Pagaya Technologies Ltd.

4Q & Full Year 2022 Results

February 15, 2023

Legal disclaimer

Unaudited Financial Results

The financial results included in this presentation are unaudited and subject to the completion of final audit adjustments, and therefore could differ from the financial results in the Company's audited consolidated financial statements for the fiscal year ended December 31, 2022.

Cautionary Note 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 finalization of any adjustments identified by the Company's auditors in the course of their review and audit, of the Company's financial statements for the fourth fiscal quarter and fiscal year ended December 31, 2022; 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 ability to focus on its ambition to be the trusted A.I. partner for the banking system, 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 full year of 2022. 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); 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 EJF 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 and Adjusted EBITDA. 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

2022 highlights

02

Expanding our network: Auto & SFR

03

Financials and outlook

04

Q&A

Financial highlights

Network volume and revenue growth driven by existing Partners and faster growth of newer products, including Auto

	Network volume	Total revenue & other income	Adjusted EBITDA
FY'22	$7.3B	$748.9M	($4.8M)
vs FY'21	+49%	+58%	
4Q'22	$1.8B	$192.9M	($9.0M)
vs 4Q'21	+10%	+25%	

Note: See "Appendix" for a reconciliation of non-GAAP measures to the most comparable GAAP measure

2022 highlights

Year in review

PGY **Became a public company**

listed on the Nasdaq in June, bringing in

~$300M

of permanent capital

Record top-line

Grew both network volume and total revenue by

~50%+

Strengthened leadership team

With senior executives from Barclays, JPMC, and Goldman Sachs with an average of

25+ years

of financial services industry experience

Onboarded

Top 3 Auto lender

In 2Q'22, increasing penetration of US auto dealerships

Onboarded

Klarna in PoS

In 3Q'22, connecting to >10K US retailers and 30M US consumers

>53 million applications

Evaluated in 2022, reflecting YoY growth of

~100%

Record funding of

>$7B

Across public and private markets in midst of financial markets volatility

M&A

Acquisition of Darwin Homes

PGY's first acquisition, creating premier SFR proptech platform

AAA rating

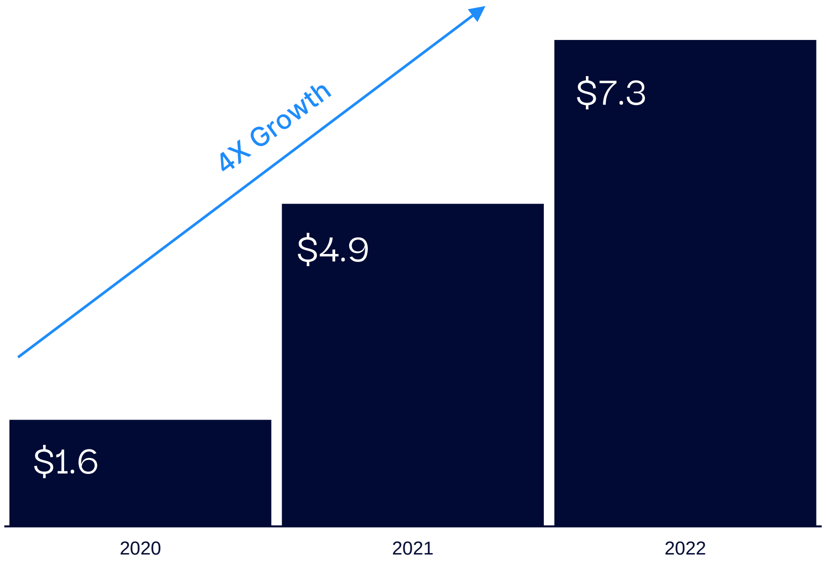
From Moody's and DBRS

on SFR securitization

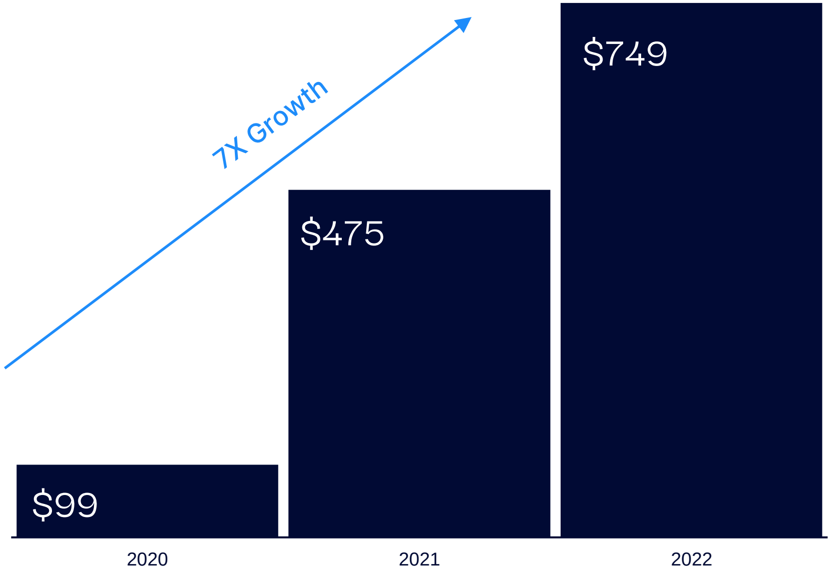
2022 highlights

Driving strong network volume and revenue growth to date

Network Volume ($B)



