

FINANCIAL SUPPLEMENT

First Quarter 2022

April 29, 2022

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1. COWEN INC.

Revenue Metrics (Non-GAAP Unaudited) - Cowen Inc.

\$ thousands	2019	2020	2021				2022	
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
INVESTMENT BANKING REVENUE	\$351,085	\$729,180	\$293,488	\$214,427	\$262,618	\$255,155	\$1,025,688	\$98,697
Advisory Revenue	\$132,188	\$289,046	\$132,848	\$128,360	\$175,744	\$165,288	\$602,240	\$74,917
M&A								
Revenue	\$83,152	\$170,901	\$55,655	\$85,009	\$103,326	\$89,733	\$333,723	\$42,730
Total transactions	48	48	10	29	25	31	95	11
Average fee (implied)	1,732	3,560	\$5,566	\$2,931	\$4,133	\$2,895	3,513	\$3,885
Median fee	\$1,008	\$1,723	\$1,580	\$1,050	\$1,730	\$2,100	\$1,541	\$2,700
Transaction value (in M)	\$10,443	\$37,508	\$11,866	\$21,029	\$10,395	\$5,585	\$48,875	\$3,534
Capital Markets Advisory ¹								
Revenue	\$49,036	\$118,145	\$77,193	\$43,351	\$72,418	\$75,555	\$268,517	\$32,187
Total transactions	27	37	15	18	31	17	81	15
Average fee (implied)	\$1,816	\$3,193	\$5,146	\$2,408	\$2,336	\$4,444	\$3,315	\$2,146
Median fee	\$900	\$2,225	\$2,450	\$1,310	\$1,500	\$1,500	\$1,880	\$600
Underwriting Revenue ²								
Revenue	\$218,897	\$440,135	\$160,640	\$86,067	\$86,874	\$89,867	\$423,448	\$23,780
Total transactions	114	166	63	40	46	44	193	7
Average fee (implied)	\$1,920	\$2,651	\$2,550	\$2,152	\$1,889	\$2,042	\$2,194	\$3,397
Median fee	\$1,477	\$2,007	\$1,825	\$1,740	\$1,457	\$1,289	\$1,825	\$1,425
BROKERAGE REVENUE	\$459,143	\$652,647	\$221,848	\$175,845	\$160,486	\$170,347	\$728,525	\$197,794
Institutional brokerage ³	\$323,965	\$462,682	\$156,157	\$119,783	\$112,944	\$124,026	\$512,910	\$143,213
Institutional services	\$135,178	\$189,965	\$65,691	\$56,062	\$47,542	\$46,321	\$215,615	\$54,581
Prime Services Management Fees ⁴	\$2,996	\$3,067	\$782	\$923	\$941	\$926	\$3,572	\$996
Miscellaneous Markets Fees ⁴	\$3,414	\$1,620	(\$631)	\$627	\$13	\$2,098	\$2,108	(\$305)
Total Markets Revenue ⁴	\$465,553	\$657,334	\$221,999	\$177,395	\$161,440	\$173,371	\$734,205	\$198,485
Markets revenue per trading day	\$1,847	\$2,598	\$3,639	\$2,816	\$2,523	\$2,709	\$2,914	\$3,201
# Trading days	252	253	61	63	64	64	252	62
# Publishing analysts ⁵	52	53	51	51	55	59	59	61
MANAGEMENT FEE	\$42,297	\$59,100	\$27,200	\$18,124	\$15,034	\$20,096	\$80,455	\$20,706
Monthly run rate for period	\$3,525	\$4,925	\$9,067	\$6,041	\$5,011	\$6,699	\$6,705	\$6,902
INCENTIVE INCOME	\$45,732	\$85,362	\$108,711	(\$31,052)	(\$57,735)	\$13,502	\$33,426	(\$13,012)
INVESTMENT INCOME	\$35,726	\$29,223	\$35,008	\$5,478	\$(20,027)	\$(5,903)	\$14,556	\$23,633
OTHER REVENUE	\$5,843	\$782	\$1,163	\$7,307	\$(1,321)	\$791	\$7,940	\$3,820
TOTAL REVENUE⁶	\$939,827	\$1,556,294	\$687,418	\$390,129	\$359,055	\$453,988	\$1,890,590	\$331,638

1) "Capital Markets Advisory" includes private placements, PIPEs, private debt financings, debt advisory and other advisory fees

2) "Capital Markets Underwriting" includes IPOs, secondary offerings, convertible bonds, ATM offerings and publicly rated debt

3) "Institutional Brokerage" includes: cash and electronic trading, options, ADR, special situations and credit; "Institutional Services" includes: prime services, clearing, securities finance, commission management and recapture.

4) "Markets Revenue" includes brokerage revenue as well as management fees for prime services and miscellaneous fees presented in management fees and other revenue in economic income (loss) respectively

5) Includes equity, credit and macro publishing analysts

6) Total revenue is the sum of investment banking, brokerage, management fee, incentive income, investment income and other revenue

Summary Operating and Other Financial Information (Non-GAAP Unaudited) - Cowen Inc.

