 involve a number of risks, uncertainties and assumptions, and actual results or events may differ materially from those implied in those statements. Any corrections or revisions and other important assumptions and factors that could cause actual results or future events to differ materially from forward-looking statements or our current expectations, including discussions of significant risk factors, are set forth in the Company’s Annual Report on Form 20-F and other filings with the Securities and Exchange Commission (the “SEC”).

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.

Disclaimer

This Presentation shall not constitute an offer to sell or a solicitation of an offer to buy securities or an invitation or inducement to engage in investment activity nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification of such securities under the securities law of any such jurisdiction. For the offering to which this Presentation relates, the Company has filed a shelf registration statement (including a prospectus) with the SEC which was declared effective on October 16, 2023. Before you invest in any securities of the Company, you should read the prospectus in that registration statement and any other documents the Company has filed with the SEC for more complete information about the Company and the offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov.

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)

120

Funding partners

>\$2T

Applications evaluated since inception

>\$22B

Funding raised across 50+ ABS transactions since 2018

~\$1B

Annualized run-rate total revenue (based on 2Q'24)⁽¹⁾

~\$200M

Annualized run-rate adjusted EBITDA (based on 2Q'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⁾

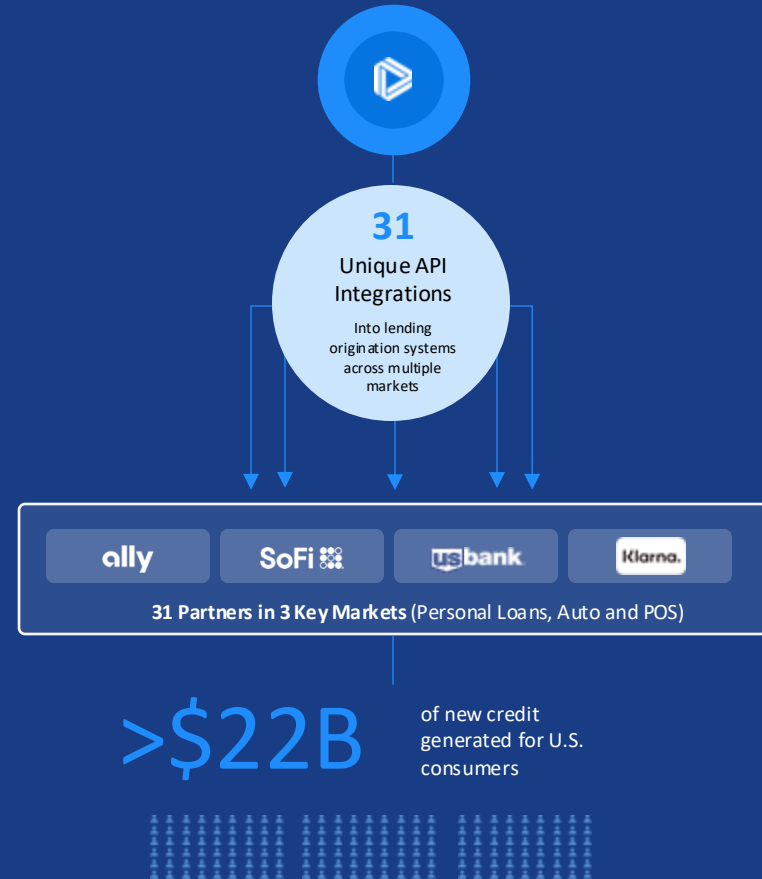
Our Solution

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 >\$2.0T of apps evaluated

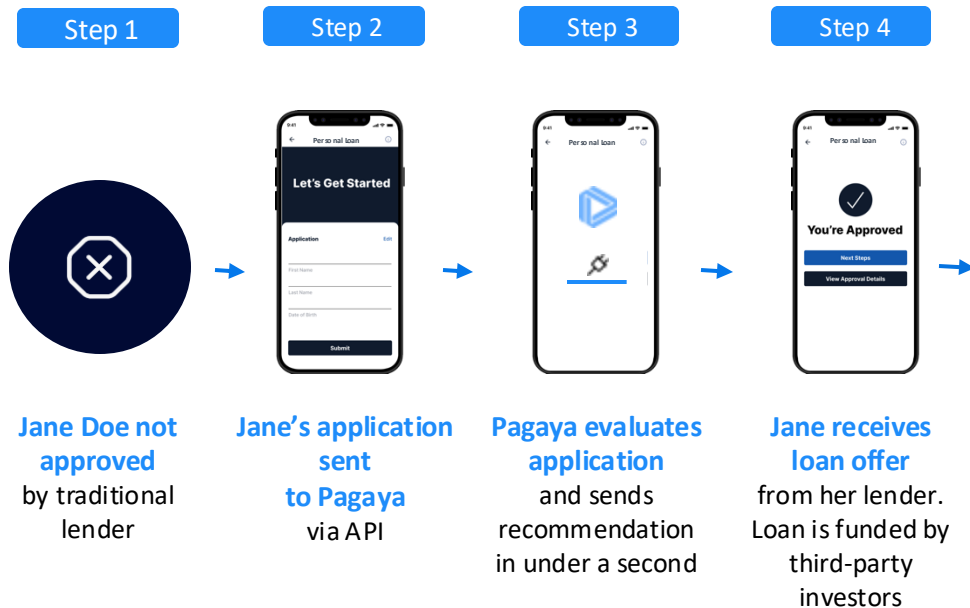


(1): Consumer Financial Protection Bureau: Making Ends Meet in 2022, Dec. 2022 (2): Personal Loan average for Q4'23



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

VS.