Total Revenue & Other Income ($M)

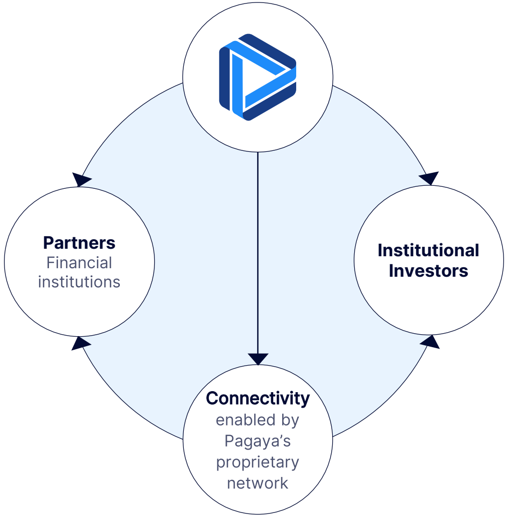


Differentiated value proposition

Pagaya's differentiated value proposition

B2B2C platform

Supports rapid scale and creates a unique data vantage point across 25+ lending partners



Upfront funding model

Enables optimal risk/return allocation of capital

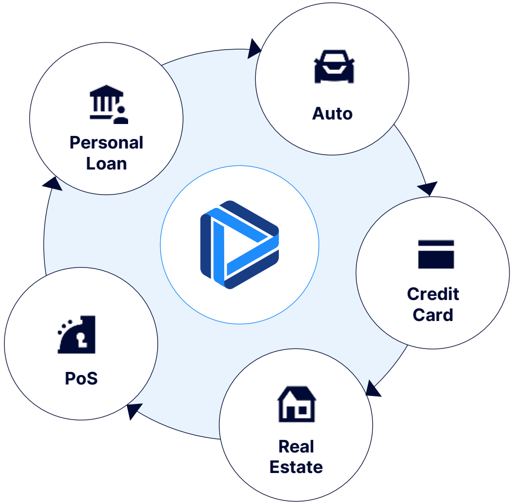
01 Pagaya raises capital from investors (cash in trust)

02 Partners originate with the assistance of Pagaya's AI technology

03 Investor capital is deployed to acquire assets

Diversified across 5 products

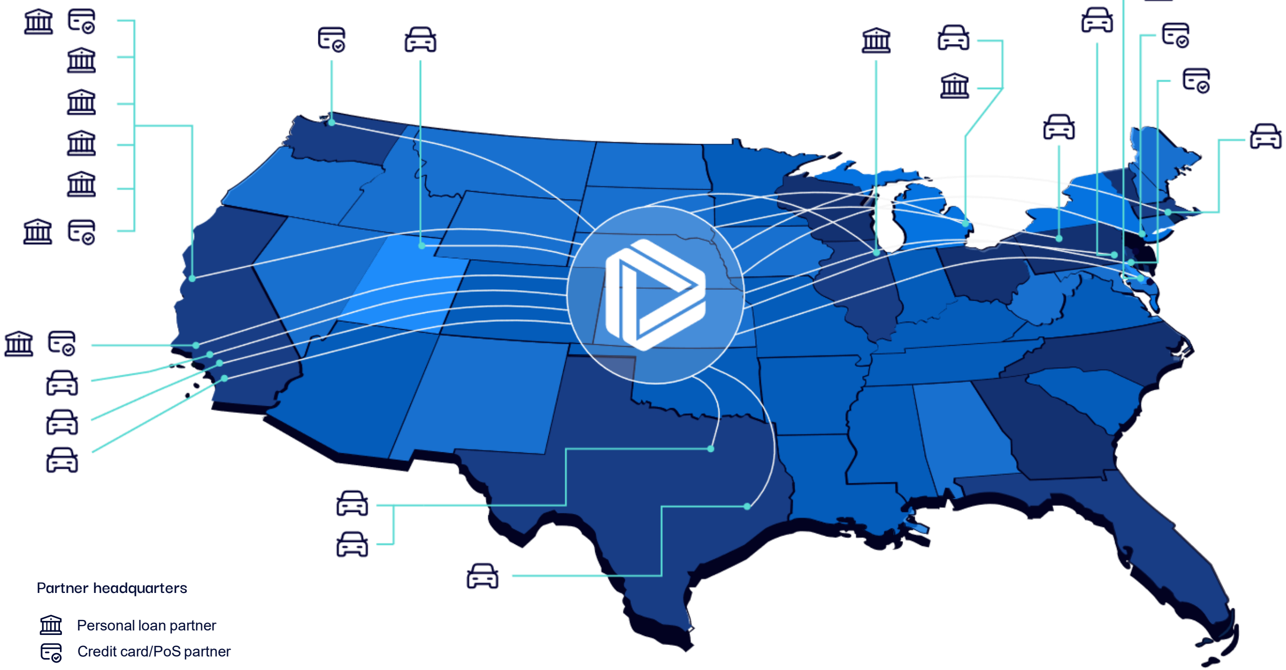
With a combined addressable market opportunity in the $ trillions[2]