	2019	2020	2021				2022	
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
SUMMARY ECONOMIC INCOME DATA (\$ thousands)								
Economic proceeds	\$939,827	\$1,556,291	\$687,418	\$390,129	\$359,055	\$453,988	\$1,890,590	\$331,638
Pre-tax economic income (loss) ¹	\$50,490	\$320,038	\$196,831	\$67,202	\$55,272	\$108,908	\$428,214	\$52,193
Economic income tax expense	\$0	\$0	\$52,751	\$18,010	\$13,855	\$24,579	\$109,194	\$13,048
Economic income (loss) ²	\$43,698	\$313,245	\$142,382	\$47,494	\$39,719	\$82,631	\$312,228	\$37,447
Economic operating income (loss) ²	\$64,137	\$335,922	\$145,568	\$50,836	\$43,272	\$86,708	\$326,386	\$42,837
RETURN ON AVERAGE COMMON EQUITY								
Annualized return on average common equity ³	9.0 %	43.4 %	62.2 %	21.7 %	17.5 %	34.7 %	34.6 %	16.7 %
PER COMMON SHARE INFORMATION								
Economic income per share (basic)	\$1.48	\$11.54	\$5.20	\$1.77	\$1.38	\$2.98	\$11.16	\$1.32
Economic Income per share (diluted)	\$1.40	\$10.86	\$4.24	\$1.40	\$1.21	\$2.64	\$9.57	\$1.18
Economic operating income per share (basic)	\$2.17	\$12.35	\$5.32	\$1.89	\$1.50	\$3.13	\$11.66	\$1.51
Economic operating income per share (diluted)	\$2.05	\$11.63	\$4.34	\$1.50	\$1.32	\$2.77	\$10.00	\$1.35
NON-INTEREST EXPENSES (EX. D&A)								
Compensation expenses	\$537,535	\$864,520	\$388,397	\$220,413	\$202,888	\$238,904	\$1,050,601	\$187,375
Non-compensation expenses	\$298,540	\$312,523	\$89,336	\$87,866	\$88,394	\$94,168	\$359,764	\$93,798
Fixed non-compensation expenses (ex. D&A) ⁴	\$142,864	\$141,994	\$35,623	\$40,376	\$40,344	\$43,873	\$160,215	\$40,874
Variable non-compensation expenses ⁴	\$155,674	\$170,529	\$53,713	\$47,490	\$48,050	\$50,295	\$199,549	\$52,924
Floor brokerage & trade execution expenses	\$102,337	\$138,534	\$45,480	\$38,695	\$33,476	\$35,641	\$153,292	\$40,454
Client services & business development expenses	\$41,305	\$15,435	\$2,694	\$3,404	\$5,227	\$7,184	\$18,508	\$5,612
Other variable non-compensation expenses	\$12,032	\$16,561	\$5,539	\$5,391	\$9,347	\$7,470	\$27,749	\$6,858
DEPRECIATION & AMORTIZATION								
Depreciation	\$7,310	\$10,454	\$2,565	\$2,671	\$2,870	\$2,917	\$11,023	\$2,935
Amortization	\$13,122	\$12,223	\$1,789	\$1,894	\$1,926	\$2,372	\$7,981	\$4,250
EXPENSE RATIOS								
Compensation to revenue ratio	57.2 %	55.6 %	56.5 %	56.5 %	56.5 %	52.6 %	55.6 %	56.5 %
Non-compensation expenses to revenue ratio	31.8 %	20.1 %	13.0 %	22.5 %	24.6 %	20.7 %	19.0 %	28.3 %
Fixed non-compensation expense to revenue ratio (ex. D&A)	15.2 %	9.1 %	5.2 %	10.3 %	11.2 %	9.7 %	8.5 %	12.3 %
Variable non-compensation expense to revenue ratio	16.6 %	11.0 %	7.8 %	12.2 %	13.4 %	11.1 %	10.6 %	16.0 %

1) Pre-tax economic income (loss) excludes preferred dividend payments

2) Economic Income (Loss) is calculated net of associated taxes. The Company utilized all available federal net operating losses not subject to limitation by the end of FY2020.

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

4) Starting in Q321, a portion of our legal fees which are directly associated with revenues are now being presented as variable non-compensation expenses rather than fixed non-compensation expenses. As a result, variable expenses increased from what was previously reported by \$6.0 million, \$4.6 million and \$3.8 million for the nine months ended September 30, 2021, FY2020 and FY2019, respectively, while fixed non-compensation expenses were reduced by the same amounts.

Summary Operating and Other Financial Information (Non-GAAP Unaudited) - Cowen Inc.

