

# FINANCIAL SUPPLEMENT

2021 Third Quarter

October 29, 2021

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## 1. COWEN INC.

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

\$ thousands	2019	2020					2021			
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
<b>INVESTMENT BANKING REVENUE</b>	<b>\$351,085</b>	<b>\$99,197</b>	<b>\$190,430</b>	<b>\$185,151</b>	<b>\$254,402</b>	<b>\$729,180</b>	<b>\$293,488</b>	<b>\$214,427</b>	<b>\$262,618</b>	<b>\$770,533</b>
Advisory Revenue	\$132,188	\$33,472	\$55,694	\$62,098	\$137,782	\$289,046	\$132,848	\$128,360	\$175,744	\$436,952
M&A										
Revenue	\$83,152	\$19,773	\$30,983	\$32,476	\$87,669	\$170,901	\$55,655	\$85,009	\$103,326	\$243,990
Total transactions	48	12	9	10	17	48	10	28	25	63
Average fee (implied)	1,732	\$1,648	\$3,443	\$3,248	\$5,157	3,560	\$5,566	\$3,036	\$4,133	3,873
Median fee	\$1,008	\$1,201	\$1,295	\$1,685	\$2,800	\$1,723	\$1,580	\$1,050	\$1,730	\$1,541
Transaction value (in M)	\$10,443	\$1,114	\$4,742	\$6,011	\$25,641	\$37,508	\$11,866	\$21,029	\$10,395	\$43,290
Capital Markets Advisory <sup>1</sup>										
Revenue	\$49,036	\$13,699	\$24,711	\$29,622	\$50,113	\$118,145	\$77,193	\$43,351	\$72,418	\$192,962
Total transactions	27	7	7	11	12	37	15	18	31	64
Average fee (implied)	\$1,816	\$1,957	\$3,530	\$2,693	\$4,176	\$3,193	\$5,146	\$2,408	\$2,336	\$3,015
Median fee	\$900	\$1,350	\$1,880	\$2,250	\$3,465	\$2,225	\$2,450	\$1,310	\$1,500	\$1,880
Underwriting Revenue <sup>2</sup>										
Revenue	\$218,897	\$65,725	\$134,736	\$123,053	\$116,620	\$440,135	\$160,640	\$86,067	\$86,874	\$333,581
Total transactions	114	24	48	50	44	166	63	40	46	149
Average fee (implied)	\$1,920	\$2,739	\$2,807	\$2,461	\$2,650	\$2,651	\$2,550	\$2,152	\$1,889	\$2,239
Median fee	\$1,477	\$2,309	\$2,206	\$2,033	\$1,690	\$2,007	\$1,825	\$1,740	\$1,457	\$1,825
<b>BROKERAGE REVENUE</b>	<b>\$459,143</b>	<b>\$132,672</b>	<b>\$167,067</b>	<b>\$167,084</b>	<b>\$185,824</b>	<b>\$652,647</b>	<b>\$221,848</b>	<b>\$175,845</b>	<b>\$160,486</b>	<b>\$558,178</b>
Institutional brokerage <sup>3</sup>	\$323,965	\$97,961	\$119,064	\$113,313	\$132,344	\$462,682	\$156,157	\$119,783	\$112,944	\$388,884
Institutional services	\$135,178	\$34,711	\$48,003	\$53,771	\$53,480	\$189,965	\$65,691	\$56,062	\$47,542	\$169,294
Prime Services Management Fees <sup>4</sup>	\$2,996	\$826	\$647	\$802	\$792	\$3,067	\$782	\$923	\$941	\$2,646
Miscellaneous Markets Fees <sup>4</sup>	\$3,414	(\$1,113)	\$1,448	(\$445)	\$1,730	\$1,620	(\$631)	\$627	\$13	\$10
Total Markets Revenue <sup>4</sup>	\$465,553	\$132,385	\$169,162	\$167,441	\$188,346	\$657,334	\$221,999	\$177,395	\$161,440	\$560,834
Markets revenue per trading day	\$1,847	\$2,135	\$2,685	\$2,616	\$2,943	\$2,598	\$3,639	\$2,816	\$2,523	\$2,983
# Trading days	252	62	63	64	64	253	61	63	64	188
# Publishing analysts <sup>5</sup>	52	53	54	54	53	53	51	51	55	55
<b>MANAGEMENT FEE</b>	<b>\$42,297</b>	<b>\$13,320</b>	<b>\$14,402</b>	<b>\$14,636</b>	<b>\$16,742</b>	<b>\$59,100</b>	<b>\$27,200</b>	<b>\$18,124</b>	<b>\$15,034</b>	<b>\$60,359</b>
Monthly run rate for period	\$3,525	\$4,440	\$4,801	\$4,879	\$5,581	\$4,925	\$9,067	\$6,041	\$5,011	\$5,030
<b>INCENTIVE INCOME</b>	<b>\$45,732</b>	<b>(\$4,086)</b>	<b>\$46,375</b>	<b>(\$1,302)</b>	<b>\$44,375</b>	<b>\$85,362</b>	<b>\$108,711</b>	<b>(\$31,052)</b>	<b>(\$57,735)</b>	<b>\$19,923</b>
<b>INVESTMENT INCOME</b>	<b>\$35,726</b>	<b>\$(31,103)</b>	<b>\$140,486</b>	<b>\$(90,488)</b>	<b>\$10,328</b>	<b>\$29,223</b>	<b>\$35,008</b>	<b>\$5,478</b>	<b>\$(20,027)</b>	<b>\$20,459</b>
<b>OTHER REVENUE</b>	<b>\$5,843</b>	<b>\$562</b>	<b>\$(60)</b>	<b>\$(794)</b>	<b>\$1,074</b>	<b>\$782</b>	<b>\$1,163</b>	<b>\$7,307</b>	<b>\$(1,321)</b>	<b>\$7,149</b>
<b>TOTAL REVENUE<sup>6</sup></b>	<b>\$939,827</b>	<b>\$210,562</b>	<b>\$558,700</b>	<b>\$274,287</b>	<b>\$512,745</b>	<b>\$1,556,294</b>	<b>\$687,418</b>	<b>\$390,129</b>	<b>\$359,055</b>	<b>\$1,436,601</b>