Traditional funding model

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

AAA-rated
personal loan
ABS program

#1

Personal Loan ABS
issuer in the U.S¹

\$22B+

Funding raised
since 2018

120

Unique investment firms
in our funding network

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

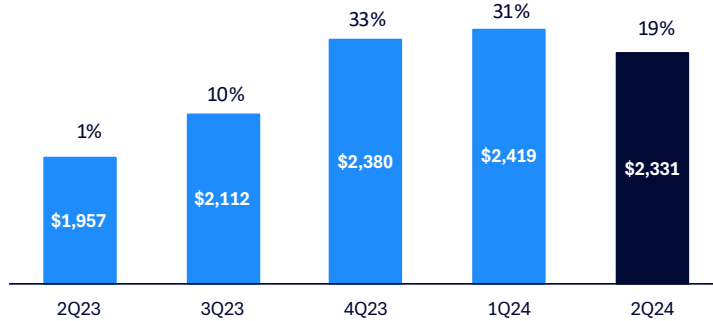
Funding Partners

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

Driving profitability with growing unit economics

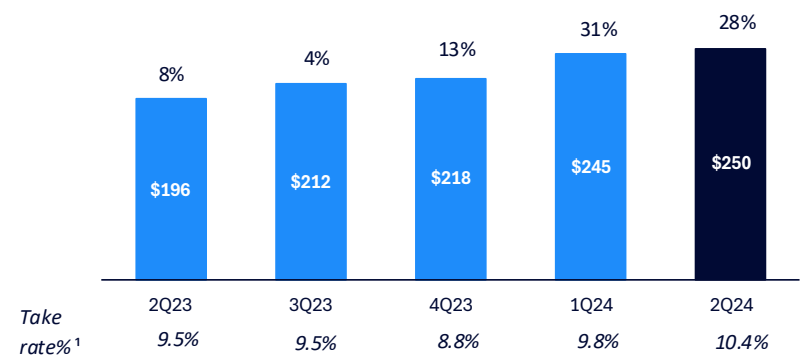
Network volume

\$ in millions & YoY % growth



Total revenues

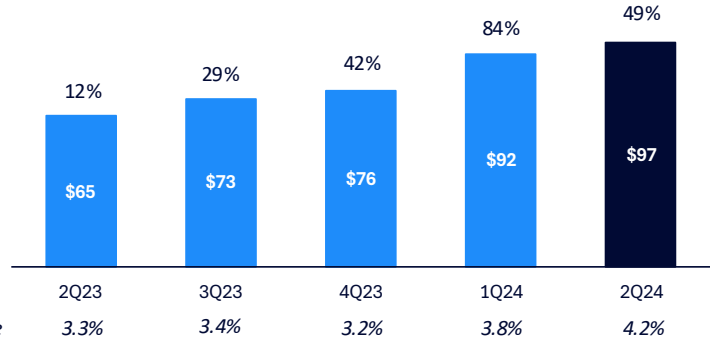
\$ in millions & YoY % growth



Take rate%¹

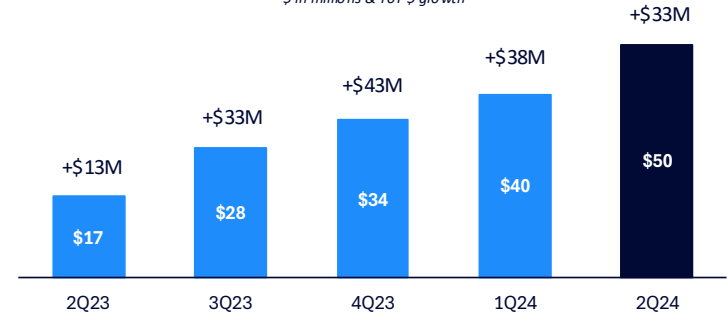