	2019	2020	2021				2022	
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
INVESTED CAPITAL BREAKDOWN¹								
Operating Co ²	\$530,739	\$689,648	\$800,026	\$831,569	\$677,578	\$734,705	\$760,970	\$705,494
Asset Co	\$155,849	\$127,462	\$128,501	\$126,189	\$120,187	\$121,249	\$124,032	\$119,576
Total invested capital	\$686,588	\$817,110	\$928,527	\$957,758	\$797,765	\$855,954	\$855,954	\$825,070
SUMMARY STOCKHOLDERS' EQUITY INFORMATION								
Stockholders' Equity	\$809,855	\$969,495	\$1,106,865	\$1,097,344	\$1,083,127	\$1,015,869	\$1,015,869	\$1,035,148
Less:								
Preferred Stock	\$101,316	\$101,316	\$101,316	\$101,316	\$101,316	\$0	\$0	\$0
Common Equity	\$708,539	\$868,179	\$1,005,549	\$996,028	\$981,811	\$1,015,869	\$1,015,869	\$1,035,148
Book value per share	\$24.77	\$32.34	\$37.45	\$34.35	\$35.40	\$36.57	\$36.57	\$37.49
Tangible book value per per share	\$18.72	\$25.95	\$30.92	\$28.35	\$29.17	\$26.56	\$26.56	\$27.54
OTHER DATA								
Common shares outstanding (end of period)	28,610	26,846	26,852	28,996	27,735	27,779	27,779	27,615
Common shares outstanding (weighted average)								
Basic	29,525	27,790	27,359	26,903	28,864	27,731	27,721	28,386
Diluted	31,286	29,519	33,565	33,858	32,724	31,355	32,628	31,710
Employees, end of period	1,291	1,362	1,406	1,449	1,500	1,534	1,534	1,559
LTM revenues per average employees (thousands)	\$ 780	\$ 1,173	\$ 1,496	\$ 1,360	\$ 1,378	\$ 1,306	\$ 1,308	\$ 1,035

1) Full year invested capital is the quarterly average for the respective period

2) Starting in 3Q21, excess operating cash has been removed from Operating Co. Invested Capital

Reconciliation of US GAAP and Economic Income (Non-GAAP Unaudited) Three Months Ending March 31, 2022

(Dollars amounts in thousands)

	US GAAP		Reclassifications and Adjustments				Economic Income		
	Net income (loss)	Management Reclassifications		Fund Consolidation Reclassifications (l)	Income Statement Adjustments	Total Economic Income/ (Loss)	Operating Company	Asset Company	
Revenues									
Investment banking	\$ 101,542	\$ (2,845)	(a) (b)	\$ —	\$ —	\$ 98,697	\$ 98,697	\$ —	
Brokerage	168,738	29,056	(c)(d)(i)	—	—	197,794	197,856	(62)	
Management fees	16,769	3,885	(d)(e)(f)	52	—	20,706	20,440	266	
Incentive income (loss)	633	(13,645)	(d)(e)(f)	—	—	(13,012)	(12,797)	(215)	
Investment income (loss)	68,087	(43,140)	(g)(i)	(1,314)	—	23,633	22,226	1,407	
Interest and dividends	46,335	(46,335)	(c)(g)(i)	—	—	—	—	—	
Insurance and reinsurance premiums	11,321	(11,321)	(h)	—	—	—	—	—	
Other revenues, net	(949)	4,769	(d)(g)(h)	—	—	3,820	3,819	1	
Consolidated Funds revenues	(1,884)	—		1,884	—	—	—	—	
Total revenues	410,592	(79,576)		622	—	331,638	330,241	1,397	
Interest expense (Economic Income/(Loss)) / Interest and dividend expense (US GAAP)	46,524	(56,375)	(c)(g)(i)	—	(75) (m)(p)	(9,926)	(8,509)	(1,417)	
Total net revenues	364,068	(23,201)		622	75	341,564	338,750	2,814	
Expenses									
Compensation & benefits	187,178	197	(j)(k)	—	—	187,375	186,424	951	
Fixed non-compensation expense	—	40,954	(e)(*)	—	(80) (n)	40,874	40,875	(1)	
Variable non-compensation expense	—	52,924	(*)	—	—	52,924	52,917	7	
Other non-compensation expense	108,144	(103,011)	(a)(b)(d)(g) (h)(j)(*)	—	(5,133) (n)	—	—	—	
Depreciation & amortization	7,185	—		—	—	7,185	7,179	6	
Non-controlling interest	—	1,013	(k)	—	—	1,013	1,013	—	
Consolidated Funds expenses	105	—		(105)	—	—	—	—	
Total expenses	302,612	(7,923)		(105)	(5,213)	289,371	288,408	963	
Other income (loss)	5,580	(5,580)	(e)(f)(g)(i)	—	—	—	—	—	
Income (loss) before income taxes/ Pre-tax Economic Income (loss)	67,036	(20,858)		727	5,288	52,193	50,342	1,851	
Income taxes expense / (benefit)	11,889	—		—	1,159 (o)	13,048	12,585	463	
Income (loss) attributable to non-controlling interests in consolidated subsidiaries and investment funds	20,131	(20,858)	(k)	727	—	—	—	—	
Income (loss) attributable to Cowen Inc.	35,016	—		—	4,129	39,145	37,757	1,388	
Less: Preferred stock dividends	1,698	—		—	—	1,698	1,460	238	
Income (loss) attributable to Cowen Inc. common stockholders/ Economic Income (Loss)	\$ 33,318	\$ —		\$ —	\$ 4,129	\$ 37,447	36,297	1,150	
Add back: Depreciation and amortization expense	—	—		—	—	5,390	5,385	5	
Economic Operating Income (Loss)						\$ 42,837	\$ 41,682	\$ 1,155	