Financial infrastructure to power the real economy

>$1 trillion

application volume evaluated since inception[3]



Cumulative applications

- <1M apps
- Between 1M and 2M apps
- > 2M apps

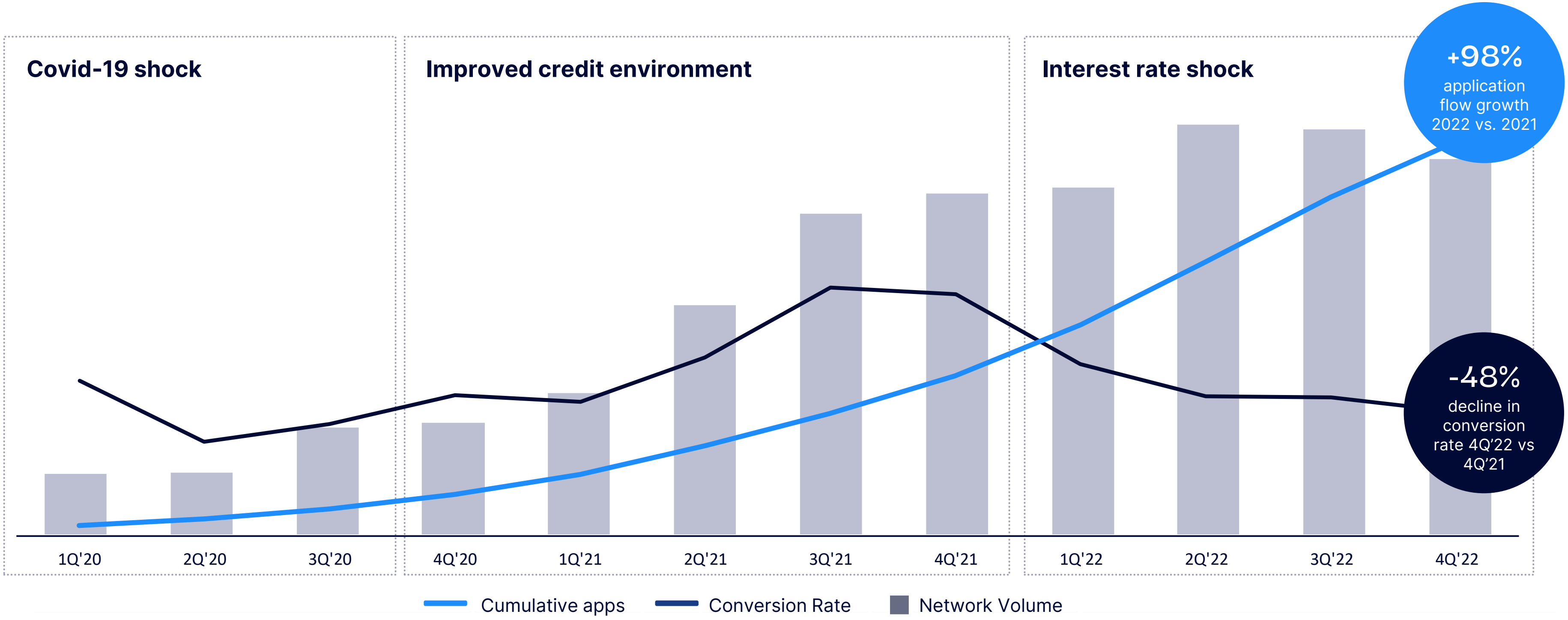
Partner headquarters

- Personal loan partner
- Credit card/PoS partner
- Auto partner

Source: Pagaya internal data.
Note: See "Footnotes" for further definition

Consistent value creation over time

Delivering growth for partners and investors while dynamically adapting to changing market conditions



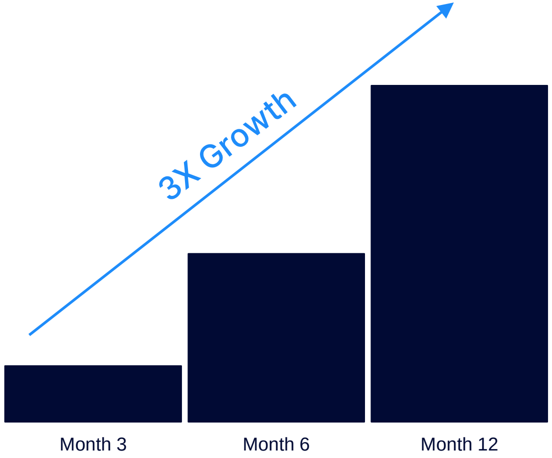
Enabling better outcomes for partners

Pagaya creates value for partners on its network through incremental growth and network insights