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			
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
<b>SUMMARY ECONOMIC INCOME DATA (\$ thousands)</b>										
Economic proceeds	\$939,827	\$210,562	\$558,700	\$274,287	\$512,745	\$1,556,291	\$687,418	\$390,129	\$359,055	\$1,436,601
Pre-tax economic income (loss) <sup>1</sup>	\$50,490	\$(10,882)	\$162,962	\$33,460	\$134,498	\$320,038	\$196,831	\$67,202	\$55,272	\$319,306
Economic income tax expense	\$0	\$0	\$0	\$0	\$0	\$0	\$52,751	\$18,010	\$13,855	\$84,616
Economic income (loss) <sup>2</sup>	\$43,698	\$(12,580)	\$161,264	\$31,762	\$132,800	\$313,245	\$142,382	\$47,494	\$39,719	\$229,596
Economic operating income (loss) <sup>2</sup>	\$64,137	\$(7,145)	\$166,927	\$37,437	\$138,705	\$335,922	\$145,568	\$50,836	\$43,272	\$239,681
<b>RETURN ON AVERAGE COMMON EQUITY</b>										
Annualized return on average common equity <sup>3</sup>	9.0 %	(4.1)%	90.0 %	18.6 %	66.1 %	43.4 %	62.2 %	21.7 %	17.5 %	34.5 %
<b>PER COMMON SHARE INFORMATION</b>										
Economic income per share (basic)	\$1.48	\$(0.44)	\$5.76	\$1.15	\$4.93	\$11.54	\$5.20	\$1.77	\$1.38	\$8.20
Economic Income per share (diluted)	\$1.40	\$(0.44)	\$5.50	\$1.06	\$4.38	\$10.86	\$4.24	\$1.40	\$1.21	\$6.90
Economic operating income per share (basic)	\$2.17	\$(0.25)	\$5.97	\$1.35	\$5.15	\$12.35	\$5.32	\$1.89	\$1.50	\$8.57
Economic operating income per share (diluted)	\$2.05	\$(0.25)	\$5.69	\$1.25	\$4.58	\$11.63	\$4.34	\$1.50	\$1.32	\$7.21
<b>NON-INTEREST EXPENSES (EX. D&amp;A)</b>										
Compensation expenses	\$537,535	\$125,707	\$305,082	\$153,786	\$279,947	\$864,520	\$388,397	\$220,413	\$202,888	\$811,697
Non-compensation expenses	\$298,540	\$80,784	\$75,683	\$72,127	\$83,930	\$312,523	\$89,336	\$87,866	\$88,394	\$265,595
Fixed non-compensation expenses (ex. D&A) <sup>4</sup>	\$142,864	\$35,961	\$33,984	\$33,101	\$38,948	\$141,994	\$35,623	\$40,376	\$40,344	\$116,343
Variable non-compensation expenses <sup>4</sup>	\$155,674	\$44,823	\$41,699	\$39,026	\$44,982	\$170,529	\$53,713	\$47,490	\$48,050	\$149,252
Floor brokerage & trade execution expenses	\$102,337	\$32,666	\$34,795	\$33,603	\$37,470	\$138,534	\$45,480	\$38,695	\$33,476	\$117,651
Client services & business development expenses	\$41,305	\$9,371	\$1,824	\$1,522	\$2,717	\$15,435	\$2,694	\$3,404	\$5,227	\$11,324
Other variable non-compensation expenses	\$12,032	\$2,786	\$5,080	\$3,901	\$4,795	\$16,561	\$5,539	\$5,391	\$9,347	\$20,277
<b>DEPRECIATION &amp; AMORTIZATION</b>										
Depreciation	\$7,310	\$2,240	\$2,389	\$3,227	\$2,598	\$10,454	\$2,565	\$2,671	\$2,870	\$8,106
Amortization	\$13,122	\$3,194	\$3,274	\$2,448	\$3,307	\$12,223	\$1,789	\$1,894	\$1,926	\$5,609
<b>EXPENSE RATIOS</b>										
Compensation to revenue ratio	57.2 %	59.7 %	54.6 %	56.1 %	54.6 %	55.6 %	56.5 %	56.5 %	56.5 %	56.5 %
Non-compensation expenses to revenue ratio	31.8 %	38.4 %	13.5 %	26.3 %	16.4 %	20.1 %	13.0 %	22.5 %	24.6 %	18.5 %
Fixed non-compensation expense to revenue ratio (ex. D&A)	15.2 %	17.1 %	6.1 %	12.1 %	7.6 %	9.1 %	5.4 %	10.3 %	11.2 %	8.1 %
Variable non-compensation expense to revenue ratio	16.6 %	21.3 %	7.5 %	14.2 %	8.8 %	11.0 %	7.6 %	12.2 %	13.4 %	10.4 %

