

PAGAYA TECHNOLOGIES LTD.

1Q23 Results

May 16th, 2023

Legal Disclaimer

Cautionary Notes About Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. These forward-looking statements generally are identified by the words “anticipate”, “believe”, “continue”, “can,” “could”, “estimate”, “expect”, “intend”, “may”, “opportunity”, “future”, “strategy”, “might”, “outlook”, “plan”, “possible”, “potential”, “predict”, “project”, “should”, “strive”, “would”, “will be”, “will continue”, “will likely result”, and similar expressions. All statements other than statements of historical fact are forward-looking statements, including statements regarding: the Company's strategy and future operations, including the Company's partnerships with certain key providers; the development, innovation, introduction and performance of, and demand for, the Company's products and services; the Company's potential contribution over time to its Partners' origination volume; the Company's growing and diversifying investor base; the Company's ability to raise capital consistently; the Company's ability to continue to invest in the long-term growth and scalability of its business, the Company's future growth, investments, brand awareness, financial position, gross market value, revenue, transaction costs, operating income, provision for credit losses, and cash flows; and general economic trends and trends in the Company's industry and markets, and the Company's financial outlook for the first quarter of 2023 and full year of 2023. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and assumptions include factors relating to: the Company's ability to attract new partners and to retain and grow its relationships with existing partners to support the underlying investment needs for its securitizations and funds products; the need to maintain a consistently high level of trust in its brand; the concentration of a large percentage of its investment revenue with a small number of partners and platforms; its ability to sustain its revenue growth rate or the growth rate of its related key operating metrics; its ability to improve, operate and implement its technology, its existing funding arrangements for the Company and its affiliates that may not be renewed or replaced or its existing funding sources that may be unwilling or unable to provide funding to it on terms acceptable to it, or at all; the performance of loans facilitated through its model; changes in market interest rates; its securitizations, warehouse credit facility agreements; the impact on its business of general economic conditions, including, but not limited to rising interest rates, inflation, supply chain disruptions, exchange rate fluctuations and labor shortages; the effect of and uncertainties related to the COVID-19 pandemic (including any government responses thereto); its ability to realize the potential benefits of past or future acquisitions; anticipated benefits and savings from our recently announced reduction in workforce; changes in the political, legal and regulatory framework for AI technology, machine learning, financial institutions and consumer protection; the ability to maintain the listing of our securities on Nasdaq; the financial performance of its partners, and fluctuations in the U.S. consumer credit and housing market; its ability to grow effectively through strategic alliances; seasonal fluctuations in our revenue as a result of consumer spending and saving patterns; pending and future litigation, regulatory actions and/or compliance issues including with respect to the merger with EJV Acquisition Corp.; and other risks that are described in and the Company's Form 6-K filed on August 16, 2022 and subsequent filings with the U.S. Securities and Exchange Commission. These forward-looking statements reflect the Company's views with respect to future events as of the date hereof and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. The forward-looking statements are made as of the date hereof, reflect the Company's current beliefs and are based on information currently available as of the date they are made, and the Company assumes no obligation and does not intend to update these forward-looking statements.

Use of Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures (including on a forward-looking basis) such as Adjusted Net Income, Adjusted EBITDA, and fee revenue less production costs (“FRLPC”). These non-GAAP measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to net income (loss), operating income or any other performance measures derived in accordance with GAAP. Reconciliations of non-GAAP measures to their most directly comparable U.S. Generally Accepted Accounting Principles (GAAP) counterparts are included in the Non-GAAP Reconciliations section of this presentation. The Company believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about the Company. The Company's management uses non-GAAP measures to evaluate its operating performance, formulate business plans, help better assess our overall liquidity position, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources. However, these non-GAAP measures have limitations as analytical tools. Other companies may not use these non-GAAP measures or may use similar measures that are defined in a different manner. Therefore, the Company's non-GAAP measures may not be directly comparable to similarly titled measures of other companies. Additionally, forward-looking non-GAAP financial measures are presented on a non-GAAP basis without reconciliations of such forward-looking non-GAAP measures because the GAAP financial measures are not accessible on a forward-looking basis and reconciling information is not available without unreasonable effort due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments reflected in our reconciliation of historic non-GAAP financial measures, the amounts of which, based on historical experience, could be material.

Agenda

01

1Q23
highlights

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Pagaya's value
proposition

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and outlook

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Q&A

MISSION STATEMENT

Empowering our partners to
deliver more financial opportunity to more people, more often

01

1Q23 highlights

Exceeded 1Q23 guidance across all metrics, with a return to positive adjusted EBITDA

METRIC (IN \$ MILLIONS)	1Q23 ACTUAL	1Q23 GUIDANCE
Network Volume	\$1,850	\$1,700 to \$1,800
Total Revenue & Other Income	\$186.6	\$175 to \$180
Adjusted EBITDA	\$2.0	(\$5) to \$0

1Q23 operating highlights

FINANCIALS

Return to positive adjusted EBITDA

Adjusted EBITDA of ~\$5M excluding the impact of recent Darwin acquisition

Successfully integrating Darwin

Capturing technological synergies, opening new funding channels and attracting industry top talents

FUNDING

#1 issuer of personal loan ABS¹ in the US

With >30% share of U.S. personal loan + point-of-sale ABS issuance in 1Q23

Strengthening funding network

GIC extended existing funding agreement in Pagaya's financing vehicles by 3 years to 2028

PARTNERSHIPS

20% of network volume from new partners & products

New partners scaling rapidly within 1 year of joining Pagaya's network

Auto business growing rapidly

51% growth in Auto application volume evaluated by Pagaya's network compared to 1Q22

02

Our value proposition

Premier AI network powering financial possibilities



Financial institutions that originate consumer loans



AI network helping partners grow and investors achieve outperformance

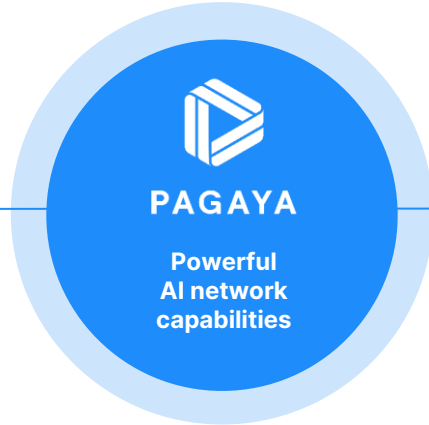


Asset managers, pension funds, sovereign wealth funds, etc.

Helping partners grow originations and investors achieve outperformance



And 20+ other financial institutions



And other large asset managers, pension funds, and counterparties

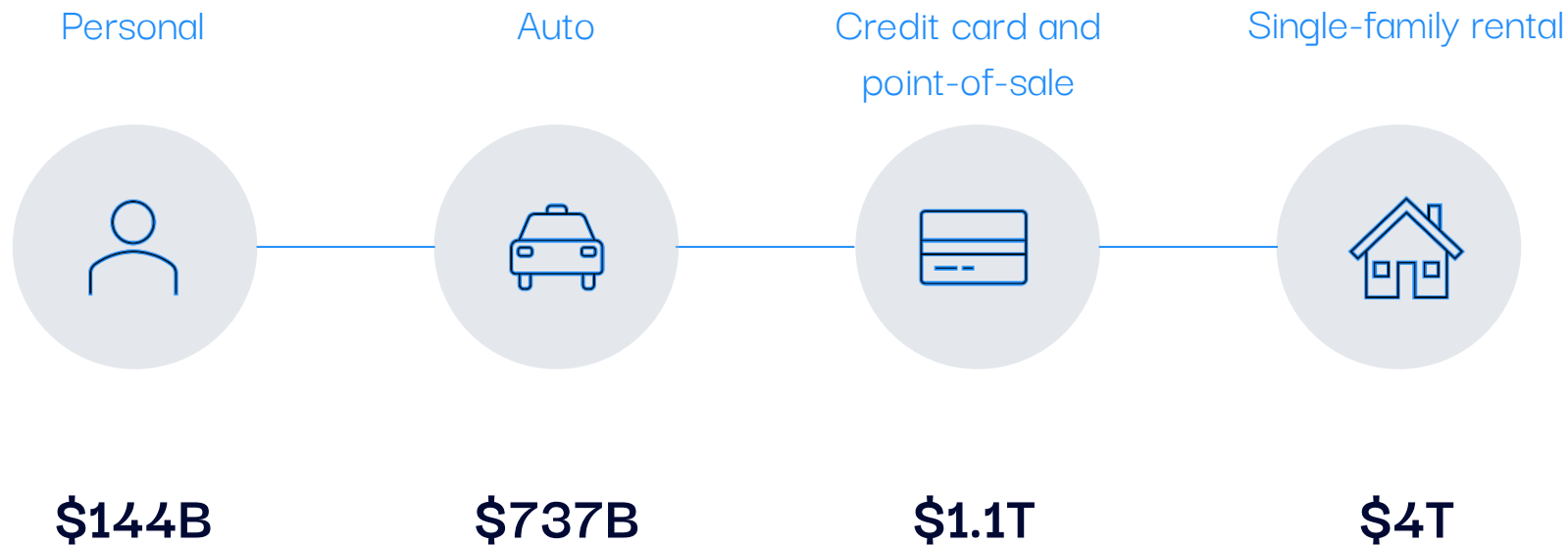
Pagaya earns fees from partners and investors for access to our network