Reconciliation of US GAAP and Economic Income (Non-GAAP Unaudited) Three Months Ended March 31, 2021

(Dollars amounts in thousands)

	US GAAP		Reclassifications and Adjustments		Economic Income		
	Net income (loss)	Management Reclassifications	Fund Consolidation Reclassifications (l)	Income Statement Adjustments	Total Economic Income/(Loss)	Operating Company	Asset Company
Revenues							
Investment banking	\$ 304,834	\$ (11,346) (a)(b)(i)	\$ —	\$ —	\$ 293,488	\$ 293,488	\$ —
Brokerage	173,737	48,111 (c)(i)	—	—	221,848	221,848	—
Management fees	25,742	(594) (d)(e)	2,052	—	27,200	26,884	316
Incentive income (loss)	2,258	106,356 (e)(f)	97	—	108,711	109,925	(1,214)
Investment income (loss)	176,137	(138,462) (g)(i)	(2,667)	—	35,008	31,918	3,090
Interest and dividends	59,388	(59,388) (c)(g)(i)	—	—	—	—	—
Insurance and reinsurance premiums	7,117	(7,117) (h)	—	—	—	—	—
Other revenues, net	1,660	(497) (d)(g)(h)	—	—	1,163	1,164	(1)
Consolidated Funds revenues	(3,347)	—	3,347	—	—	—	—
Total revenues	747,526	(62,937)	2,829	—	687,418	685,227	2,191
Interest expense (Economic Income/(Loss)) / Interest and dividend expense (US GAAP)	57,641	(49,832) (c)(g)(i)	—	(776) (m)	7,033	5,943	1,090
Total net revenues	689,885	(13,105)	2,829	776	680,385	679,284	1,101
Expenses							
Compensation & benefits	388,196	201 (j)(k)	—	—	388,397	385,578	2,819
Fixed non-compensation expense	—	35,861 (e)(*)	—	(238) (n)	35,623	35,707	(84)
Variable non-compensation expense	—	53,713 (*)	—	—	53,713	53,708	5
Other non-compensation expense	102,532	(109,330) (a)(b)(d)(g)(h)(j)(*)	—	6,798 (n)	—	—	—
Depreciation & amortization	4,354	—	—	—	4,354	4,349	5
Non-controlling interest	—	1,467 (k)	—	—	1,467	1,467	—
Consolidated Funds expenses	271	—	(271)	—	—	—	—
Total expenses	495,353	(18,088)	(271)	6,560	483,554	480,809	2,745
Other income (loss)	11,962	(12,645) (e)(f)(g)(i)	—	683	—	—	—
Income (loss) before income taxes/ Pre-tax Economic Income (loss)	206,494	(7,662)	3,100	(5,101)	196,831	198,475	(1,644)
Income taxes expense / (benefit)	54,428	—	—	(1,677) (o)	52,751	53,191	(440)
Income (loss) attributable to non-controlling interests in consolidated subsidiaries and investment funds	4,562	(7,662) (k)	3,100	—	—	—	—
Income (loss) attributable to Cowen Inc.	147,504	—	—	(3,424)	144,080	145,284	(1,204)
Less: Preferred stock dividends	1,698	—	—	—	1,698	1,426	272
Income (loss) attributable to Cowen Inc. common stockholders/ Economic Income (Loss)	\$ 145,806	\$ —	\$ —	\$ (3,424)	142,382	143,858	(1,476)
Add back: Depreciation and amortization expense					3,186	3,183	3
Economic Operating Income (Loss)					\$ 145,568	\$ 147,041	\$ (1,473)

Adjustments Made to US GAAP Net Income (Loss) to Arrive at Economic Income (Loss)

Management Reclassifications

Management reclassification adjustments and fund consolidation reclassification adjustments have no effect on economic income. These adjustments are reclassifications to change the location of certain line items.

- a Underwriting expenses: Economic Proceeds presents investment banking revenues net of underwriting expenses.
- b Reimbursable client expenses: Economic Proceeds presents expenses reimbursed from clients and affiliates within their respective expense category but is included as a part of revenues under US GAAP.
- c Securities financing interest expense: Brokerage within Economic Proceeds included net securities borrowed and securities loaned activities which are shown gross in interest income and interest expense for US GAAP.
- d Fund start-up costs, distribution and other fees: Economic Proceeds and Economic Interest Expense are net of fund start-up costs and distribution fees paid to agents and other debt service costs.
- e Certain equity method investments: Economic Proceeds and Economic Expenses recognize the Company's proportionate share of management and incentive fees and associated share of expenses on a gross basis for equity method investments within the activist business, real estate operating entities and the healthcare royalty business. The Company applies the equity method of accounting to these entities and accordingly the results from these businesses are recorded within Other Income (Loss) for US GAAP.
- f Carried interest: The Company applies an equity ownership model to carried interest which is recorded in Investment income - Carried interest allocation for US GAAP. The Company presents carried interest as Incentive Income Economic Proceeds.
- g Proprietary trading, interest and dividends: Economic Proceeds presents interest and dividends from the Company's proprietary trading in investment income.
- h Insurance related activities expenses: Economic Proceeds presents underwriting income from the Company's insurance and reinsurance related activities, net of expenses, within other revenue. The costs are recorded within expenses for US GAAP reporting.
- i Facilitation trading gains and losses: Economic Brokerage Proceeds presents gains and losses on investments held as part of the Company's facilitation and trading business within brokerage revenues as these investments are directly related to the markets business activities while these are presented in
- j Associated partner/banker compensation reclassification: Economic Compensation Expense presents certain payments to associated banking partners as compensation rather than non-compensation expenses.
- k Management company non-controlling interest: Economic Expenses non-controlling interest represents only operating entities that are not wholly owned by the Company. The Company also presents non-controlling interests within total expenses for Economic Income (Loss).
- * US GAAP other non-compensation expenses are presented as fixed non-compensation and variable non-compensation for Economic Income (Loss) reporting.