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.

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

	2019	2020				FY	2021		
	FY	Q1	Q2	Q3	Q4		Q1	Q2	Q3
<b>INVESTED CAPITAL BREAKDOWN<sup>1</sup></b>									
Operating Co <sup>2</sup>	\$530,739	\$539,867	\$711,762	\$784,204	\$722,758	\$689,648	\$800,026	\$831,569	\$703,378
Asset Co	\$155,849	\$126,683	\$124,421	\$127,713	\$131,030	\$127,462	\$128,501	\$126,189	\$120,187
<b>Total invested capital</b>	<b>\$686,588</b>	<b>\$666,550</b>	<b>\$836,183</b>	<b>\$911,917</b>	<b>\$853,788</b>	<b>\$817,110</b>	<b>\$928,527</b>	<b>\$957,758</b>	<b>\$823,565</b>
<b>SUMMARY STOCKHOLDERS' EQUITY INFORMATION</b>									
<b>Stockholders' Equity</b>	\$809,855	\$784,803	\$901,685	\$911,180	\$969,495	\$969,495	\$1,106,865	\$1,097,344	\$1,083,127
Less:									
Preferred Stock	\$101,316	\$101,316	\$101,316	\$101,316	\$101,316	\$101,316	\$101,316	\$101,316	\$101,316
<b>Common Equity</b>	<b>\$708,539</b>	<b>\$683,487</b>	<b>\$800,369</b>	<b>\$809,864</b>	<b>\$868,179</b>	<b>\$868,179</b>	<b>\$1,005,549</b>	<b>\$996,028</b>	<b>\$981,811</b>
<b>Book value per share</b>	<b>\$24.77</b>	<b>\$24.74</b>	<b>\$28.96</b>	<b>\$30.48</b>	<b>\$32.34</b>	<b>\$32.34</b>	<b>\$37.45</b>	<b>\$34.35</b>	<b>\$35.40</b>
<b>Tangible book value per per share</b>	<b>\$18.72</b>	<b>\$18.60</b>	<b>\$22.94</b>	<b>\$24.32</b>	<b>\$25.95</b>	<b>\$25.95</b>	<b>\$30.92</b>	<b>\$28.35</b>	<b>\$29.17</b>
<b>OTHER DATA</b>									
Common shares outstanding (end of period)	28,610	27,628	27,642	26,569	26,846	26,846	26,852	28,996	27,735
Common shares outstanding (weighted average)									
Basic	29,525	28,598	27,983	27,663	26,934	27,790	27,359	26,903	28,864
Diluted	31,286	28,598	29,316	29,970	30,316	29,519	33,565	33,858	32,724
Employees, end of period	1,291	1,312	1,294	1,330	1,362	1,362	1,406	1,449	1,500
LTM revenues per average employees (thousands)	\$ 780	\$ 727	\$ 975	\$ 984	\$ 1,173	\$ 1,173	\$ 1,496	\$ 1,360	\$ 1,378