Benefits to partners from joining Pagaya's network

- Acquire new customers, with cross-selling ability
- Build brand affinity
- Growth with minimal incremental risk or capital requirements
- Decreased customer acquisition costs
- Access to Pagaya's network insights

Average network volume growth on Pagaya's platform post onboarding[4]



New partners to Pagaya's network see immediate value creation

~$650M

in assets originated in 2022 by new partners and channels on our network[5]

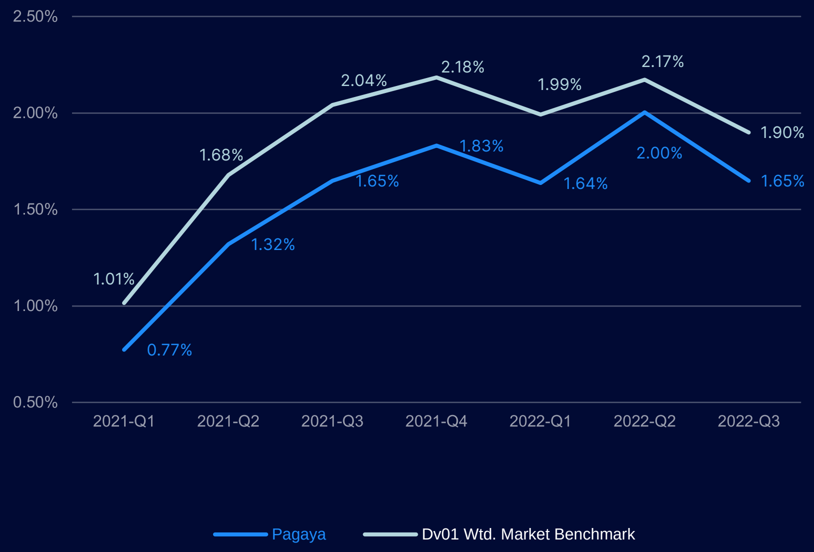
Delivering relative value for institutional investors

Institutional investors connected to Pagaya's platform receive:

- ✓ **Unique investment opportunities** in consumer credit and real-estate assets
- ✓ **One-stop shop access to:**
  - ✓ 25+ lending platforms
  - ✓ 5 different asset categories
- ✓ **Better relative performance** of assets compared to industry benchmarks
- ✓ **Short duration assets enable re-pricing flexibility** to adapt to changing rate and credit environments

Unsecured Personal Loan Early Delinquencies(1)(2)

Personal Loans: 30-day+ delinquencies plus cumulative gross charge-offs at 3 months on book
Pagaya vs. Dv01 Consumer Unsecured Benchmark ("CUB")
Each quarter represents the origination period of a given vintage



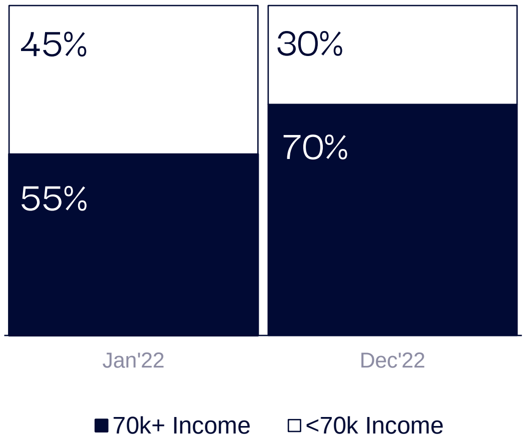
Source: Dv01 consumer unsecured benchmark and Pagaya internal data
(1) Pagaya historical term-grade level performance weighted by worst-case mix for latest Pagaya ABS
(2) Dv01 CUB historical term-grade level performance weighted by worst-case mix for latest Pagaya ABS

Optimizing investor returns with data-rich A.I. engine

Data-driven insights enabled adjustments in our Personal Loan portfolio to drive improved performance