Use Pagaya's network to originate more loans

Invest in loans originated using Pagaya's network

Operating in multiple markets with significant TAM

Capturing less than 1% of the TAM based on full-year 2022 network volume



Well-positioned
to consistently
deliver for
partners
and investors

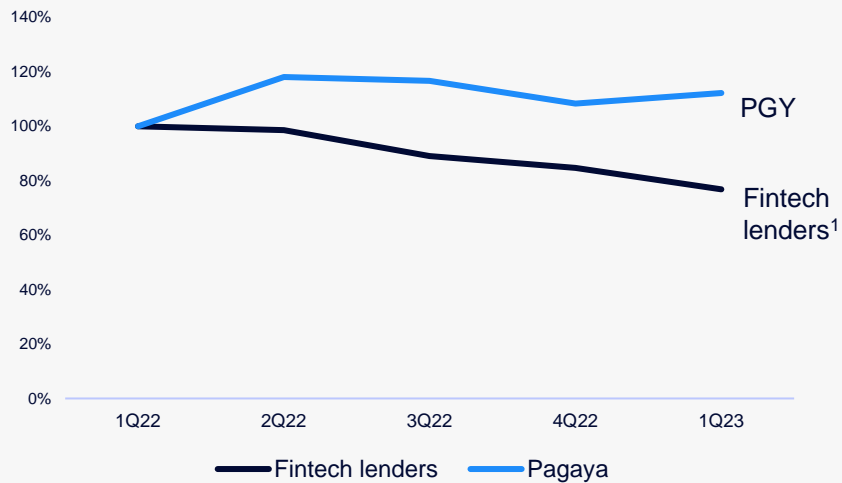
MARKET TRENDS

PAGAYA'S CAPABILITIES

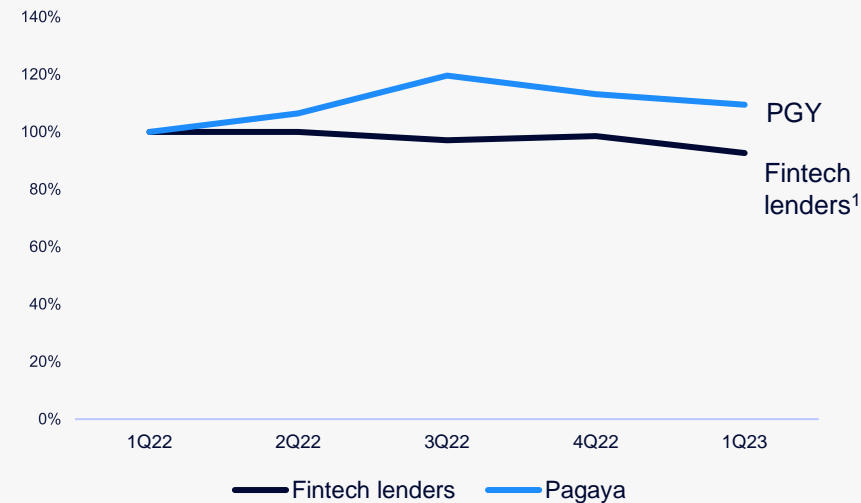
Higher cost of funding and rapid changes in interest rates	<ul style="list-style-type: none">✓ Ability to react quickly with AI technology✓ Upfront funding model (lock in cost of funding ahead of pricing assets)
Lower liquidity in funding markets	<ul style="list-style-type: none">✓ Multiple funding channels✓ Capital market expertise✓ Growing and diversifying investor base
Challenging credit environment <i>(lower availability of credit from financial institutions)</i>	<ul style="list-style-type: none">✓ Enables Partners to add new customers with limited incremental capital

Unique business model that enables lower volatility through cycles

Network volume (or equivalent measure) indexed by quarter to 1Q22



Total revenue (or equivalent measure) indexed by quarter to 1Q22



¹Pagaya-created fintech lender benchmark, based on an average of network volume and total revenue equivalent measures of 4 publicly-traded fintech companies in the consumer lending sector. Source: Public company filings, Pagaya internal data

Partners originate assets using Pagaya's network



Financial institutions that originate consumer loans



AI network helping Partners grow and Investors achieve outperformance



Asset managers, pension funds, sovereign wealth funds, etc.

VALUE PROPOSITION TO OUR PARTNERS

Enable **growth** through the **power** of **AI**

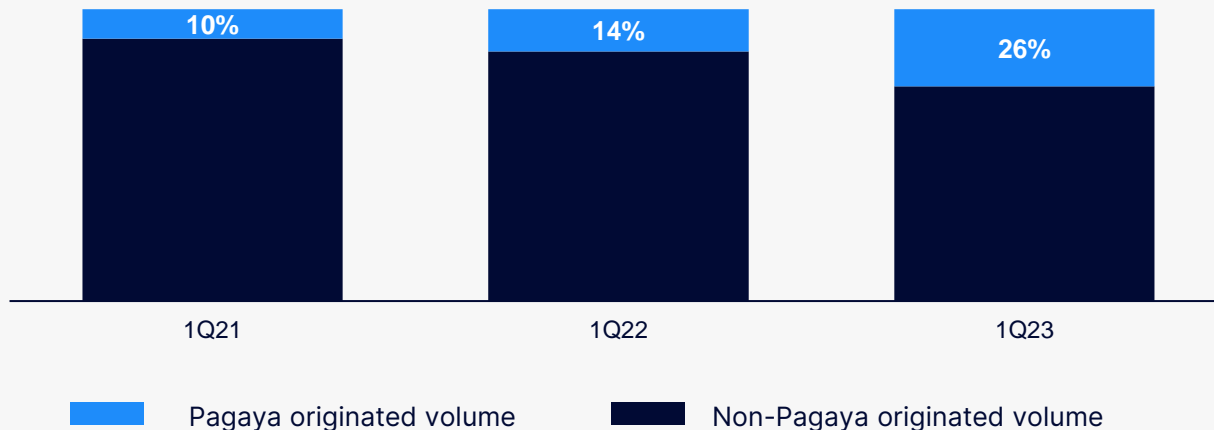
Growing and monetizing our network to deliver our medium-term ambition

- ✓ **Expanding our network with existing and new partners:** delivering network volume CAGR of 114% over the last 2 years
- ✓ **Improving economics:** targeting 3-4% fee revenue less production costs (“FRLPC”) margin as our network grows
- ✓ **Clear path to \$25B of network volume and \$1B of FRLPC margin:** with just existing partners and products