Fund Consolidation Reclassifications

- l The impacts of consolidation and the related elimination entries of the Consolidated Funds are not included in Economic Income (Loss). Adjustments to reconcile to US GAAP Net Income (Loss) included elimination of incentive income and management fees earned from the Consolidated Funds and addition of investment fund expenses excluding management fees paid, investment fund revenues and investment income (loss).

Income Statement Adjustments

- m Pre-tax Economic Income (Loss) excludes the amortization of discount (premium) on debt.
- n Pre-tax Economic Income (Loss) excludes acquisition related adjustments (including bargain purchase gain and contingent liability adjustments).
- o Pre-tax Economic Income (Loss) excludes US GAAP income taxes.
- p Pre-tax Economic Income (Loss) excludes gain/(loss) on debt extinguishment and accelerated debt costs.
- q Pre-tax Economic income (Loss) excludes preferred stock dividends.

2. OPERATING CO

Revenue Metrics (Non-GAAP Unaudited) - Operating Co

\$ thousands	2019	2020	2021					2022
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INVESTMENT BANKING REVENUE	\$351,085	\$729,180	\$293,488	\$214,427	\$262,618	\$255,155	\$1,025,688	\$98,697
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Median fee	\$1,008	\$1,723	\$1,580	\$1,050	\$1,730	\$2,100	\$1,541	\$2,700
Transaction value (in M)	\$10,443	\$37,508	\$11,866	\$21,029	\$10,395	\$5,585	\$5,585	\$3,534
Capital Markets Advisory ¹								
Revenue	\$49,036	\$118,145	\$77,193	\$43,351	\$72,418	\$75,555	\$75,555	\$32,187
Total transactions	27	37	15	18	31	17	17	15
Average fee (implied)	\$1,816	\$3,193	\$5,146	\$2,408	\$2,336	\$4,444	\$4,444	\$2,146
Median fee	\$900	\$2,225	\$2,238	\$1,310	\$1,500	\$1,500	\$1,880	\$600
Underwriting Revenue ²								
Revenue	\$218,897	\$440,135	\$160,640	\$86,067	\$86,874	\$89,867	\$89,867	\$23,780
Total transactions	114	166	63	40	46	44	44	7
Average fee (implied)	\$1,920	\$2,650	\$2,550	\$2,152	\$1,889	\$2,042	\$2,042	\$3,397
Median fee	\$1,477	\$2,007	\$1,952	\$1,740	\$1,457	\$1,289	\$1,825	\$1,425
BROKERAGE REVENUE	\$459,143	\$652,647	\$221,848	\$175,845	\$160,486	\$170,347	\$728,525	\$197,856
Institutional brokerage ³	\$323,965	\$462,682	\$156,157	\$119,783	\$112,944	\$124,026	\$124,026	\$143,213
Institutional services	\$135,178	\$189,965	\$65,691	\$56,062	\$47,542	\$46,321	\$604,499	\$54,581
Prime Services Management Fees ⁴	\$2,996	\$3,067	\$782	\$923	\$941	\$926	\$926	\$996
Miscellaneous Markets Fees ⁴	\$3,414	\$1,620	(\$631)	\$627	\$13	\$2,098	-\$556,080	(\$305)
Total Markets Revenue ⁴	\$465,553	\$657,334	\$221,999	\$177,395	\$161,440	\$173,371	\$173,371	\$198,485
Markets revenue per trading day	\$1,847	\$2,598	\$3,524	\$2,816	\$2,523	\$2,709	\$2,709	\$3,201
# Trading days	252	253	63	63	64	64	64	62
# Publishing analysts ⁵	52	53	51	51	55	59	59	61
MANAGEMENT FEE	\$40,321	\$58,154	\$26,884	\$17,825	\$14,739	\$19,807	\$79,255	\$20,440
Monthly run rate for period	\$3,360	\$4,846	\$8,961	\$5,942	\$4,913	\$6,602	\$13,209	\$6,813
INCENTIVE INCOME	\$44,600	\$83,435	\$109,925	\$(31,566)	\$(57,288)	\$13,508	\$34,579	\$(12,797)
INVESTMENT INCOME	\$32,615	\$37,786	\$31,918	\$5,595	\$(20,418)	\$(8,553)	\$8,542	\$22,226
OTHER REVENUE	\$5,785	\$777	\$1,164	\$7,307	\$(1,320)	\$792	\$7,942	\$3,819
TOTAL REVENUE⁶	\$933,550	\$1,561,979	\$685,227	\$389,433	\$358,817	\$451,056	\$1,884,531	\$330,241