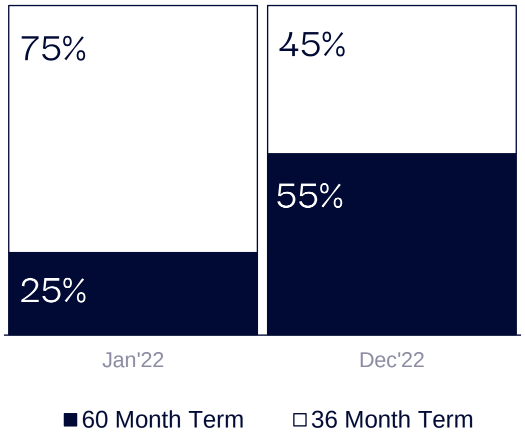
Higher annual income

Borrowers with >$70K annual income now ~70% of Personal Loan portfolio



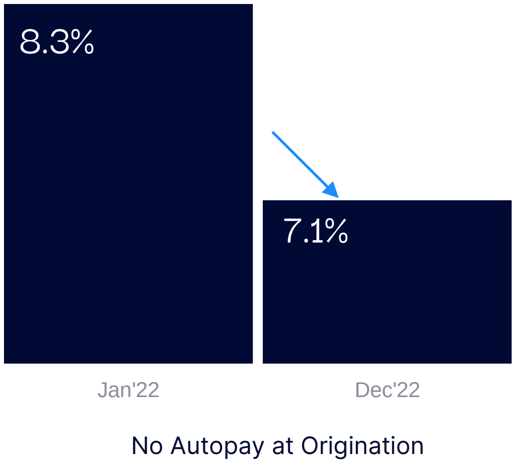
Longer-term loans

Shift to 60 -month term loans, which show better risk and returns



Increased payment stability

Lower exposure to borrowers who do not opt into Autopay at origination



Source: Pagaya internal data

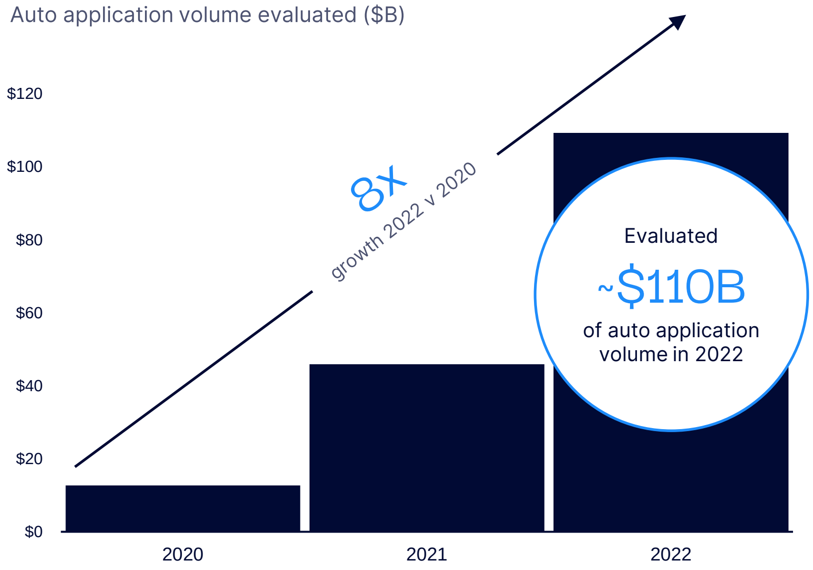
Expanding our network

Auto and single-family rental

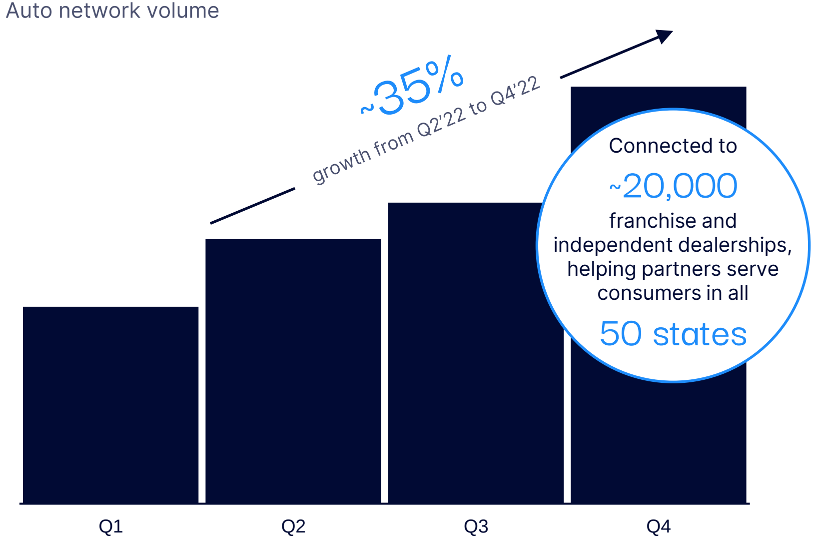
Auto: scaling fast with strong momentum into 2023

Focus on increased penetration of dealerships with existing partners and scaling new partners in new states