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 September 30, 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	
<b>Revenues</b>									
Investment banking	\$ 273,532	\$ (10,914)	(a) (b)	\$ —	\$ —	\$ 262,618	\$ 262,618	\$ —	
Brokerage	131,371	29,115	(c)(d)(i)	—	—	160,486	160,486	—	
Management fees	15,334	(354)	(d)(e)(f)	54	—	15,034	14,739	295	
Incentive income (loss)	6	(57,828)	(d)(e)(f)	87	—	(57,735)	(57,288)	(447)	
Investment income (loss)	(64,301)	45,500	(g)(i)	(1,226)	—	(20,027)	(20,418)	391	
Interest and dividends	45,978	(45,978)	(c)(g)(i)	—	—	—	—	—	
Reimbursement from affiliates	—	—	(b)	—	—	—	—	—	
Insurance and reinsurance premiums	12,586	(12,586)	(h)	—	—	—	—	—	
Other revenues, net	(1,078)	(243)	(d)(g)(h)	—	—	(1,321)	(1,320)	(1)	
Consolidated Funds revenues	(1,191)	—		1,191	—	—	—	—	
<b>Total revenues</b>	<b>412,237</b>	<b>(53,288)</b>		<b>106</b>	<b>—</b>	<b>359,055</b>	<b>358,817</b>	<b>238</b>	
Interest expense (Economic Income/(Loss)) / Interest and dividend expense (US GAAP)	43,035	(36,520)	(c)(g)(i)	—	(26)	6,489	5,669	820	
<b>Total net revenues</b>	<b>369,202</b>	<b>(16,768)</b>		<b>106</b>	<b>26</b>	<b>352,566</b>	<b>353,148</b>	<b>(582)</b>	
<b>Expenses</b>									
Compensation & benefits	201,686	1,202	(j)(k)	—	—	202,888	198,702	4,186	
Fixed non-compensation expense	—	41,351	(e)(*)	—	(1,007)	40,344	40,312	32	
Variable non-compensation expense	—	48,050	(*)	—	—	48,050	48,044	6	
Other non-compensation expense	121,805	(117,561)	(a)(b)(d)(g)(h)(j)(*)	—	(4,244)	—	—	—	
Depreciation & amortization	4,796	—		—	—	4,796	4,790	6	
Non-controlling interest	—	1,216	(k)	—	—	1,216	1,216	—	
Consolidated Funds expenses	124	—		(124)	—	—	—	—	
<b>Total expenses</b>	<b>328,411</b>	<b>(25,742)</b>		<b>(124)</b>	<b>(5,251)</b>	<b>297,294</b>	<b>293,064</b>	<b>4,230</b>	
<b>Other income (loss)</b>	<b>4,266</b>	<b>(4,266)</b>	(e)(f)(g)(i)	—	—	—	—	—	
<b>Income (loss) before income taxes/ Pre-tax Economic Income (loss)</b>	<b>45,057</b>	<b>4,708</b>		<b>230</b>	<b>5,277</b>	<b>55,272</b>	<b>60,084</b>	<b>(4,812)</b>	
<b>Income taxes expense / (benefit)</b>	<b>12,192</b>	<b>—</b>		<b>—</b>	<b>1,663</b>	<b>13,855</b>	<b>15,111</b>	<b>(1,256)</b>	
<b>Income (loss) attributable to non-controlling interests in consolidated subsidiaries and investment funds</b>	<b>(4,938)</b>	<b>4,708</b>	(k)	<b>230</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Income (loss) attributable to Cowen Inc.</b>	<b>37,803</b>	<b>—</b>		<b>—</b>	<b>3,614</b>	<b>41,417</b>	<b>44,973</b>	<b>(3,556)</b>	
Less: Preferred stock dividends	1,698	—		—	—	1,698	1,477	221	
<b>Income (loss) attributable to Cowen Inc. common stockholders/ Economic Income (Loss)</b>	<b>\$ 36,105</b>	<b>\$ —</b>		<b>\$ —</b>	<b>\$ 3,614</b>	<b>\$ 39,719</b>	<b>43,496</b>	<b>(3,777)</b>	
Add back: Depreciation and amortization expense	—	—		—	—	3,553	3,548	5	
<b>Economic Operating Income (Loss)</b>						<b>\$ 43,272</b>	<b>\$ 47,044</b>	<b>\$ (3,772)</b>	