Partners see increasing value over time

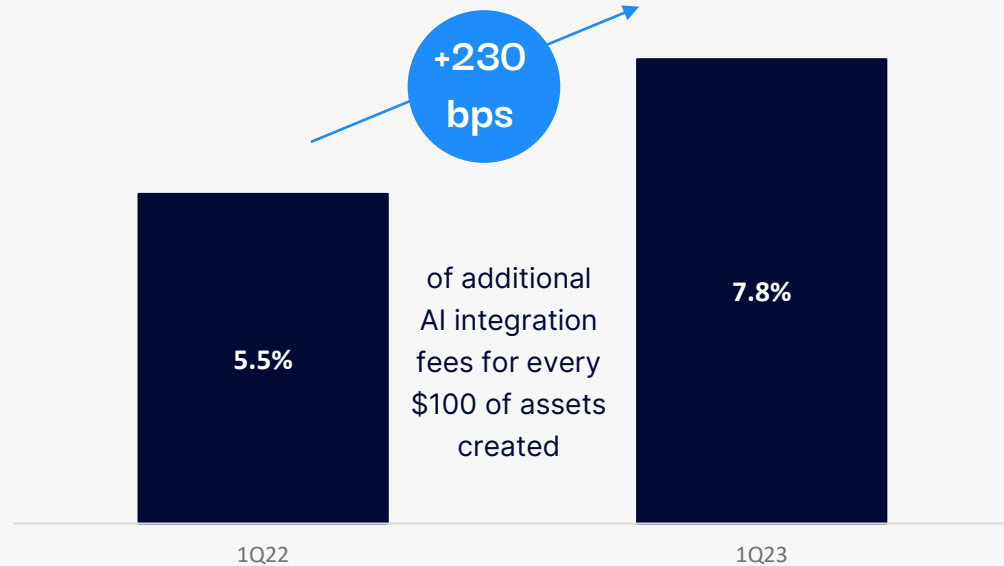
Pagaya's technology can significantly enhance growth

% of loans originated on Pagaya's network of total origination volume for our top 3 personal loan partners¹



Network expansion enabling increased monetization

AI integration fees earned for volume originated on Pagaya's network
as % of notional of assets

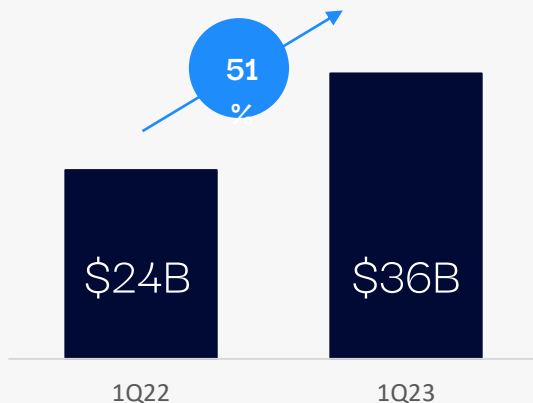


Rapid growth of new partners and products

New partnerships fueling growth of Auto business

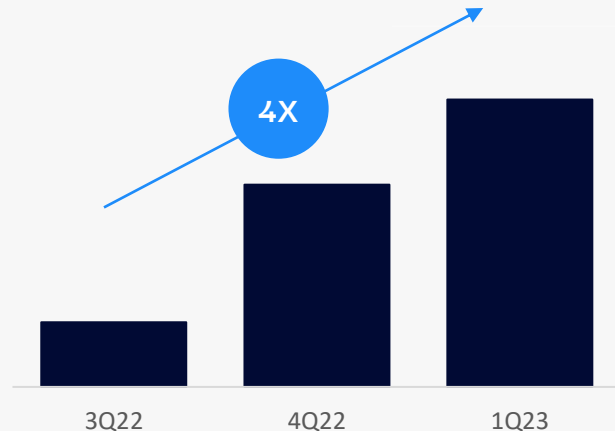
Auto scaling rapidly, supported by recent addition of large Auto bank

Total Auto application volume (\$B) evaluated by Pagaya's network



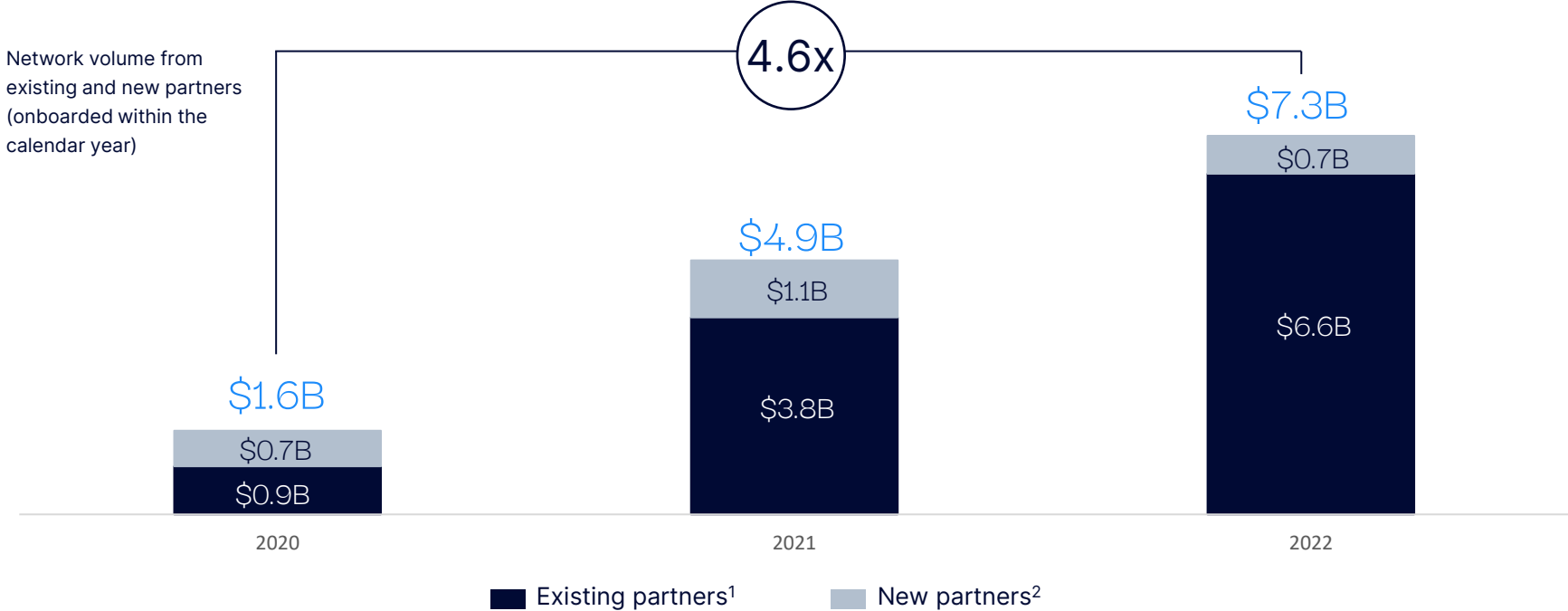
Driving accelerated growth for large Auto bank in first year post onboarding

Network volume originated by Pagaya's largest Auto partner



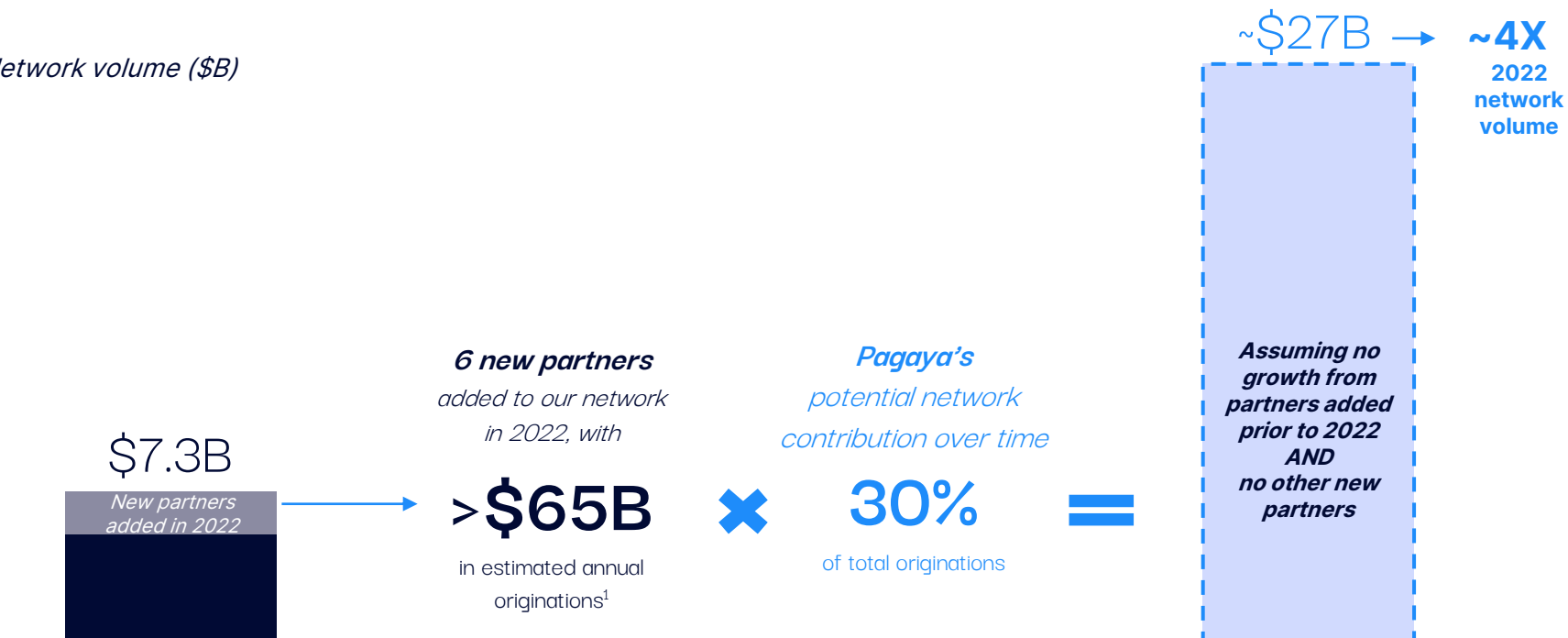
Resulting in significant network expansion since 2020