Exponential growth in Auto application volume evaluated

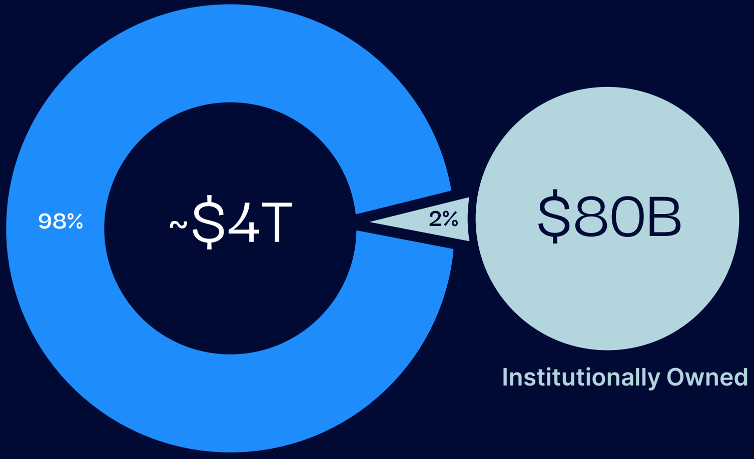


Strong sequential growth in network volume driven by new Auto partner onboarded in Q2

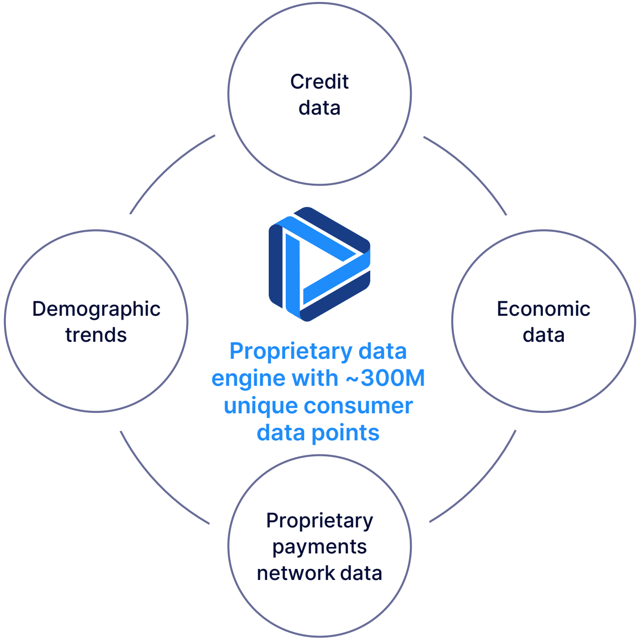


Applying AI in real estate: single-family rental

U.S. SFR Market:
Significant addressable opportunity in a fragmented industry with few institutional players



Opportunity to disrupt the SFR industry with advanced data science and technology



Pagaya selects, acquires and operates homes on behalf of institutional investors

Source: Bureau of Labor Statistics, US Census Bureau, AHS, Press Search

Industry’s first AI-powered vertically integrated SFR platform

Combining best in class research and data-driven investment decisions with seamless, integrated operations to drive optimal asset performance

Financials and outlook

4Q'22 and FY'22 financial highlights

($ in millions)		4Q'22	4Q'21	%Δ	FY'22	FY21	%Δ
	Network Volume	$1,786	$1,621	*10%*	$7,307	$4,904	*49%*
GAAP	**Total revenue & other income**	$193	$155	*25%*	$749	$475	*58%*
GAAP	**Revenue from fees**	$178	$144	*24%*	$685	$446	*54%*
GAAP	**Production costs**	$125	$78	*59%*	$451	$232	*94%*
GAAP	**Revenue from fees less production costs[6]**	$53	$66	*(19%)*	$234	$214	*10%*
GAAP	**Operating Expenses ex. SBC (R&D, S&M, G&A)[7]**	$76	$74	*3%*	$308	$180	*71%*
GAAP	**Net income (loss)**	($34)	($10)	*NM*	($302)	($91)	*NM*
Non-GAAP	**Adj. Net Income***	($4)	~$0	*NM*	($33)	$37	*NM*
Non-GAAP	**Adj. EBITDA***	($9)	($3)	*NM*	($5)	$46	*NM*

*Note: See "Appendix" for a reconciliation of non-GAAP measures to the most comparable GAAP measure
See "Footnotes" for further definitions

Financials and outlook

Path to profitability with a resilient business model and increasing scale

- ✓ **Ability to monetize our network** in multiple ways due to the unique ecosystem we created connecting partners and investors
- ✓ **Investing in expanding our network** with new partners and products
- ✓ **Producing stable variable margin** (revenue from fees less production costs[6]) through changing macroeconomic conditions
- ✓ **Driving operating leverage** through scale and disciplined cost management