# Reconciliation of US GAAP and Economic Income (Non-GAAP Unaudited) Three Months Ending September 30, 2020

(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		
<b>Revenues</b>									
Investment banking	\$ 194,341	\$ (9,190)	(a)(b)(i)	\$ —	\$ —	\$ 185,151	\$ 185,151	\$ —	
Brokerage	119,804	47,280	(c)(i)	—	—	167,084	167,084	—	
Management fees	11,954	2,519	(d)(e)	163	—	14,636	14,374	262	
Incentive income (loss)	127	(1,429)	(e)(f)	—	—	(1,302)	(2,621)	1,319	
Investment income (loss)	(54,895)	(39,510)	(g)(i)	3,917	—	(90,488)	(90,364)	(124)	
Interest and dividends	37,552	(37,552)	(c)(g)(i)	—	—	—	—	—	
Reimbursement from affiliates	—	—	(b)	—	—	—	—	—	
Insurance and reinsurance premiums	2,505	(2,505)	(g)	—	—	—	—	—	
Other revenues, net	2,388	(3,180)	(h)	(2)	—	(794)	(796)	2	
Consolidated Funds revenues	7,520	—	(d)(g)(h)	(7,520)	—	—	—	—	
<b>Total revenues</b>	<b>321,296</b>	<b>(43,567)</b>		<b>(3,442)</b>	<b>—</b>	<b>274,287</b>	<b>272,828</b>	<b>1,459</b>	
Interest expense (Economic Income/(Loss)) / Interest and dividend expense (US GAAP)	37,754	(29,467)	(c)(g)(i)	—	(1,152) (m)	7,135	6,026	1,109	
<b>Total net revenues</b>	<b>283,542</b>	<b>(14,100)</b>		<b>(3,442)</b>	<b>1,152</b>	<b>267,152</b>	<b>266,802</b>	<b>350</b>	
<b>Expenses</b>									
Compensation & benefits	153,427	359	(j)(k)	—	—	153,786	152,829	957	
Fixed non-compensation expense	—	36,287	(e)(*)	—	(3,194) (n)	33,093	32,966	127	
Variable non-compensation expense	—	39,026	(*)	—	—	39,026	39,020	6	
Other non-compensation expense	89,636	(89,636)	(a)(b)(d)(g) (h)(j)(*)	—	—	—	—	—	
Depreciation & amortization	5,682	—	—	—	—	5,682	5,677	5	
Non-controlling interest	—	2,105	(k)	—	—	2,105	2,105	—	
Consolidated Funds expenses	494	—	—	(494)	—	—	—	—	
<b>Total expenses</b>	<b>249,239</b>	<b>(11,859)</b>		<b>(494)</b>	<b>(3,194)</b>	<b>233,692</b>	<b>232,597</b>	<b>1,095</b>	
<b>Other income (loss)</b>	<b>4,043</b>	<b>(4,043)</b>	(e)(f)(g)(i)	—	—	—	—	—	
<b>Income (loss) before income taxes/ Pre-tax Economic Income (loss)</b>	<b>38,346</b>	<b>(6,284)</b>		<b>(2,948)</b>	<b>4,346</b>	<b>33,460</b>	<b>34,205</b>	<b>(745)</b>	
<b>Income taxes expense / (benefit)</b>	<b>8,830</b>	<b>—</b>		<b>—</b>	<b>(8,830) (o)</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Income (loss) attributable to non-controlling interests in consolidated subsidiaries and investment funds</b>	<b>9,232</b>	<b>(6,284) (k)</b>		<b>(2,948)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Income (loss) attributable to Cowen Inc.</b>	<b>20,284</b>	<b>—</b>		<b>—</b>	<b>13,176</b>	<b>33,460</b>	<b>34,205</b>	<b>(745)</b>	
Less: Preferred stock dividends	1,698	—		—	—	1,698	1,415	283	
<b>Income (loss) attributable to Cowen Inc. common stockholders/Economic Income (Loss)</b>	<b>\$ 18,586</b>	<b>\$ —</b>		<b>\$ —</b>	<b>\$ 13,176</b>	<b>31,762</b>	<b>32,790</b>	<b>(1,028)</b>	
Add back: Depreciation and amortization expense	—	—		—	—	5,682	5,677	5	
<b>Economic Operating Income (Loss)</b>						<b>\$ 37,444</b>	<b>\$ 38,467</b>	<b>\$ (1,023)</b>	