1) "Capital Markets Advisory" includes private placements, PIPEs, private debt financings, debt advisory and other advisory fees

2) "Underwriting Revenue" includes IPOs, secondary offerings, convertible bonds, ATM offerings and publicly rated debt

3) "Institutional Brokerage" includes: cash and electronic trading, options, ADR, special situations and credit; "Institutional Services" includes: prime services, clearing, securities finance, commission management and recapture

4) "Markets Revenue" includes brokerage revenue as well as management fees for prime services and miscellaneous fees presented in management fees and other revenue in economic income (loss) respectively

5) Includes equity, credit and macro publishing analysts

6) Total revenue is the sum of investment banking, brokerage, management fee, incentive income, investment income and other revenue

Summary Operating and Other Financial Information (Non-GAAP Unaudited) - Operating Co

\$ thousands	2019	2020	2021				2022	
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
SUMMARY ECONOMIC INCOME DATA								
Economic proceeds	\$933,550	\$1,561,977	\$685,227	\$389,433	\$358,817	\$451,056	\$1,884,531	\$330,241
Pre-tax economic income (loss) ¹	\$58,692	\$334,984	\$198,475	\$71,870	\$60,084	\$99,589	\$430,014	\$50,342
Economic income tax expense	\$0	\$0	\$53,191	\$19,261	\$15,111	\$22,090	\$109,654	\$12,585
Economic income (loss) ²	\$53,258	\$329,381	\$143,858	\$51,149	\$43,496	\$76,022	\$314,519	\$36,297
Economic operating income (loss) ²	\$73,661	\$352,036	\$147,041	\$54,488	\$47,044	\$80,094	\$328,661	\$41,682
RETURN ON AVERAGE COMMON EQUITY								
Annualized return on average common equity ³	11.0 %	49.4 %	66.8 %	24.8 %	20.2 %	34.4 %	37.6 %	17.2 %
PER COMMON SHARE INFORMATION								
Economic income per share (basic)	\$1.80	\$11.85	\$5.26	\$1.90	\$1.51	\$2.74	\$11.24	\$1.28
Economic Income per share (diluted)	\$1.70	\$11.16	\$4.29	\$1.51	\$1.33	\$2.42	\$9.64	\$1.14
Economic operating income per share (basic)	\$2.49	\$12.67	\$5.37	\$2.03	\$1.63	\$2.89	\$11.75	\$1.47
Economic operating income per share (diluted)	\$2.35	\$11.93	\$4.38	\$1.61	\$1.44	\$2.55	\$10.07	\$1.31
NON-INTEREST EXPENSES (EX. D&A)								
Compensation expenses	\$532,468	\$860,753	\$385,578	\$216,280	\$198,702	\$246,170	\$1,046,730	\$186,424
Non-compensation expenses	\$294,614	\$312,173	\$89,415	\$87,811	\$88,356	\$93,994	\$359,577	\$93,792
Fixed non-compensation expenses (ex. D&A) ⁴	\$140,327	\$141,666	\$35,707	\$40,329	\$40,312	\$43,704	\$160,053	\$40,875
Variable non-compensation expenses ⁴	\$154,287	\$170,507	\$53,707	\$47,482	\$48,044	\$50,290	\$199,524	\$52,917
Floor brokerage & trade execution costs	\$102,290	\$138,533	\$45,480	\$38,695	\$33,476	\$35,641	\$153,292	\$40,454
Client services & business development costs	\$41,214	\$15,418	\$2,691	\$3,399	\$5,222	\$7,179	\$18,491	\$5,608
Other variable non-compensation expenses	\$10,783	\$16,556	\$5,536	\$5,388	\$9,346	\$7,470	\$27,741	\$6,855
DEPRECIATION & AMORTIZATION								
Depreciation	\$7,274	\$10,432	\$2,560	\$2,667	\$2,864	\$2,910	\$11,001	\$2,929
Amortization	\$13,129	\$12,223	\$1,789	\$1,894	\$1,927	\$2,372	\$7,982	\$4,250
EXPENSE RATIOS								
Compensation to revenue ratio	57.0 %	55.1 %	56.3 %	55.5 %	55.4 %	54.6 %	55.5 %	56.5 %
Non-compensation expenses to revenue ratio	31.6 %	20.0 %	13.0 %	22.5 %	24.6 %	20.8 %	19.1 %	28.4 %
Fixed non-comp expense to revenue ratio (ex. D&A)	15.0 %	9.1 %	5.2 %	10.4 %	11.2 %	9.7 %	8.5 %	12.4 %
Variable non-comp expense to revenue ratio	16.5 %	10.9 %	7.8 %	12.2 %	13.4 %	11.1 %	10.6 %	16.0 %

1) Pre-tax economic income (loss) excludes preferred dividend payments

2) Economic Income (Loss) is calculated net of associated taxes. The Company has utilized all available federal net operating losses not subject to limitation during 2020.