Adding new partners every year while existing partners grow at a rapid pace



Path to \$25B annual network volume ambition with just existing partners and products

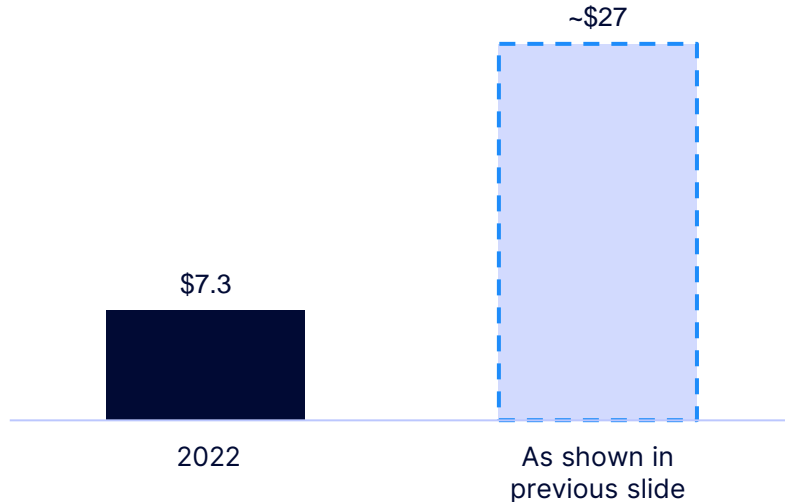
Network volume (\$B)



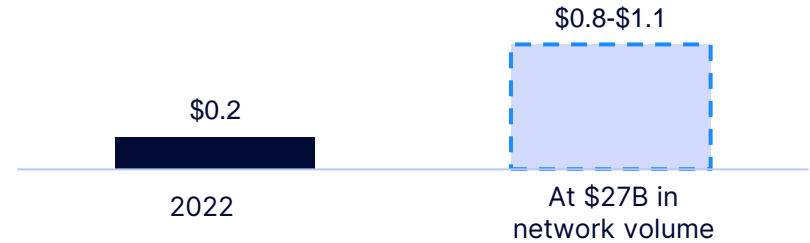
Targeting ~\$1 billion in FRLPC

assuming 3-4% FRLPC margin target range

Network Volume (\$B)



FRLPC (\$B)



Network volume is funded by institutional investors



Financial institutions that originate consumer loans



AI network helping Partners grow and Investors achieve outperformance



Asset managers, pension funds, sovereign wealth funds, etc.

VALUE PROPOSITION TO INVESTORS

One-stop shop **access to** multiple markets at scale
with consistent outperformance **enabled by** AI

Expanding our funding network to support partner growth

- ✓ **Consistently raising funding:** #1 US personal loan ABS issuer
- ✓ **Diversifying our investor base:** with a growing ABS orderbook of 80 unique institutional investors
- ✓ **AI-enabled asset selection to deliver target ROA:** consistent outperformance of loans compared to market benchmark

Offering access to consumer assets at scale

With expansive network, capital markets expertise and unique investment opportunities

38

of securitizations
since 2019

Across 5 products



\$16B

Total funding raised
since 2020 (across all
vehicles)

With consistent
outperformance vs
market benchmark in
delinquency rates

#1 issuer

in US personal loan
ABS market¹

With decades of capital
markets experience and
best-in-class structuring
capabilities

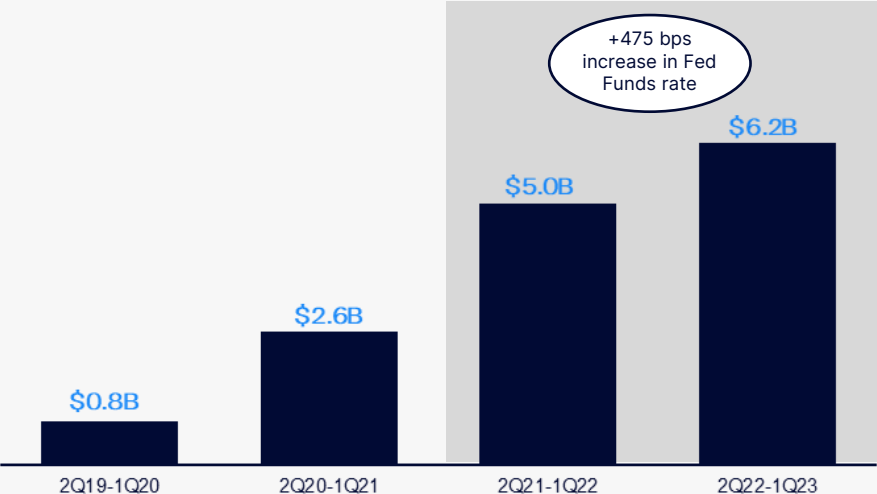
Growing investor base

With new large strategic
investors and increasing
investments from existing
investors such as GIC

Ability to raise capital consistently due to strong demand

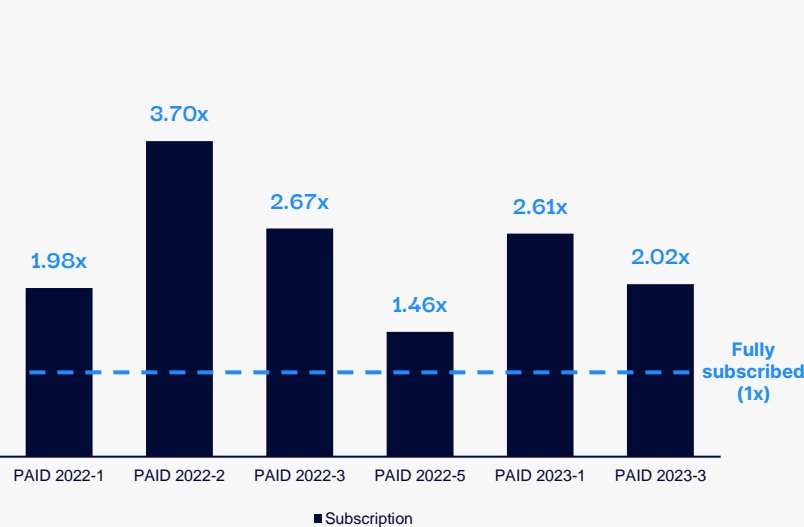
Consistently issuing at scale even in severe market dislocation

Pagaya ABS issuance across all products TTM beginning 2Q19 (\$B)