# Reconciliation of US GAAP and Economic Income (Non-GAAP Unaudited) Nine Months Ended September 30, 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
<b>Revenues</b>							
Investment banking	\$ 803,347	\$ (32,814) (a) (b)	\$ —	\$ —	\$ 770,533	\$ 770,533	\$ —
Brokerage	444,168	114,010 (c)(d)(i)	—	—	558,178	558,178	—
Investment income (loss)	114,996	(91,694) (g)(i)	(2,843)	—	20,459	17,095	3,364
Management fees	56,071	2,126 (d)(e)(f)	2,162	—	60,359	59,448	911
Incentive income (loss)	2,433	17,473 (d)(e)(f)	17	—	19,923	21,071	(1,148)
Interest and dividends	167,539	(167,539) (c)(g)(i)	—	—	—	—	—
Reimbursement from affiliates	—	— (b)	—	—	—	—	—
Insurance and reinsurance premiums	31,196	(31,196) (h)	—	—	—	—	—
Other revenues, net	2,612	4,537 (d)(g)(h)	—	—	7,149	7,150	(1)
Consolidated Funds revenues	(3,843)	—	3,843	—	—	—	—
<b>Total revenues</b>	<b>1,618,519</b>	<b>(185,097)</b>	<b>3,179</b>	<b>—</b>	<b>1,436,601</b>	<b>1,433,475</b>	<b>3,126</b>
Interest and dividend expense	163,749	(134,504) (c)(g)(i)	—	(7,128) (m)(p)	22,117	19,035	3,082
<b>Total net revenues</b>	<b>1,454,770</b>	<b>(50,593)</b>	<b>3,179</b>	<b>7,128</b>	<b>1,414,484</b>	<b>1,414,440</b>	<b>44</b>
<b>Expenses</b>							
Compensation & benefits	809,068	2,629 (j)(k)	—	—	811,697	800,560	11,137
Fixed non-compensation expense	—	117,667 (e),(*)	—	(1,324) (n)	116,343	116,349	(6)
Variable non-compensation expense	—	149,252 (*)	—	—	149,252	149,233	19
Other non-compensation expense	333,553	(330,876) (a)(b)(d)(g)(h)(j)(*)	—	(2,677) (n)	—	—	—
Depreciation & amortization	13,715	—	—	—	13,715	13,700	15
Non-controlling interest	—	4,171 (k)	—	—	4,171	4,171	—
Consolidated Funds expenses	519	—	(519)	—	—	—	—
<b>Total expenses</b>	<b>1,156,855</b>	<b>(57,157)</b>	<b>(519)</b>	<b>(4,001)</b>	<b>1,095,178</b>	<b>1,084,013</b>	<b>11,165</b>
<b>Other income (loss)</b>	<b>22,958</b>	<b>(23,641)</b> (e)(f)(g)(i)	<b>—</b>	<b>683</b> (n)(p)	<b>—</b>	<b>—</b>	<b>—</b>
<b>Income (loss) before income taxes/ Pre-tax Economic Income (loss)</b>	<b>320,873</b>	<b>(17,077)</b>	<b>3,698</b>	<b>11,812</b>	<b>319,306</b>	<b>330,427</b>	<b>(11,121)</b>
<b>Income taxes expense / (benefit)</b>	<b>76,864</b>	<b>—</b>	<b>—</b>	<b>7,752</b> (o)	<b>84,616</b>	<b>87,563</b>	<b>(2,947)</b>
<b>Income (loss) attributable to non-controlling interests in consolidated subsidiaries and investment funds</b>	<b>13,379</b>	<b>(17,077)</b> (k)	<b>3,698</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Income (loss) attributable to Cowen Inc.</b>	<b>\$ 230,630</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 4,060</b>	<b>234,690</b>	<b>\$ 242,864</b>	<b>\$ (8,174)</b>
Less: Preferred stock dividends	5,094	—	—	—	5,094	4,364	730
<b>Income (loss) attributable to Cowen Inc. common stockholders/ Economic Income (Loss)</b>	<b>\$ 225,536</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 4,060</b>	<b>229,596</b>	<b>\$ 238,500</b>	<b>\$ (8,904)</b>
Add back: Depreciation and amortization expense					10,085	10,070	15
<b>Economic Operating Income (Loss)</b>					<b>\$ 239,681</b>	<b>\$ 248,570</b>	<b>\$ (8,889)</b>

