

FINANCIAL SUPPLEMENT

2019 First Quarter

APRIL 25, 2019

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Revenue Metrics (Non-GAAP)

| \$ thousands | 2017 | 2018 | | | | 2019 | |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| INVESTMENT BANKING | | | | | | | |
| Investment banking revenue | \$223,614 | \$93,924 | \$80,042 | \$77,510 | \$77,586 | \$329,062 | \$82,991 |
| Advisory | | | | | | | |
| Revenue | \$41,835 | \$14,360 | \$14,498 | \$22,195 | \$30,680 | \$81,733 | \$28,414 |
| Total transactions | 16 | 5 | 10 | 6 | 9 | 30 | 9 |
| Average fee (implied) | \$2,613 | \$2,880 | \$1,450 | \$3,700 | \$3,411 | \$2,723 | \$3,156 |
| Median fee | \$1,600 | \$2,300 | \$1,325 | \$2,094 | \$2,300 | \$1,800 | \$734 |
| Transaction value | \$15,609 | \$1,078 | \$2,984 | \$1,712 | \$5,115 | \$10,889 | \$6,423 |
| Capital Markets | | | | | | | |
| Revenue | \$181,780 | \$79,564 | \$65,544 | \$55,315 | \$46,906 | \$247,329 | \$54,577 |
| Total transactions | 105 | 37 | 31 | 31 | 22 | 121 | 30 |
| Of which bookrun | 66 | 28 | 22 | 19 | 13 | 82 | 21 |
| Average fee (implied) | \$1,731 | \$2,151 | \$2,113 | \$1,784 | \$2,132 | \$2,044 | \$1,820 |
| Median fee | \$1,200 | \$1,672 | \$1,625 | \$1,178 | \$1,600 | \$1,600 | \$1,344 |
| MARKETS | | | | | | | |
| Brokerage revenue* | \$312,780 | \$114,071 | \$113,186 | \$101,672 | \$123,371 | \$452,300 | \$105,157 |
| Institutional brokerage | \$241,160 | \$82,248 | \$83,255 | \$73,659 | \$88,412 | \$327,574 | \$76,450 |
| Institutional services | \$71,620 | \$31,823 | \$29,931 | \$28,013 | \$34,959 | \$124,726 | \$28,707 |
| Brokerage revenue per trading day | \$1,246 | \$1,870 | \$1,769 | \$1,614 | \$1,959 | \$1,802 | \$1,725 |
| # Trading days | 251 | 61 | 64 | 63 | 63 | 251 | 61 |
| # Publishing analysts** | 55 | 54 | 54 | 53 | 51 | 51 | 52 |
| INVESTMENT MANAGEMENT | | | | | | | |
| Management fee | \$52,239 | \$12,355 | \$11,758 | \$11,582 | \$10,323 | \$46,017 | \$9,633 |
| Monthly run rate (trailing 3 months) | \$4,350 | \$4,100 | \$3,933 | \$3,867 | \$3,433 | \$3,833 | \$3,200 |
| Incentive income | \$26,028 | \$5,197 | \$9,363 | \$6,910 | \$2,277 | \$23,747 | \$16,747 |
| INVESTED CAPITAL | | | | | | | |
| Investment income | \$45,142 | \$14,301 | \$19,954 | \$27,672 | \$(5,582) | \$56,346 | \$16,984 |
| Invested capital breakdown: | | | | | | | |
| Marketable securities | \$315,557 | \$249,500 | \$252,562 | \$286,935 | \$284,415 | \$284,415 | \$161,344 |
| Private securities | \$184,803 | \$190,653 | \$182,509 | \$201,933 | \$202,268 | \$202,268 | \$192,341 |
| Regulatory capital | \$183,956 | \$245,578 | \$282,130 | \$288,753 | \$300,039 | \$300,039 | \$281,115 |
| Total invested capital | \$684,317 | \$685,731 | \$717,201 | \$777,621 | \$786,722 | \$786,722 | \$634,800 |
| TOTAL REVENUE*** | \$666,182 | \$241,507 | \$234,310 | \$226,233 | \$207,412 | \$909,460 | \$233,469 |