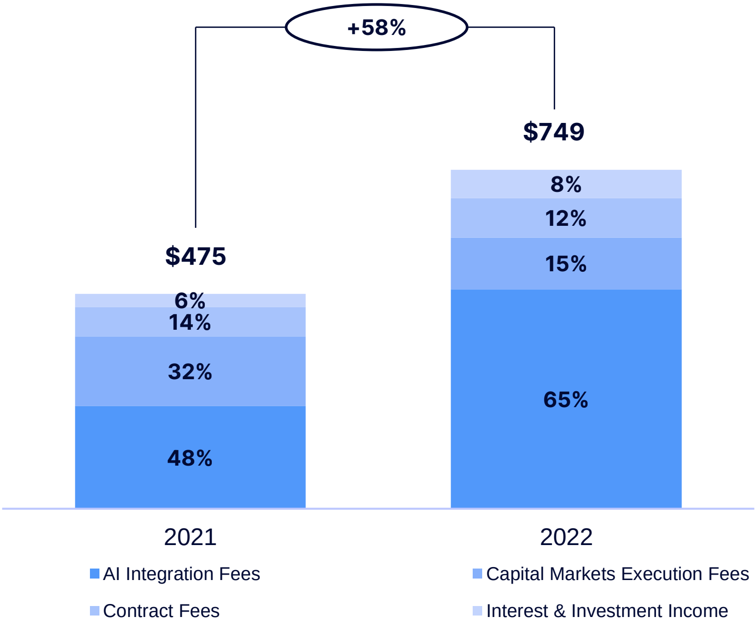
Note: See "Footnotes" for further definition

Monetizing our network with multiple revenue streams

Total Revenue by category

Fee category	Description
Network AI Fees	• AI Integration and Capital Markets Execution fees
• AI Integration	• Fees generated from the creation, sourcing and delivery of assets originated with the assistance of Pagaya's AI • Ability to monetize both sides of the network
• Capital Markets Execution	• Premiums earned on ABS transactions
Contract fees	• Management, administration, performance, and other fees earned from financing vehicles
Interest & investment income	• Primarily interest income from regulatory risk retention assets and cash holdings

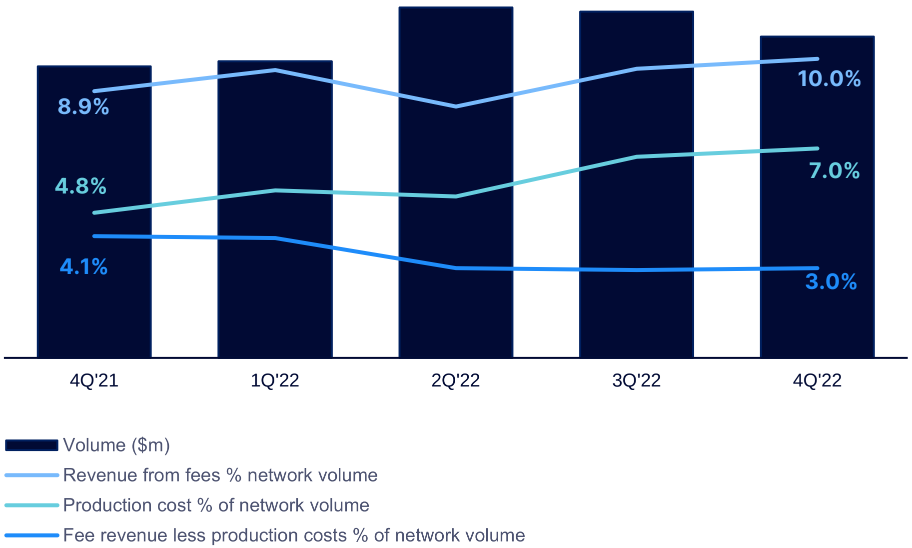
Total Revenue



Source: Pagaya internal data

Delivering stable gross profit through macro cycles

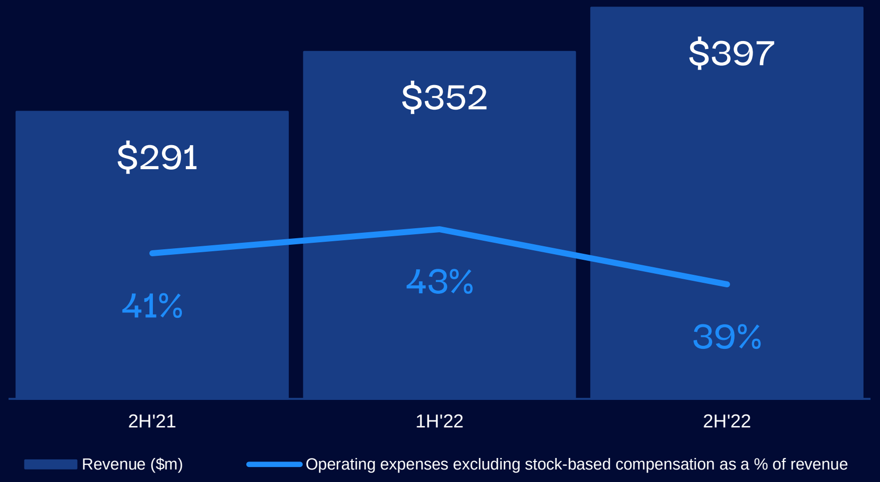
Revenue from fees less production costs[6] (gross profit)