Recent personal loan deals have been oversubscribed by 2-3X

Pagaya's publicly rated personal loan deals since January 2022



Top-tier personal loan ABS issuer

**Reached #1 ranking
in personal loan ABS issuance in 4 years**

#11

2019

#3

2020

#2

2021

#1

2022

#1

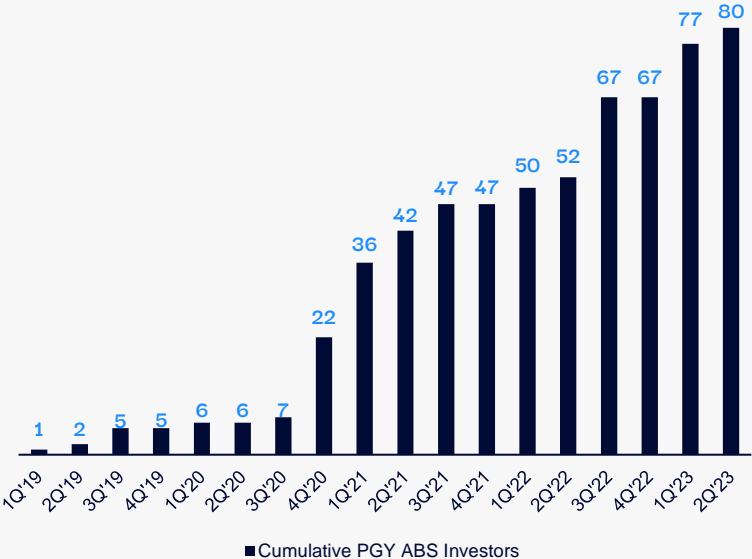
2023YTD

PERSONAL LOAN/POS ABS ISSUERS	ISSUANCE AMOUNT (\$B) TRAILING 12 MONTHS
Pagaya	\$6.5
OneMain	\$2.0
Affirm	\$1.5
Marlette	\$1.5
Upstart	\$1.1
Freedom / Achieve	\$1.1
Oportun	\$1.0
Theorem	\$1.0
SoFi	\$0.8
Bankers Healthcare Group	\$0.7

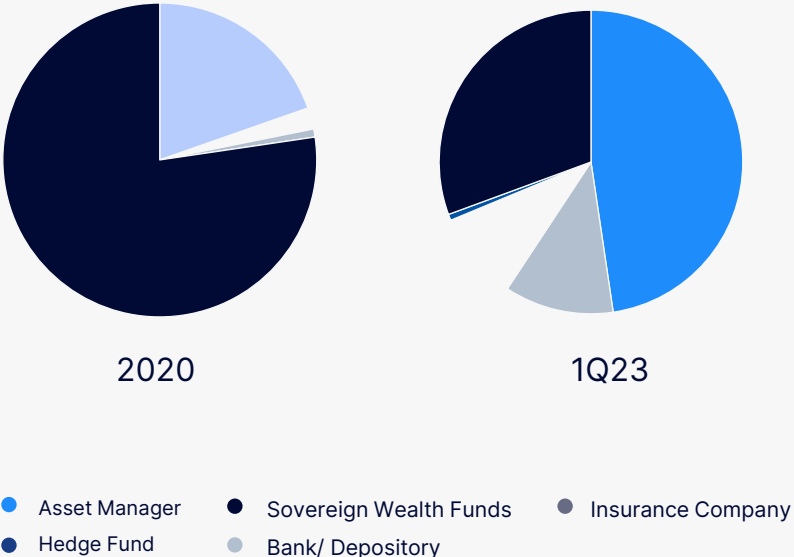
Growing and diversifying investor base

Enabled by a consistent track record of asset outperformance vs market benchmark

Growing ABS orderbook depth



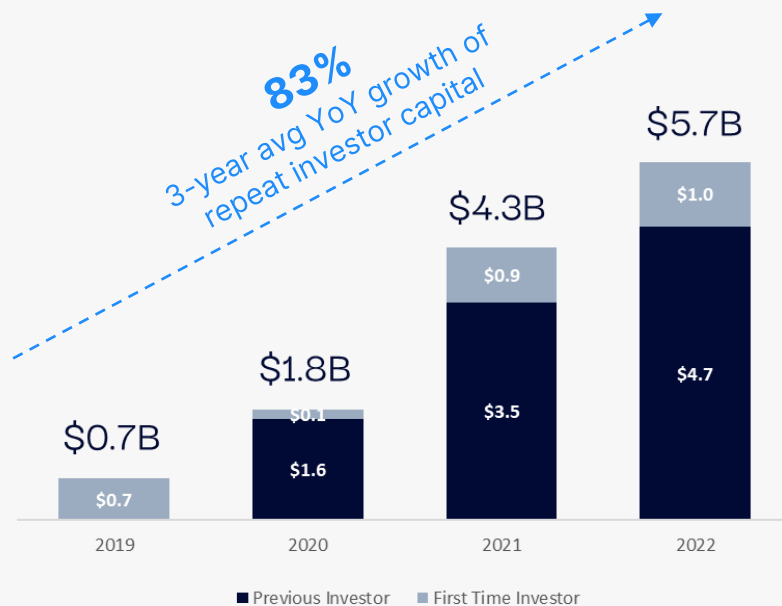
ABS investor base diversifying over time with new top-tier investors



Repeat investments by existing investors reflect strength of Pagaya's network

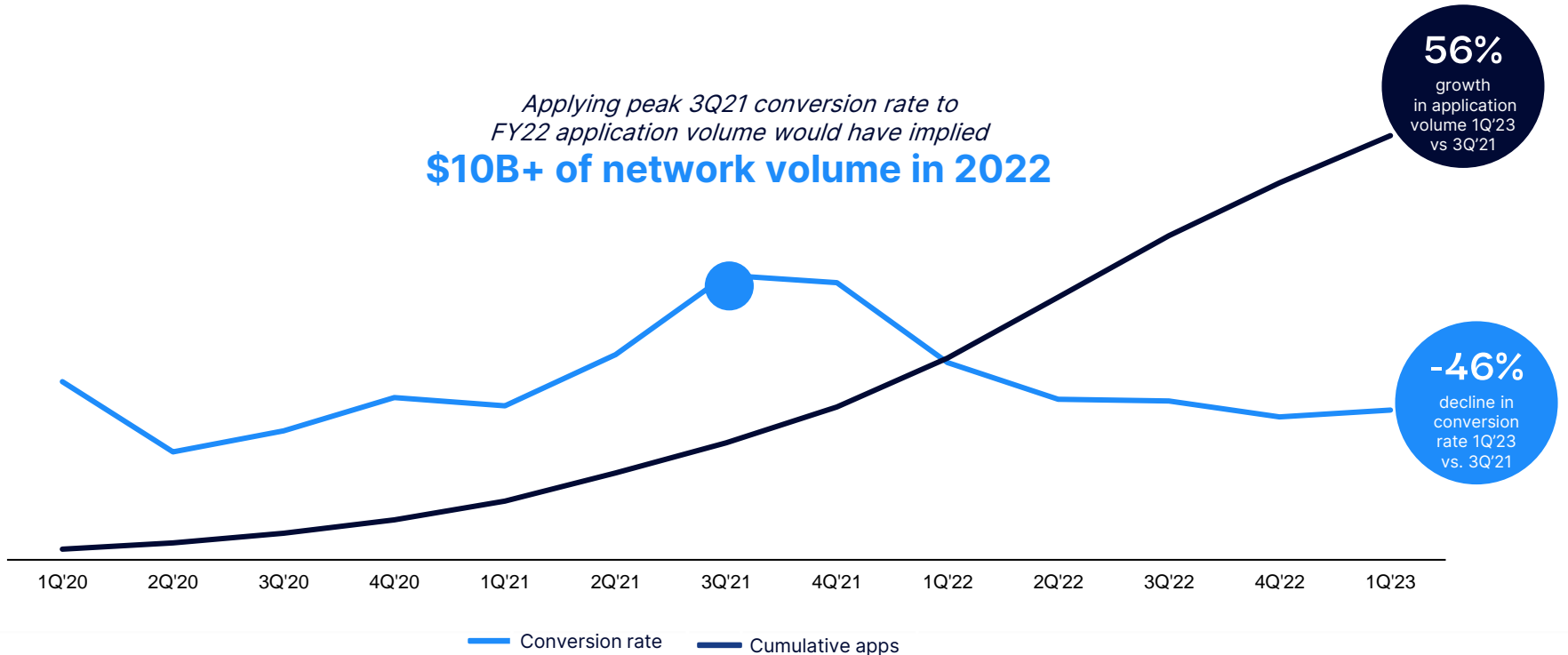
- ✓ **Investments by repeat investors** grew by an average of 83% from 2019 to 2022
- ✓ **GIC, top sovereign wealth fund**, extends existing funding agreement for an additional 3 years