* Brokerage revenue does not include financing revenue, which is included in investment income. "Institutional Brokerage" revenue includes: cash equities, electronic trading, options, ADR, special situations and credit; "Institutional Services" revenue includes: prime services, global clearing, securities finance, soft dollar and commission recapture

** Includes equity, credit and macro publishing analysts

*** Total revenue does not equal the sum of the items above because includes management fees associated with the broker dealer and other income

Summary Operating and Other Financial Information (Non-GAAP)

| | 2017 | 2018 | | | | 2019 | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| SUMMARY ECONOMIC INCOME DATA (\$ thousands) | | | | | | | |
| Economic income revenue | \$666,182 | \$241,507 | \$234,310 | \$226,233 | \$207,412 | \$909,460 | \$233,469 |
| Economic income (loss) attributable to Cowen Inc. | \$15,836 | \$24,058 | \$21,741 | \$22,683 | \$7,652 | \$76,134 | \$16,972 |
| Economic income (loss) attributable to common stockholders | \$9,044 | \$22,360 | \$20,043 | \$20,985 | \$5,954 | \$69,342 | \$15,274 |
| Economic operating income (loss) attributable to Cowen stockholders | \$20,601 | \$25,346 | \$23,002 | \$23,894 | \$8,683 | \$80,925 | \$20,230 |
| RETURN ON AVERAGE COMMON EQUITY | | | | | | | |
| Annualized return on average common equity* | 3.1% | 15.6% | 13.6% | 13.7% | 5.0% | 12.1% | 11.5% |
| PER COMMON SHARE INFORMATION | | | | | | | |
| Economic income per common share (basic) | \$0.31 | \$0.75 | \$0.67 | \$0.71 | \$0.20 | \$2.35 | \$0.51 |
| Economic Income per common share (diluted) | \$0.31 | \$0.73 | \$0.65 | \$0.68 | \$0.19 | \$2.26 | \$0.48 |
| Economic operating income per common share (basic) | \$0.70 | \$0.86 | \$0.77 | \$0.81 | \$0.30 | \$2.74 | \$0.68 |
| Economic operating income per common share (diluted) | \$0.70 | \$0.83 | \$0.75 | \$0.77 | \$0.28 | \$2.63 | \$0.64 |
| NON-INTEREST EXPENSES (EX. D&A) | | | | | | | |
| Compensation expenses | \$387,957 | \$134,128 | \$131,305 | \$126,715 | \$114,132 | \$506,280 | \$129,679 |
| Non-compensation expenses | \$227,906 | \$72,663 | \$72,103 | \$65,802 | \$74,895 | \$285,465 | \$72,879 |
| Fixed non-compensation expenses (ex. D&A) | \$122,120 | \$34,676 | \$34,865 | \$35,070 | \$37,205 | \$141,816 | \$35,205 |
| Variable non-compensation expenses | \$105,786 | \$37,987 | \$37,238 | \$30,732 | \$37,690 | \$143,649 | \$37,674 |
| DEPRECIATION & AMORTIZATION | | | | | | | |
| Depreciation | \$5,473 | \$1,583 | \$1,662 | \$1,653 | \$1,674 | \$6,572 | \$1,674 |
| Amortization | \$6,085 | \$1,404 | \$1,297 | \$1,255 | \$1,055 | \$5,011 | \$3,282 |
| EXPENSE RATIOS | | | | | | | |
| Compensation to revenue ratio | 56% | 56% | 56% | 56% | 55% | 56% | 56% |
| Non-compensation expenses to revenue ratio | 34% | 30% | 31% | 29% | 36% | 31% | 31% |
| Fixed non-compensation expense to revenue ratio (ex. D&A) | 18% | 14% | 15% | 16% | 18% | 16% | 15% |
| Variable non-compensation expense to revenue ratio | 16% | 16% | 16% | 14% | 18% | 16% | 16% |