# Reconciliation of US GAAP and Economic Income (Non-GAAP Unaudited) Nine Months Ended September 30, 2020

(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
<b>Revenues</b>							
Investment banking	\$ 503,351	\$ (28,573) (a)(b)(i)	\$ —	\$ —	\$ 474,778	\$ 474,778	\$ —
Brokerage	391,390	75,433 (c)(i)	—	—	466,823	466,823	—
Investment income (loss)	107,137	(86,544) (g)(i)	(1,698)	—	18,895	32,566	(13,671)
Management fees	35,211	5,672 (d)(e)	1,475	—	42,358	41,724	634
Incentive income (loss)	127	40,860 (e)(f)	—	—	40,987	40,829	158
Interest and dividends	127,547	(127,547) (c)(g)(i)	—	—	—	—	—
Reimbursement from affiliates	—	— (b)	—	—	—	—	—
Insurance and reinsurance premiums	18,943	(18,943) (h)	—	—	—	—	—
Other revenues, net	5,257	(5,579) (d)(g)(h)	28	—	(294)	(298)	4
Consolidated Funds revenues	(24,760)	—	24,760	—	—	—	—
Total revenues	1,164,203	(145,221)	24,565	—	1,043,547	1,056,422	(12,875)
Interest expense (Economic Income/(Loss)) / Interest and dividend expense (US GAAP)	125,850	(99,971) (c)(g)(i)	—	(3,394) (m)	22,485	18,471	4,014
<b>Total net revenues</b>	1,038,353	(45,250)	24,565	3,394	1,021,062	1,037,951	(16,889)
<b>Expenses</b>							
Compensation & benefits	583,137	1,436 (j)(k)	—	—	584,573	582,480	2,093
Fixed non-compensation expense	—	107,855 (e)(*)	—	(4,815) (n)	103,040	102,662	378
Variable non-compensation expense	—	125,547 (*)	—	—	125,547	125,529	18
Other non-compensation expense	286,666	(286,666) (a)(b)(d)(g)(h)(j)(*)	—	—	—	—	—
Depreciation & amortization	17,324	—	—	(545) (r)	16,779	16,762	17
Non-controlling interest	—	5,584 (k)	—	—	5,584	5,584	—
Goodwill impairment	—	—	—	—	—	—	—
Consolidated Funds expenses	4,793	—	(4,793)	—	—	—	—
<b>Total expenses</b>	891,920	(46,244)	(4,793)	(5,360)	835,523	833,017	2,506
<b>Other income (loss)</b>	10,509	(10,509) (e)(f)(g)(i)	—	—	—	—	—
<b>Income (loss) before income taxes/ Pre-tax Economic Income (loss)</b>	156,942	(9,515)	29,358	8,754	185,539	204,934	(19,395)
<b>Income taxes expense / (benefit)</b>	52,589	—	—	(52,589) (o)	—	—	—
<b>Income (loss) attributable to non-controlling interests in consolidated subsidiaries and investment funds</b>	(19,843)	(9,515) (k)	29,358	—	—	—	—
<b>Income (loss) attributable to Cowen Inc.</b>	124,196	—	—	61,343	185,539	204,934	(19,395)
Less: Preferred stock dividends	5,094	—	—	—	5,094	4,160	934
<b>Income (loss) attributable to Cowen Inc. common stockholders/ Economic Income (Loss)</b>	\$ 119,102	\$ —	\$ —	\$ 61,343	180,445	200,774	(20,329)
Add back: Depreciation and amortization expense	—	—	—	—	16,779	16,762	17
<b>Economic Operating Income (Loss)</b>					\$ 197,224	\$ 217,536	\$ (20,312)

# 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 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 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 dividends.
- r Economic Income (Loss) excludes goodwill and other impairments.