- ✓ **Revenue from fees as a % of network volume:** growth in take rate enabled by increasing monetization of our network
- ✓ **Production costs as a % of network volume:** rising as we invest in product expansion and new partnerships
- ✓ **Revenue from fees less production costs as a % of network volume:** ~3% despite significant macroeconomic volatility

Driving operating leverage with scale and proactive expense management

Operating leverage enabled by scale



- ✓ **Stabilizing expense level** after multi-year investments in bank partnerships and public company readiness
- ✓ Expense initiatives expected to generate **~$50M in gross annualized run-rate savings**
- ✓ Delivered near break-even Adjusted EBITDA(-$5M) in 2022 **before any cost-saving initiatives**

Source: Pagaya internal data
Note: See "Footnotes" for further definition

2023 Outlook

	1Q23E	FY23E
Network Volume	$1.7B to $1.8B	$7.5B to $8.0B
Total Revenue and Other Income	$175M to $180M	$775M to $825M
Adjusted EBITDA	($5M) to $0	$10M to $25M

Q&A

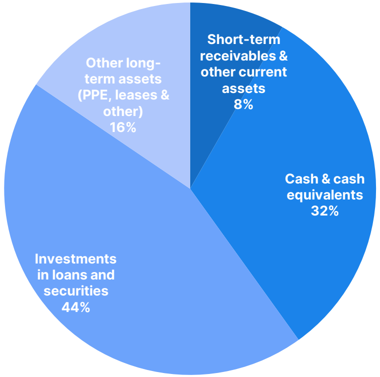
Thank you

Appendix

Financials and outlook

Light balance sheet business model

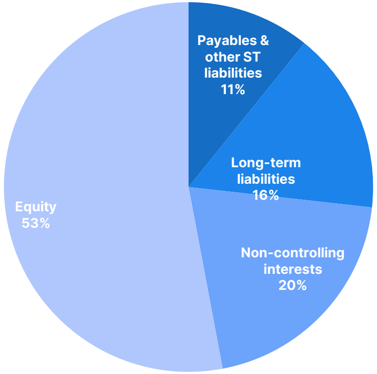
Pre-funded ABS and privately managed funds limit inventory risk



Assets

~$1 billion

in total assets



Liabilities & Shareholders' Equity

- ~40% of balance sheet in cash and short-term assets
- Investments in Loans net of Non-Controlling Interest of ~$250M of regulatory risk retention holdings

- ~75% in equity and non-controlling interests
- Low leverage with minimal corporate borrowing

PAGAYA TECHNOLOGIES LTD.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)
FOR THREE MONTHS AND YEAR ENDED December 31, 2022 AND 2021
(In thousands)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2022	2021	2022	2021
Net Loss Attributable to Pagaya Technologies Ltd.	**($33,998)**	**($10,456)**	**($302,321)**	**($91,151)**
Adjusted to exclude the following:				
Share-based compensation	18,682	4,811	241,689	67,785
Fair value adjustment to warrant liability	(1,680)	1,542	(11,088)	53,019
Other than temporary impairment loss on certain investments	8,836	-	8,836	-
Impairment of goodwill and other intangible assets	3,209	-	3,209	-
Non-recurring expenses	1,268	4,483	27,011	7,606
Adjusted Net Income (Loss)	**($3,683)**	**$380**	**($32,664)**	**$37,259**
Adjusted to exclude the following:				
Interest expenses	1,716	-	5,136	-
Income tax expense	(9,204)	(3,542)	16,400	7,875
Depreciation and amortization	2,217	326	6,294	815
Adjusted EBITDA	**($8,954)**	**($2,836)**	**($4,834)**	**$45,949**

Footnotes

(1.) Funding consists of ABS issuance, gross fund subscriptions, warehousing facilities, and risk retention financing.

(2.) Total addressable market includes total Personal Loan, Auto, Credit Card, POS, and Single Family Rental market sizes.

Source(s): Trailing 12 month originations, *TransUnion*; 2021 Receivables, *Nilson Report*; POS, direct-merchant, and Pay In 4 financing market studies,

McKinsey & Co.

(3.) Personal Loan, Auto, and Point of Sale application volume evaluated since 2018.

(4.) Average issued Personal Loan, POS, and Auto volume growth generated by our Partners with active programs >12 months as of Dec. 31, 2022. For Partners with multiple active channels over 12 months, these channels were combined.

(5.) Newly on-boarded Partners with initial network volume launched on the Pagaya platform in 2022 and new channels in 2022.

(6.) Fee revenue less production costs is a non-GAAP measure determined by Revenue from Fees less Production Costs.

(7.) Operating expenses exclude stock-based compensation expense. Certain amounts included for the three months ended December 31, 2021 in Production costs have been reclassified to be included in in General and Administrative Operating expenses in order to conform to the presentation for the 2022 periods and year ended December 31, 2021. Operating expense ratio is presented as operating expenses exclusive of stock-based compensation expense to total revenue and other income.