* See "Return on Common Equity (ROCE) Definition" page

Summary Operating and Other Financial Information (Non-GAAP)

| | 2017 | 2018 | | | | 2019 | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 |
| SELECT BALANCE SHEET DATA | | | | | | | |
| Cowen Inc. stockholders' equity | \$748,019 | \$758,800 | \$793,200 | \$808,200 | \$794,407 | \$794,407 | \$814,782 |
| Common equity | \$646,703 | \$657,500 | \$691,900 | \$706,900 | \$693,091 | \$693,091 | \$713,466 |
| Book value per share | \$21.82 | \$22.27 | \$23.37 | \$24.26 | \$24.37 | \$24.37 | \$24.12 |
| SUMMARY STOCKHOLDERS' EQUITY INFORMATION | | | | | | | |
| Stockholders' Equity | \$748,019 | \$758,800 | \$793,200 | \$808,200 | \$794,407 | \$794,407 | \$814,782 |
| Less: | | | | | | | |
| Preferred Stock | \$101,316 | \$101,316 | \$101,316 | \$101,316 | \$101,316 | \$101,316 | \$101,316 |
| Common Equity | \$646,703 | \$657,500 | \$691,900 | \$706,900 | \$693,091 | \$693,091 | \$713,466 |
| OTHER DATA | | | | | | | |
| Common shares outstanding (end of period) | 29,600 | 29,517 | 29,609 | 29,143 | 28,438 | 28,400 | 29,581 |
| Common shares outstanding (average) | | | | | | | |
| Basic | 29,492 | 29,625 | 29,769 | 29,610 | 29,194 | 29,545 | 29,750 |
| Diluted | 29,492 | 30,492 | 30,720 | 30,844 | 30,955 | 30,735 | 31,625 |
| Employees, end of period | 1,129 | 1,097 | 1,105 | 1,131 | 1,134 | 1,134 | 1,223 |

Return on Common Equity (ROCE) Definition

RETURN ON COMMON EQUITY:

$$\text{Return on Common Equity} = \frac{\text{Economic Operating Income Attributable to Common Stockholders}}{\text{Average Common Equity}}$$

where:

$$\text{Economic Operating Income Attributable to Common Stockholders} = \text{Economic Income Attributable to Cowen Inc.} - \text{Preferred Dividends} + \text{Depreciation \& Amortization}$$

$$\text{Average Common Equity} = \frac{\text{Common Equity (Beginning of Period)} + \text{Common Equity (End of Period)}}{2}$$

Reconciliation of US GAAP and Economic Income (Unaudited)

| | Three Months Ended March 31, 2019 | | | |
|---|-----------------------------------|--------------------------|----------------------------|---------------------------|
| | US GAAP Net Income (Loss) | Adjustments | | Economic Income (Loss) |
| | | Other Adjustments (1) | Funds Consolidation (2) | |
| Revenue | | | | |
| Investment banking | \$ 80,106 | \$ 2,885 (a) | \$ — | \$ 82,991 |
| Brokerage | 97,463 | 7,694 (b) | — | 105,157 |
| Management fees | 7,141 | 2,789 (c) | 501 | 10,431 |
| Incentive income | 15 | 16,188 (c)(a) | 544 | 16,747 |
| Investment income | — | 16,984 (d)(e) | — | 16,984 |
| Interest and dividends | 29,092 | (29,092) (d) | — | — |
| Reimbursement from affiliates | 288 | (322) (f) | 34 | — |
| Reinsurance premiums | 6,591 | (6,591) (g) | — | — |
| Other revenues | 1,061 | 98 (g) | — | 1,159 |
| <i>Consolidated Funds</i> | 2,340 | — | (2,340) | — |
| Total revenue | 224,097 | 10,633 | (1,261) | 233,469 |
| Interest expense | 29,084 | (22,520) (d) | — | 6,564 |
| Total net revenues | 195,013 | 33,153 | (1,261) | 226,905 |
| Expenses | | | | |
| Non interest expense | 219,307 | (12,122) (d)(h)(i) | — | 207,185 |
| Consolidated Funds expenses | 1,482 | — | (1,482) | — |
| Total expenses | 220,789 | (12,122) | (1,482) | 207,185 |
| Total other income (loss) | 40,942 | (40,321) | (621) | — |
| Income taxes expense / (benefit) | 3,177 | (3,177) (d)(k) | — | — |
| Income (loss) attributable to redeemable non-controlling interests in consolidated subsidiaries and investment funds | 2,206 | 942 | (400) | 2,748 |
| Income (loss) attributable to Cowen Inc. | \$ 9,783 | \$ 7,189 | \$ — | \$ 16,972 |
| Less: Preferred stock dividends | | | | 1,698 |
| Income (Loss) attributable to Cowen Inc. common stockholders | | | | \$ 15,274 |
| Add: Depreciation and Amortization | | | | 4,956 |
| Economic Operating Income (Loss) attributable to Cowen Inc. common stockholders | | | | 20,230 |