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

4) Starting in Q321, a portion of our legal fees which are directly associated with revenues are now being presented as variable non-compensation expenses rather than fixed non-compensation expenses. As a result, variable expenses increased from what was previously reported by \$6.0 million, \$4.6 million and \$3.8 million for the nine months ended September 30, 2021, FY2020 and FY2019, respectively, while fixed non-compensation expenses were reduced by the same amounts.

3. ASSET CO

Revenue Metrics (Non-GAAP Unaudited) - Asset Co

	2019	2020	2021					2022
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
<i>\$ thousands</i>								
MANAGEMENT FEE	\$1,976	\$946	\$316	\$299	\$295	\$289	\$1,200	\$266
Monthly run rate for period	\$165	\$79	\$105	\$100	\$98	\$96	\$200	\$89
INCENTIVE INCOME	\$1,132	\$1,927	\$(1,214)	\$514	\$(447)	\$(6)	\$(1,153)	\$(215)
INVESTMENT INCOME	\$3,111	\$(8,564)	\$3,090	\$(117)	\$391	\$2,650	\$6,014	\$1,407
OTHER REVENUE	\$58	\$5	(\$1)	\$0	(\$1)	(\$1)	(\$2)	(\$61)
TOTAL REVENUE	\$6,277	\$(5,686)	\$2,191	\$696	\$238	\$2,932	\$6,059	\$1,397

Summary Operating and Other Financial Information (Non-GAAP Unaudited) - Asset Co

\$ thousands	2019	2020	2021					2022
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1
SUMMARY ECONOMIC INCOME DATA								
Economic proceeds	\$6,277	\$(5,686)	\$2,191	\$696	\$238	\$2,932	\$6,059	\$1,397
Pre-tax economic income (loss) ¹	\$(8,202)	\$(14,948)	\$(1,643)	\$(4,668)	\$(4,812)	\$9,319	\$(1,800)	\$1,851
Economic income tax expense	\$0	\$0	\$(440)	\$(1,251)	\$(1,256)	\$2,489	\$(460)	\$463
Economic income (loss) ²	\$(9,560)	\$(16,136)	\$(1,474)	\$(3,655)	\$(3,777)	\$6,609	\$(2,291)	\$1,150
Economic operating income (loss) ²	\$(9,523)	\$(16,114)	\$(1,471)	\$(3,652)	\$(3,772)	\$6,614	\$(2,275)	\$1,155
RETURN ON AVERAGE COMMON EQUITY								
Annualized return on average common equity ³	(22.3)%	(26.2)%	(10.2)%	(25.8)%	(27.3)%	38.5 %	(3.3)%	8.4 %
PER COMMON SHARE INFORMATION								
Economic income per share (basic)	\$(0.32)	\$(0.58)	\$(0.05)	\$(0.14)	\$(0.13)	\$0.24	\$(0.08)	\$0.04
Economic Income per share (diluted)	\$(0.31)	\$(0.55)	\$(0.04)	\$(0.11)	\$(0.12)	\$0.21	\$(0.07)	\$0.04
Economic operating income per share (basic)	\$(0.32)	\$(0.58)	\$(0.05)	\$(0.14)	\$(0.13)	\$0.24	\$(0.08)	\$0.04
Economic operating income per share (diluted)	\$(0.30)	\$(0.55)	\$(0.04)	\$(0.11)	\$(0.12)	\$0.21	\$(0.07)	\$0.04
NON-INTEREST EXPENSES (EX. D&A)								
Compensation expenses	\$5,070	\$3,767	\$2,819	\$4,133	\$4,186	\$(7,266)	\$3,871	\$951
Non-compensation expenses	\$3,924	\$350	\$(79)	\$55	\$38	\$174	\$187	\$6
Fixed non-compensation expenses (ex. D&A)	\$2,537	\$328	\$(84)	\$47	\$32	\$169	\$162	\$(1)
Variable non-compensation expenses	\$1,387	\$22	\$5	\$8	\$6	\$5	\$25	\$7
Floor brokerage & trade execution expenses	\$47	\$1	\$0	\$0	\$0	\$0	\$1	\$0
Client services & business development expenses	\$91	\$18	\$3	\$5	\$4	\$5	\$17	\$4
Other variable non-compensation expenses	\$1,249	\$4	\$2	\$3	\$2	\$0	\$7	\$3
DEPRECIATION & AMORTIZATION								
Depreciation	\$35	\$21	\$4	\$4	\$6	\$7	\$21	\$6
Amortization	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXPENSE RATIOS								
Compensation to revenue ratio	80.8 %	N/A	128.7 %	593.8 %	1,758.8 %	N/A	63.9 %	68.1 %
Non-compensation expenses to revenue ratio	62.5 %	N/A	N/A	7.9 %	16.0 %	5.9 %	3.1 %	0.4 %
Fixed non-comp expense to revenue ratio (ex. D&A)	40.4 %	N/A	N/A	6.8 %	13.4 %	5.8 %	2.7 %	N/A
Variable non-comp expense to revenue ratio	22.1 %	N/A	0.2 %	1.1 %	2.5 %	0.2 %	0.4 %	0.5 %