Fee revenue less production costs

\$ in millions & YoY % growth



Adj. EBITDA

\$ in millions & YoY \$ growth



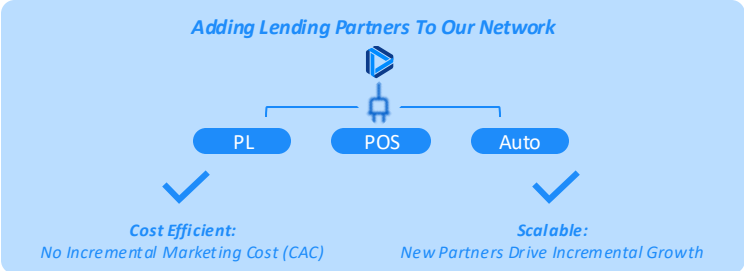
% of Volume

3.3% 3.4% 3.2% 3.8% 4.2%

02

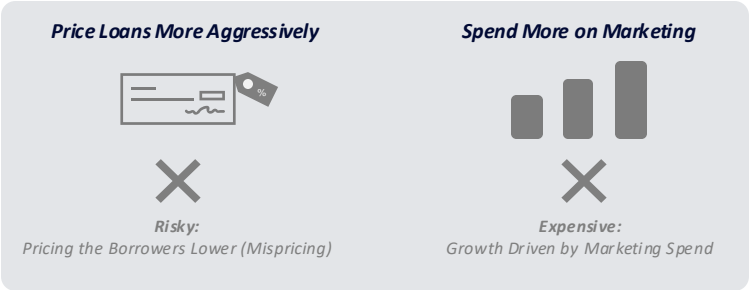
Growth Strategy

Sustainable, cost-efficient growth strategy compared to D2C lenders



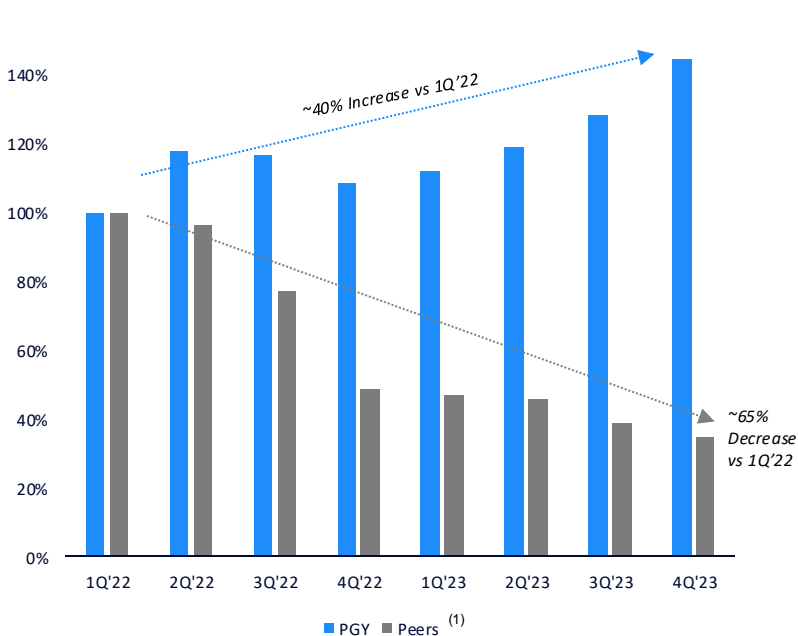
VS.

Traditional DTC Lender



Sustainable growth through macro volatility

Volume change (%) indexed to 1Q'22



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

Expanding our partner network with top U.S. lenders

Added 6 enterprise-level partnerships in the last 12 months for a total of **31 lending partners**

 **USbank.**

OneMain
Financial.