Increasing investments by repeat investors fuels network expansion over time



Asset performance

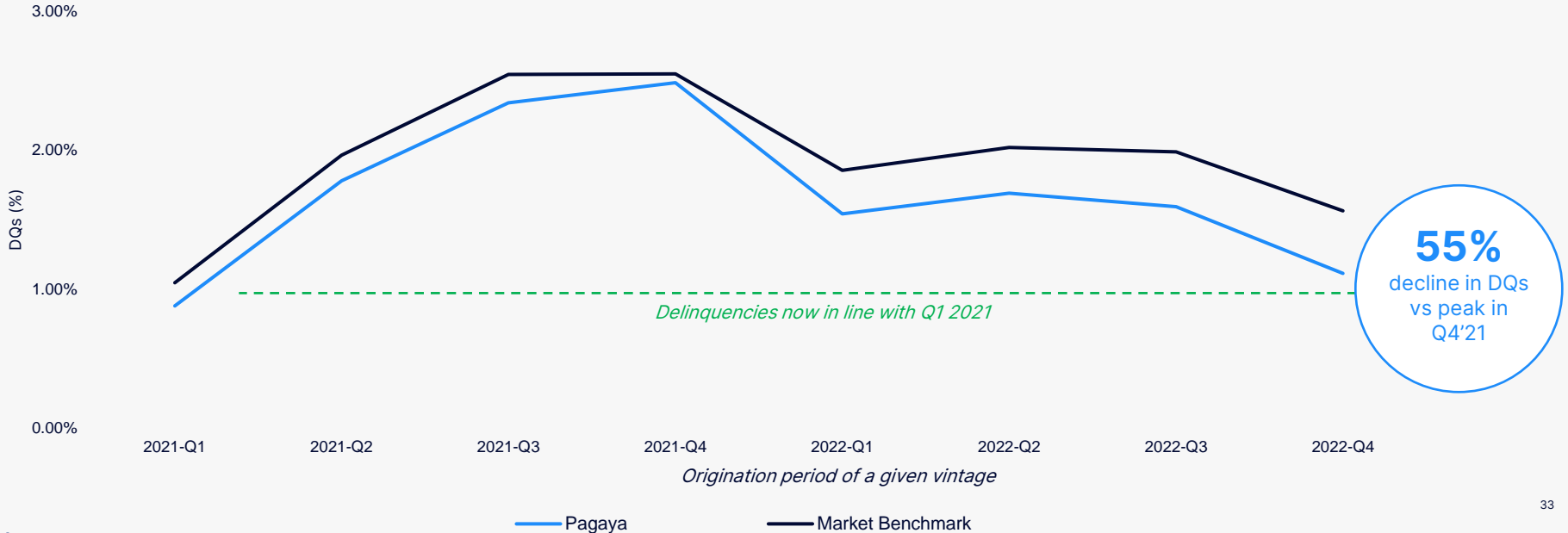
Maintaining prudent credit standards to optimize asset performance



Performance back to early 2021 levels

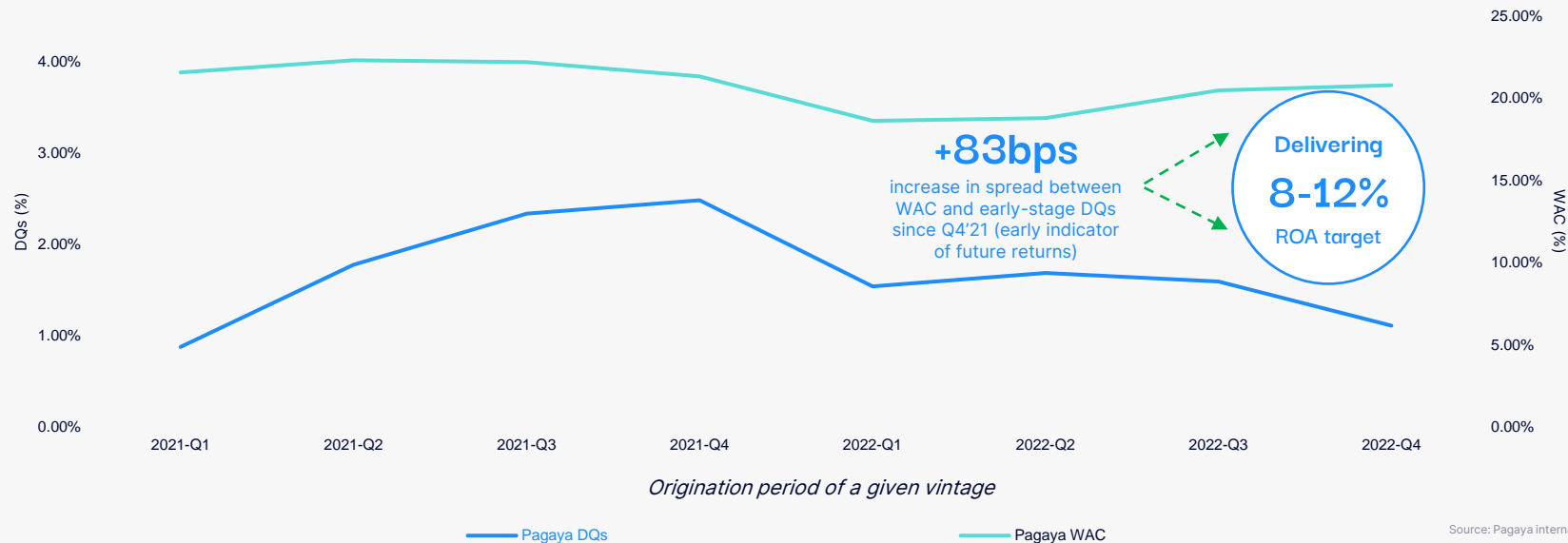
Personal Loan portfolio performance consistently outperforming market benchmark, with significant improvement vs Q4'21 market-wide deterioration

Pagaya Personal Loan portfolio vs. Dv01 Consumer Unsecured benchmark¹
30-day+ DQs plus cumulative gross charge-offs (CGL) at 3 months on book (MOB3)



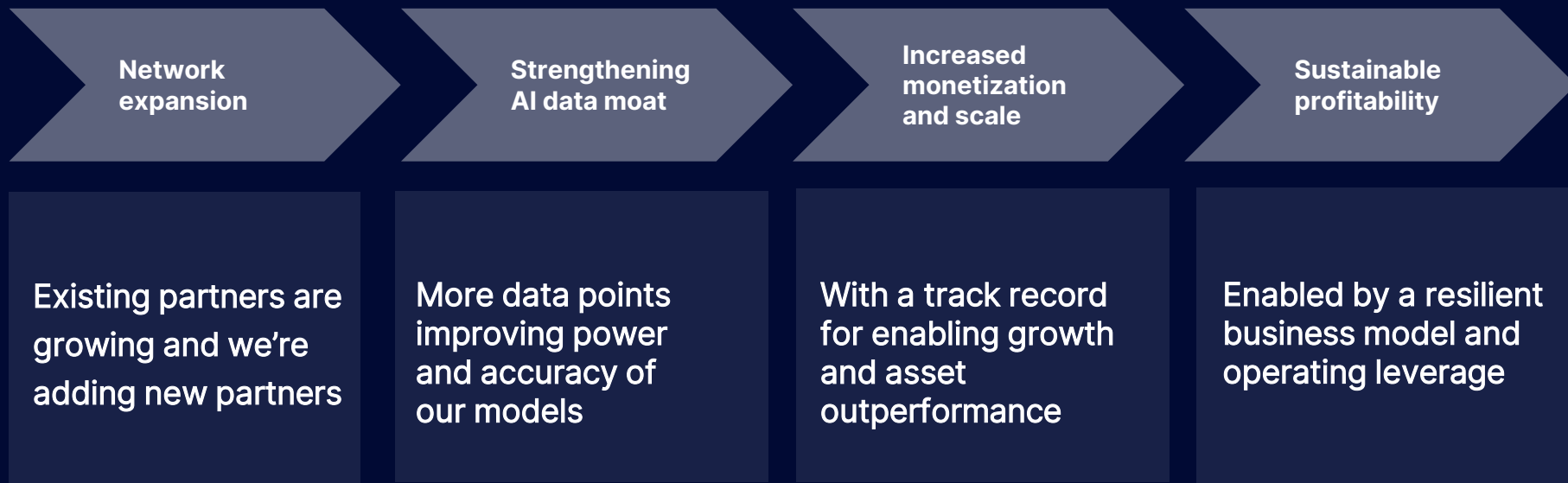
AI-driven asset selection enables delivery of target ROA for investors

Pagaya Personal Loan portfolio weighted average coupon (WAC) vs 30-day+ DQs plus CGL at MOB3



Source: Pagaya internal data.