Note: Refer to End Notes, Definition of GAAP to Non-GAAP Measures and Legal Notice at the end of the Financial Supplement

Reconciliation of US GAAP and Economic Income (Unaudited)

| | Three Months Ended March 31, 2018 | | | |
|---|-----------------------------------|------------------------|-------------------|------------------|
| | US GAAP | Adjustments | | Economic |
| | Net Income (Loss) | Other | Funds | Income (Loss) |
| | | Adjustments (1) | Consolidation (2) | |
| Revenue | | | | |
| Investment banking | \$ 97,988 | \$ (4,064) (a) | \$ — | \$ 93,924 |
| Brokerage | 105,733 | 8,338 (b) | — | 114,071 |
| Management fees | 7,417 | 4,506 (c) | 1,203 | 13,126 |
| Incentive income | 16 | 5,172 (c)(a) | 9 | 5,197 |
| Investment income | — | 14,301 (d)(e) | — | 14,301 |
| Interest and dividends | 25,954 | (25,954) (d) | — | — |
| Reimbursement from affiliates | 377 | (445) (f) | 68 | — |
| Aircraft lease revenue | 715 | (715) (e) | — | — |
| Reinsurance premiums | 8,647 | (8,647) (g) | — | — |
| Other revenues | 1,336 | (448) (g) | — | 888 |
| Consolidated Funds | 3,201 | — | (3,201) | — |
| Total revenue | 251,384 | (7,956) | (1,921) | 241,507 |
| Interest expense | 24,540 | (18,582) (d) | — | 5,958 |
| Total net revenues | 226,844 | 10,626 | (1,921) | 235,549 |
| Expenses | | | | |
| Non interest expense | 223,315 | (13,982) (d)(h)(i) | — | 209,333 |
| Consolidated Funds expenses | 2,431 | — | (2,431) | — |
| Total expenses | 225,746 | (13,982) | (2,431) | 209,333 |
| Total other income (loss) | 33,834 | (23,787) (d)(k) | (10,047) | — |
| Income taxes expense / (benefit) | 6,923 | (6,923) (h) | — | — |
| Income (loss) attributable to redeemable non-controlling interests in consolidated subsidiaries and investment funds | 11,156 | 539 | (9,537) | 2,158 |
| Income (loss) attributable to Cowen Inc. | \$ 16,853 | \$ 7,205 | \$ — | \$ 24,058 |
| Less: Preferred stock dividends | | | | 1,698 |
| Income (Loss) attributable to Cowen Inc. common stockholders | | | | \$ 22,360 |
| Add: Depreciation and Amortization | | | | 2,986 |
| Economic Operating Income (Loss) attributable to Cowen Inc. common stockholders | | | | 25,346 |

Note: Refer to End Notes, Definition of GAAP to Non-GAAP Measures and Legal Notice at the end of the Financial Supplement

Definition of US GAAP to Non-GAAP Financial Measures

In addition to the results presented in the Company's earnings press release in accordance with accounting principles generally accepted in United States of America ("US GAAP"), the Company presents financial measures that are non-GAAP measures, such as Economic Income (Loss) and Economic Income (Loss) excluding certain non-cash items. The Company believes that these non-GAAP measures, viewed in addition to, and not in lieu of, the Company's reported US GAAP results, provide useful information to investors regarding its performance and overall results of operations. These metrics are an integral part of the Company's internal reporting to measure the performance of its businesses and the overall effectiveness of senior management. Reconciliations to comparable US GAAP measures are available in the schedules included in this financial supplement. The non-GAAP measures presented herein may not be comparable to similarly titled measures presented by other public companies, and are not identical to corresponding measures used in our various agreements or public filings.