1) Pre-tax economic income (loss) excludes preferred dividend payments

2) Economic Income (Loss) is presented net of associated taxes, starting in the first quarter of 2021, as the Company utilized all available net operating losses during 2020

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

4. APPENDIX

Return on Common Equity (ROCE) Definition

RETURN ON COMMON EQUITY:

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

where:

$$\text{Economic Operating Income} = \text{Economic Income} + \text{Depreciation \& Amortization}$$

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

Note: Economic Income is after payment of preferred dividends, and in previous Financial Supplements (prior to 2Q'19) this metric was labeled "Economic Income Attributable to Common Shareholders." Labeling for prior reporting periods have been updated in this 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 supplemental financial measures that are not prepared in accordance with US GAAP. These non-GAAP financial measures include (i) Pre-tax Economic Income (Loss) (ii) Economic Income (Loss), (iii) Economic Operating Income (Loss), (iv) Economic Proceeds and related components, (v) Net Economic Proceeds and related components, (vi) Economic Expenses and related components and (vii) related per share measures. The Company believes that these non-GAAP financial measures, viewed in addition to, and not in lieu of, the Company's reported US GAAP results, provide useful information to investors and analysts regarding its performance and overall results of operations as it presents investors and analysts with a supplemental operating view of the Company's financials to help better inform their analysis of the Company's performance.

These Non-GAAP financial measures are an integral part of the Company's internal reporting to measure the performance of its business segments, allocate capital and other strategic decisions as well as assess the overall effectiveness of senior management. The Company believes that presenting these non-GAAP measures may provide expanded transparency into the Company's business operations, growth opportunities and expense allocation decisions.

The Company's primary non-GAAP financial measures of profit or loss are Pre-tax Economic Income (Loss), Economic Income (Loss) and Economic Operating Income (Loss). Pre-tax Economic Income (Loss) is a pre-tax measure which (i) includes management reclassifications which the Company believes provides additional insight on the performance of the Company's core businesses and divisions; (ii) eliminates the impact of consolidation for Consolidated Funds; and excludes (iii) goodwill and intangible impairment, (iv) certain other transaction-related adjustments and/or reorganization expenses, as well as (v) certain costs associated with debt. Economic Income (Loss) is a similar measure, but after tax, which includes the Company's income tax expense or benefit calculated on Pre-tax Economic Income (Loss) once all currently available net operating losses have been utilized (this occurred during tax year 2020) and is presented after preferred stock dividends. Economic Operating Income (Loss) is a similar measure to Economic Income (Loss), but before depreciation and amortization expenses. The Company believes that these non-GAAP financial measures provide analysts and investors transparency into the measures of profit and loss management uses to evaluate the financial performance of and make operating decisions for the segments including determining appropriate compensation levels. Additionally, the measures provide investors and analysts with additional insight into the activities of the Company's core businesses, taking into account, among other things, the impact of minority investment stakes, securities borrowing and lending activities and expenses from investment banking activities on US GAAP reported results. The Company presents Pre-tax Economic Income (Loss) in addition to Economic Income (Loss) and Economic Operating Income (Loss) to provide insight to investors and analysts on how the Company manages its tax position over time.

In addition to Pre-tax Economic Income (Loss), Economic Income (Loss) and Economic Operating Income (Loss), the Company also presents Economic Proceeds, Net Economic Proceeds, Economic Expenses, as well as their related components. These measures include management reclassifications and the elimination of the impact of the consolidation for Consolidated funds as described above. These adjustments are meant to provide comparability to our peers as well as to provide investors and analysts with transparency into how the Company manages its operating businesses and how analysts and investors review and analyze the Company's and its peers' similar lines of businesses. For example, among others, within the Company's Op Co business segment, investors and analysts typically review and analyze the performance of investment banking revenues net of underwriting expenses and excluding the impact of reimbursable expenses. Additionally, the performance of the Company's Markets business is typically analyzed as a unit incorporating commissions, interest from securities financing transactions and gains and losses from proprietary and facilitation trading. The Company's investment management business performance is analyzed and reviewed by investors and analysts through investment income, incentive income and management fees. The presentation of Economic Proceeds, Net Economic Proceeds, Economic Expenses as well as their related components align with these and other examples of how the Company's business activities and performance are reviewed by analysts and investors in addition to providing simplification related to legacy businesses and investments for which the Company maintains long-term monetization strategies. Additionally, the Company manages its operating businesses to an Economic Compensation-to-Proceeds ratio. Presentation of Economic Compensation Expense and Economic Proceeds provides transparency in addition to the Company's US GAAP Compensation Expense.

Reconciliations to comparable US GAAP measures are presented along with the Company's Non-GAAP financial measures. 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.

These Non-GAAP measures should not be considered in isolation or as a substitute for revenue, expenses, 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), 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.