Pagaya is at an inflection point



03

Financials and outlook

Reaching an inflection point to sustainable profitability

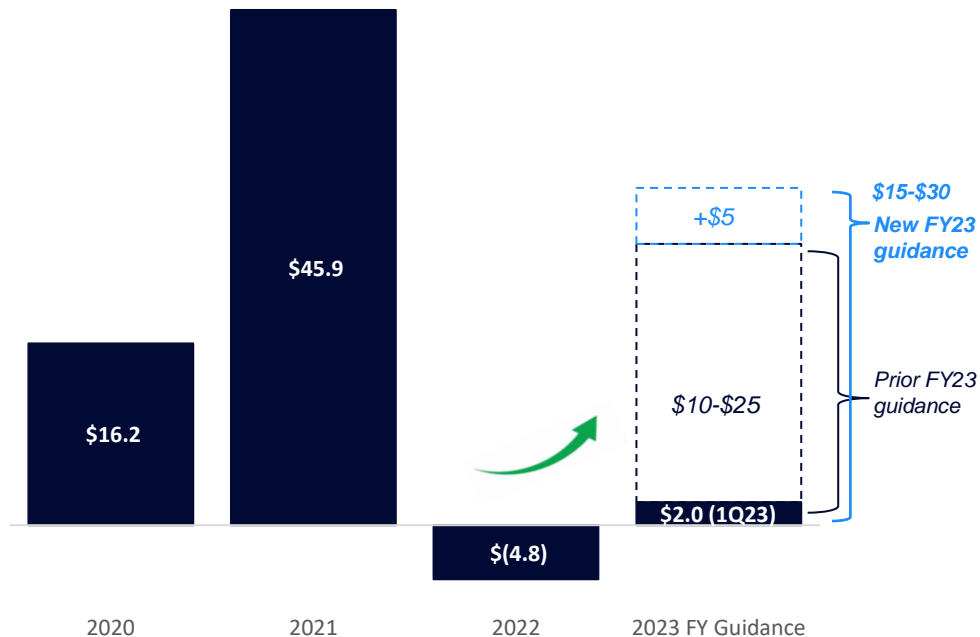
- ✓ **Significant runway for growth:** with momentum from both existing and new partners and investors
- ✓ **Resilient business model:** targeting 3-4% FRLPC margin through cycles
- ✓ **Increasing operating leverage:** right-sizing our expense base to deliver profitable growth

1Q'23 financial highlights

(\$ millions)	1Q'23	1Q'22	%Δ
Network Volume	\$1,850	\$1,650	12%
Total revenue & other income	\$187	\$171	9%
Revenue from fees	\$175	\$158	11%
Production costs	\$125	\$92	36%
Revenue from fees less production costs (FRLPC)*	\$50	\$66	(24%)
Operating Expenses ex. SBC (R&D, S&M, G&A)	\$70	\$72	(2%)
Net income (loss)	(\$61)	(\$18)	NM
Adj. Net Income*	(\$11)	\$4	NM
Adj. EBITDA*	\$2	\$4	(53%)

Return to profitability in Q1; raising FY23 adjusted EBITDA guidance

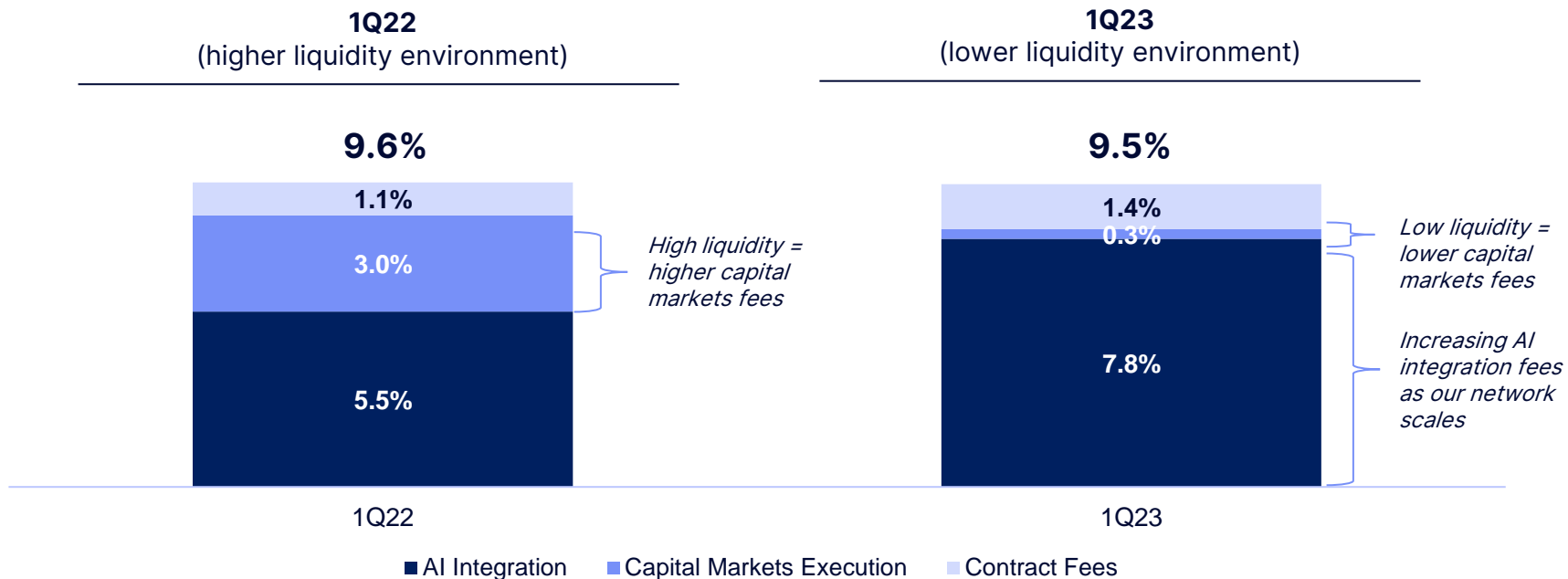
Adjusted EBITDA (\$ millions)



- ✓ 2022 impacted by significant discretionary investments
- ✓ Focus in 2023 on disciplined growth, **return to positive adjusted EBITDA in 1Q23** ahead of outlook
- ✓ **Raising FY23 adjusted EBITDA guidance** to reflect acceleration of this strategy
- ✓ Committed to delivering sustainable profitability on adjusted EBITDA basis

Stable take rate through cycles

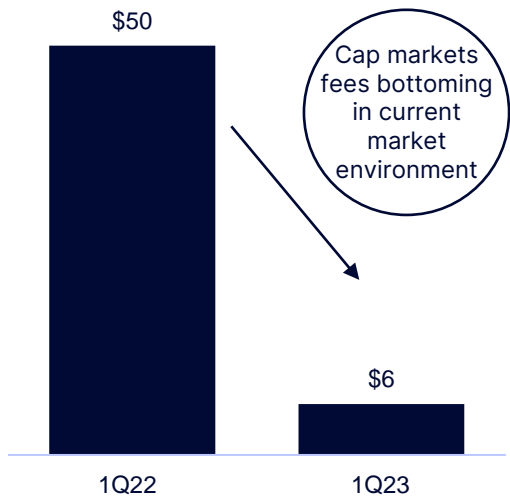
Higher AI integration fees offsetting lower capital markets fees