 **Exeter**


Westlake Financial*

 **Elavon.**

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⁽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**

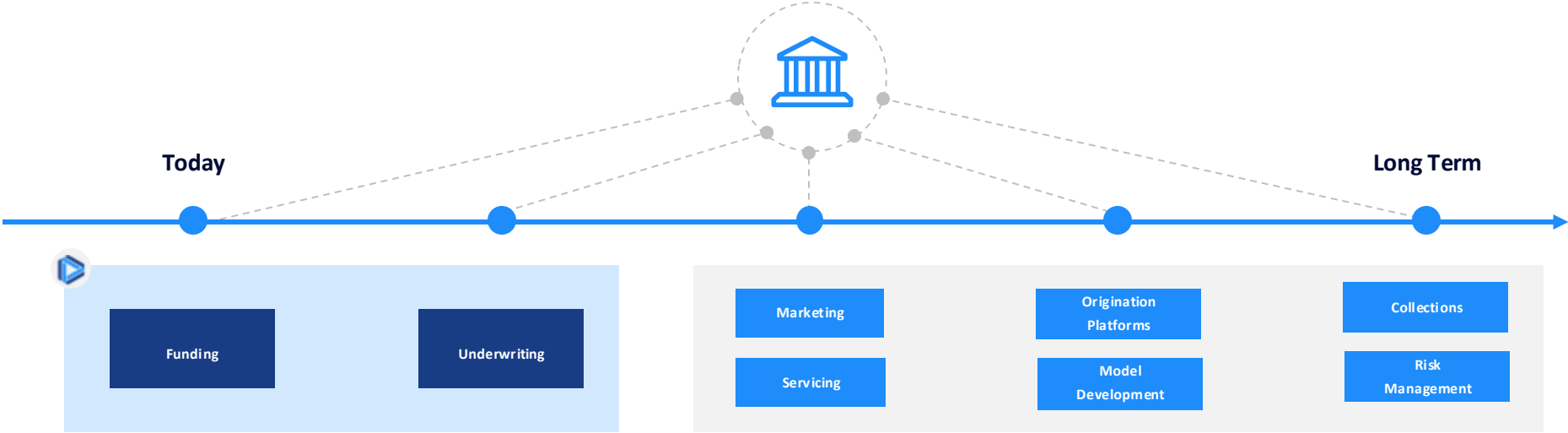
Potential to help our 30+ lenders further monetize their

~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. Au to 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