Economic Income (Loss)

Economic Income (Loss) may not be comparable to similarly titled measures used by other public companies. Cowen uses Economic Income (Loss) as a measure of its operating performance, not as a measure of liquidity. Economic Income (Loss) should not be considered in isolation or as a substitute for operating income, net income, operating cash flows, investing and financing activities, or other income or cash flow statement data prepared in accordance with US GAAP. As a result of the adjustments made to arrive at Economic Income (Loss) described below, Economic Income (Loss) has limitations in that it does not take into account certain items included or excluded under US GAAP, including its consolidated funds. Economic Income (Loss) is considered by management as a supplemental measure to the US GAAP results to provide a more complete understanding of its performance as management measures it.

In general, Economic Income (Loss) is a pre-tax measure that:

Eliminates

- (i) the impact of consolidation for consolidated funds and

Excludes

- (ii) goodwill and intangible impairment
- (iii) certain other transaction-related adjustments and/or reorganization expenses
- (iv) certain costs associated with debt and
- (v) preferred stock dividends

Economic Operating Income (Loss) is a similar measure but before depreciation and amortization expenses.

In addition, Economic Income (Loss) revenues *include*:

- Investment income that represents the income the Company has earned in investing its own capital, including realized and unrealized gains and losses, interest and dividends, net of associated investment related expenses
 - For US GAAP purposes, these items are included in each of their respective line items
- Management fees, incentive income and investment income earned through the Company's investment as a general partner in certain real estate entities and the Company's investment in the activist business and certain funds
 - For US GAAP purposes, all of these items, are recorded in other income (loss)
- Economic Income (Loss) presents underwriting expenses net of investment banking revenues, expenses reimbursed from clients within their respective expense category and records income from uncrystallized incentive fees. Economic Income (Loss) also records retainer fees, relating to investment banking activities, collectible during the period that would otherwise be deferred until closing for US GAAP reporting.

In addition, Economic Income (Loss) expenses are reduced by reimbursement from affiliates, which for US GAAP purposes is presented gross as part of revenue.

For a more complete description of Economic Income (Loss) and a reconciliation of US GAAP net income (loss) to Economic Income (Loss) for the periods presented and additional information regarding the reconciling adjustments, please see the End Notes in the Financial Supplement.

End Notes

The following is a summary of the adjustments made to US GAAP net income (loss) to arrive at Economic Income:

- (1) Other adjustments include reclassifications between other income (loss), redeemable non-controlling interests and interest and non-interest expenses based on the nature of the respective line item
- (2) Fund consolidation reflects the impact of consolidation. The related elimination entries of the Consolidated Funds are not included in Economic Income. Adjustments include elimination of incentive income and management fees earned from the Consolidated Funds.

Other Adjustments:

- (a) Economic Income (Loss) presents underwriting expenses net of investment banking revenues, expenses reimbursed from clients within their respective expense category and records income from uncrystallized incentive fees. Economic Income (Loss) also records retainer fees, relating to investment banking activities, collectible during the period that would otherwise be deferred until closing for US GAAP reporting.
- (b) Economic Income (Loss) brokerage revenues included net securities borrowed and securities loaned activities.
- (c) Economic Income (Loss) recognizes revenues (i) net of distribution fees paid to agents and (ii) our proportionate share of management and incentive fees of certain real estate operating entities, the healthcare royalty business and the activist business.
- (d) Economic Income (Loss) recognizes Company income from proprietary trading (including interest and dividends).
- (e) Aircraft lease revenue is shown net of expenses in investment income for Economic Income (Loss).
- (f) Reimbursement from affiliates is shown as a reduction of Economic Income expenses, but is included as a part of revenues under US GAAP.
- (g) Economic Income (Loss) recognizes underwriting income from the Company's insurance related activities, net of expenses, within other revenue.
- (h) Economic Income (Loss) excludes income taxes and acquisition related adjustments as management does not consider these items when evaluating the performance of the segment.
- (i) Economic Income (Loss) recognizes the Company's proportionate share of expenses, for certain real estate operating entities and the activist business, for which the investments are recorded under the equity method of accounting for investments.
- (j) Economic Income (Loss) excludes gain/(loss) on debt extinguishment.
- (k) Economic Income (Loss) excludes the bargain purchase gain which resulted from the Convergenx Group acquisition.