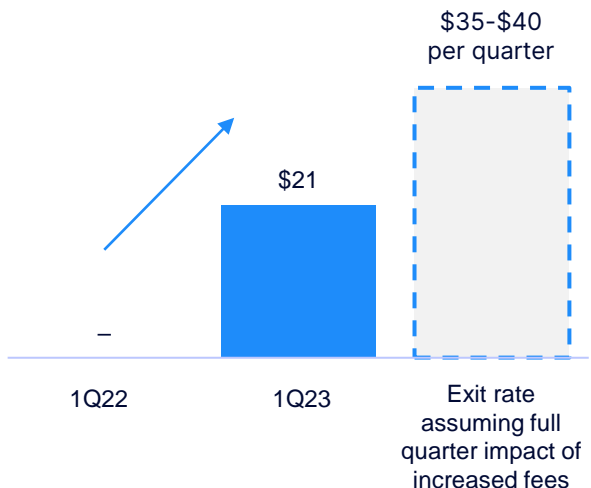
Evolution of FRLPC: increasing network monetization to offset capital markets volatility

(\$ millions)

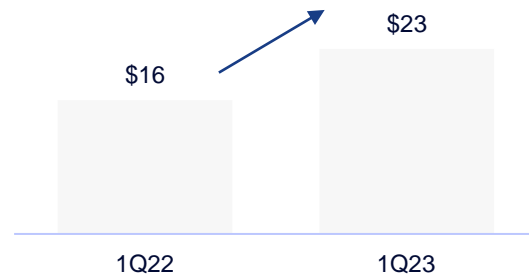
Capital Markets fees



Net AI integration fees¹

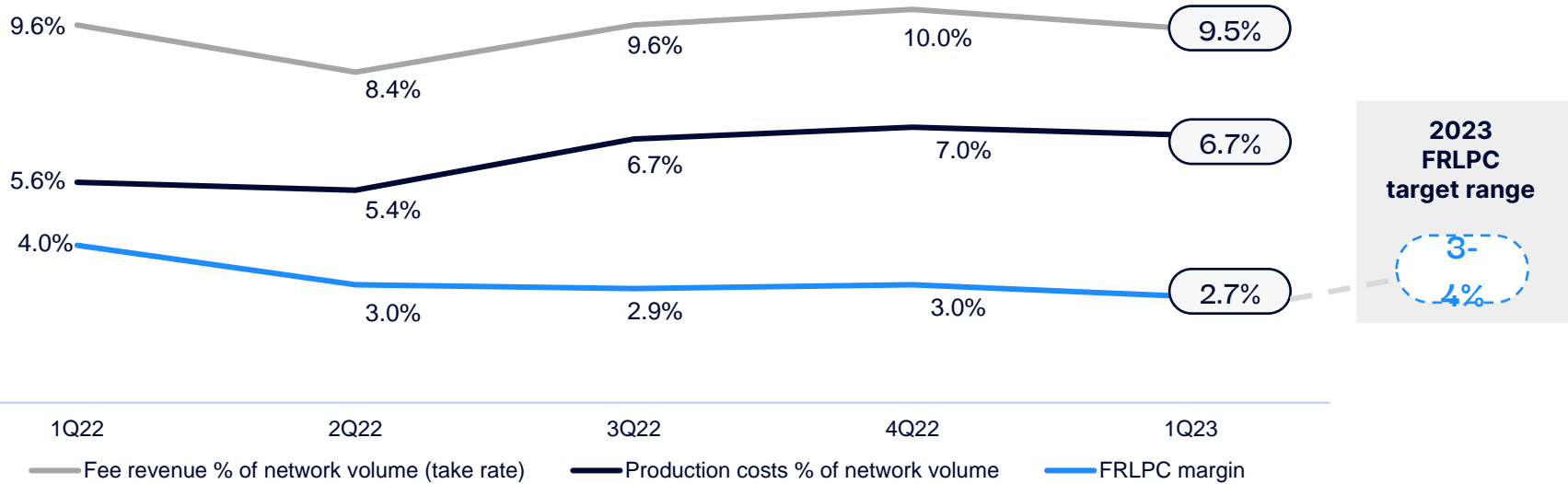


Contract fees & other



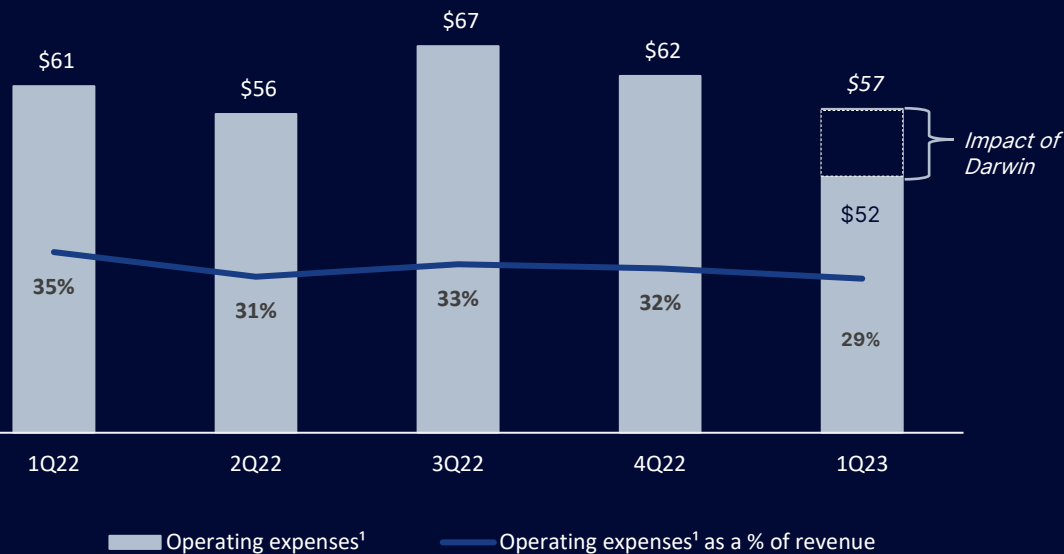
Targeting 3-4% FRLPC margin in 2023

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



Improving operating leverage

Core operating expenses (excluding share-based compensation, one-time expenses and depreciation) ¹



Decline of \$10M in core operating expenses sequentially vs 4Q22
(excluding impact of Darwin acquisition)

- ✓ **~23% decrease** in non-compensation expenses vs. prior quarter
- ✓ **~9% decrease** in compensation-related expenses vs. prior quarter

¹Operating expenses exclude share-based compensation, depreciation, one-time/non-recurring adjustments; Operating Expenses and Operating Expenses as a % of revenue are presented excluding the impact of Darwin Homes
Source: Pagaya internal data

2023 Outlook

(in \$ millions)

	2Q23E	FY23E
Network Volume	\$1.8B to \$1.9B	\$7.5B to \$8.0B
Total Revenue and Other Income	\$180M to \$190M	\$775M to \$825M
Adjusted EBITDA	\$5M to \$10M	\$15M to \$30M

04

Q&A

Appendix

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS ENDED March 31, 2023 AND 2022

(In thousands)

	Three Months Ended March 31,	
	2023	2022
Net Loss Attributable to Pagaya Technologies Ltd.	(\$60,971)	(\$18,272)
<i>Adjusted to exclude the following:</i>		
Share-based compensation	16,367	16,635
Fair value adjustment to warrant liability	(190)	469
Impairment loss on certain investments	26,412	-
Write-off of capitalized software	1,524	-
Restructuring expenses	3,820	-
Non-recurring expenses	2,023	5,274
Adjusted Net Income (Loss)	(\$11,015)	\$4,106
<i>Adjusted to exclude the following:</i>		
Interest expenses	2,880	-
Provision for income tax	6,667	(186)
Depreciation and amortization	3,516	477
Adjusted EBITDA	\$2,048	\$4,397

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS ENDED March 31, 2023 AND 2022
(in thousands)

Fee revenue less production costs (FRLPC)	Three Months Ended March 31,	
	2023	2022
Revenue from fees	\$175,254	\$158,325
Production costs	(125,057)	(92,280)
Fee revenue less production costs (FRLPC)	\$50,197	\$66,045

**Fee revenue less production costs margin
(FRLPC margin)**

Fee revenue less production costs (FRLPC) <i>(in thousands)</i>	\$50,197	\$66,045
Network Volume <i>(in millions)</i>	\$1,850	\$1,650
Fee revenue less production costs margin % (FRLPC margin %)	2.7%	4.0%