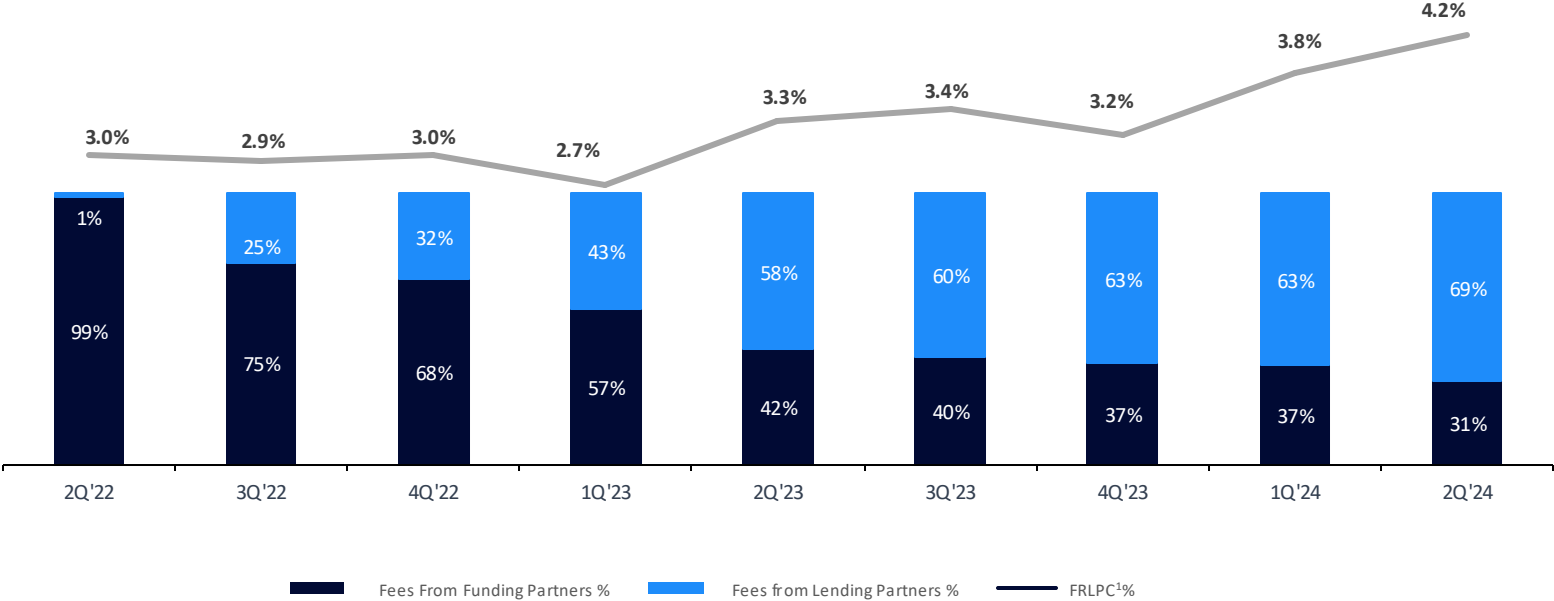
Financials

Illustrative unit economics: FRLPC¹ margin 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%)

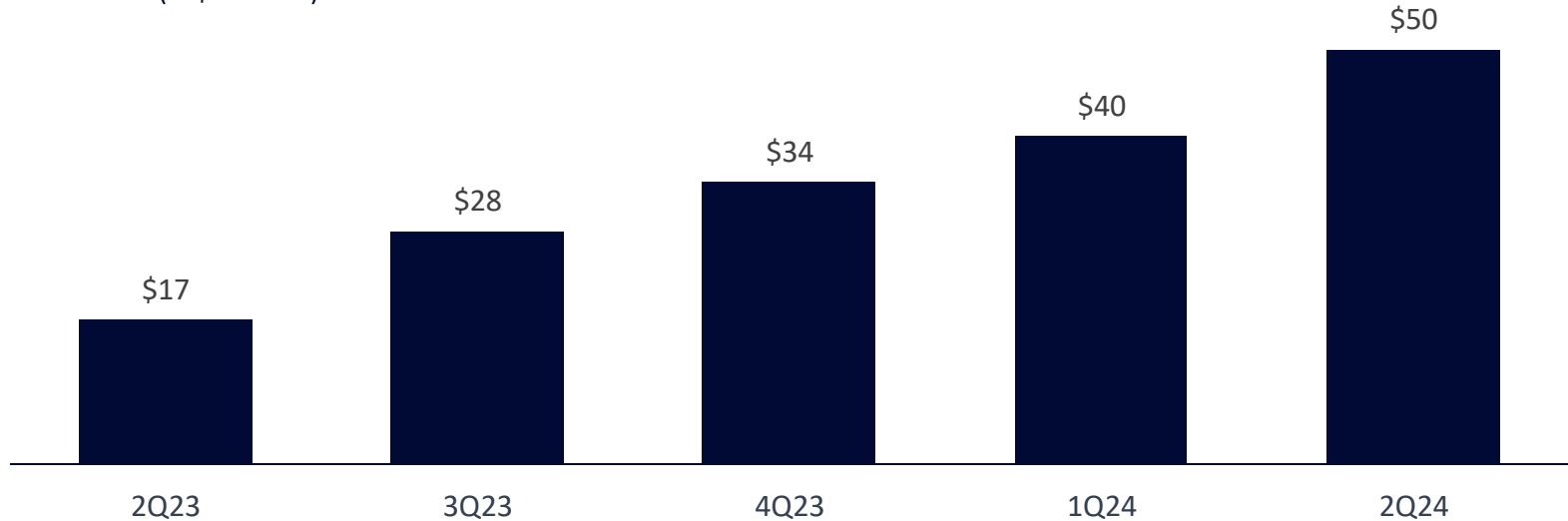
Increasing fees as we deliver more value to our partners

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)

\$22B+

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

120

Institutional investors

>50

Pre-funded ABS transactions since 2018



PAGAYA

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

What makes Pagaya different

Differentiated and sustainable growth strategy

Constantly growing “top of the funnel” by partnering with lenders

Growing data advantage of US population

>\$2T of applications seen since inception across 30 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