## 2. OPERATING CO

# Revenue Metrics (Non-GAAP Unaudited) - Operating Co

\$ thousands	2019	2020					2021			
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
<b>INVESTMENT BANKING REVENUE</b>	<b>\$351,085</b>	<b>\$99,197</b>	<b>\$190,430</b>	<b>\$185,151</b>	<b>\$254,402</b>	<b>\$729,180</b>	<b>\$293,488</b>	<b>\$214,427</b>	<b>\$262,618</b>	<b>\$770,533</b>
Advisory Revenue	\$132,188	\$33,472	\$55,694	\$62,098	\$137,782	\$289,046	\$132,848	\$128,360	\$175,744	\$436,952
M&A										
Revenue	\$83,152	\$19,773	\$30,983	\$32,476	\$87,669	\$170,901	\$55,655	\$85,009	\$103,326	\$243,990
Total transactions	48	12	9	10	17	48	10	28	25	63
Average fee (implied)	\$1,732	\$1,648	\$3,443	\$3,248	\$5,157	\$3,560	\$5,566	\$3,036	\$4,133	\$3,873
Median fee	\$1,008	\$1,201	\$1,295	\$1,685	\$2,800	\$1,723	\$1,580	\$1,050	\$1,730	\$1,541
Transaction value (in M)	\$10,443	\$1,114	\$4,742	\$6,011	\$25,641	\$37,508	\$11,866	\$21,029	\$10,395	\$43,290
Capital Markets Advisory <sup>1</sup>										
Revenue	\$49,036	\$13,699	\$24,711	\$29,622	\$50,113	\$118,145	\$77,193	\$43,351	\$72,418	\$192,962
Total transactions	27	7	7	11	12	37	15	18	31	64
Average fee (implied)	\$1,816	\$1,957	\$3,530	\$2,693	\$4,176	\$3,193	\$5,146	\$2,408	\$2,336	\$3,015
Median fee	\$900	\$1,350	\$1,880	\$2,250	\$3,465	\$2,225	\$2,238	\$1,310	\$1,500	\$1,880
Underwriting Revenue <sup>2</sup>										
Revenue	\$218,897	\$65,725	\$134,736	\$123,053	\$116,620	\$440,135	\$160,640	\$86,067	\$86,874	\$333,581
Total transactions	114	24	48	50	44	166	63	40	46	149
Average fee (implied)	\$1,920	\$2,739	\$2,807	\$2,461	\$2,650	\$2,650	\$2,550	\$2,152	\$1,889	\$2,239
Median fee	\$1,477	\$2,309	\$2,206	\$2,033	\$1,690	\$2,007	\$1,952	\$1,740	\$1,457	\$1,825
<b>BROKERAGE REVENUE</b>	<b>\$459,143</b>	<b>\$132,672</b>	<b>\$167,067</b>	<b>\$167,084</b>	<b>\$185,824</b>	<b>\$652,647</b>	<b>\$221,848</b>	<b>\$175,845</b>	<b>\$160,486</b>	<b>\$558,178</b>
Institutional brokerage <sup>3</sup>	\$323,965	\$97,961	\$119,064	\$113,313	\$132,344	\$462,682	\$156,157	\$119,783	\$112,944	\$388,884
Institutional services	\$135,178	\$34,711	\$48,003	\$53,771	\$53,480	\$189,965	\$65,691	\$56,062	\$47,542	\$169,294
Prime Services Management Fees <sup>4</sup>	\$2,996	\$826	\$647	\$802	\$792	\$3,067	\$782	\$923	\$941	\$2,646
Miscellaneous Markets Fees <sup>4</sup>	\$3,414	(\$1,113)	\$1,448	(\$445)	\$1,730	\$1,620	(\$631)	\$627	\$13	\$10
Total Markets Revenue <sup>4</sup>	\$465,553	\$132,385	\$169,162	\$167,441	\$188,346	\$657,334	\$221,999	\$177,395	\$161,440	\$560,834
Markets revenue per trading day	\$1,847	\$2,135	\$2,685	\$2,616	\$2,931	\$2,598	\$3,524	\$2,816	\$2,523	\$2,983
# Trading days	252	62	63	64	64	253	63	63	64	188
# Publishing analysts <sup>5</sup>	52	53	54	54	53	53	51	51	55	55
<b>MANAGEMENT FEE</b>	<b>\$40,321</b>	<b>\$13,116</b>	<b>\$14,234</b>	<b>\$14,374</b>	<b>\$16,430</b>	<b>\$58,154</b>	<b>\$26,884</b>	<b>\$17,825</b>	<b>\$14,739</b>	<b>\$59,448</b>
Monthly run rate for period	\$3,360	\$4,372	\$4,745	\$4,791	\$5,477	\$4,846	\$8,961	\$5,942	\$4,913	\$9,908
<b>INCENTIVE INCOME</b>	<b>\$44,600</b>	<b>-\$1,942</b>	<b>\$45,392</b>	<b>(\$2,621)</b>	<b>\$42,606</b>	<b>\$83,435</b>	<b>\$109,925</b>	<b>\$(31,566)</b>	<b>\$(57,288)</b>	<b>\$21,071</b>
<b>INVESTMENT INCOME</b>	<b>\$32,615</b>	<b>\$(19,449)</b>	<b>\$142,379</b>	<b>\$(90,364)</b>	<b>\$5,220</b>	<b>\$37,786</b>	<b>\$31,918</b>	<b>\$5,595</b>	<b>\$(20,418)</b>	<b>\$17,095</b>
<b>OTHER REVENUE</b>	<b>\$5,785</b>	<b>\$562</b>	<b>\$(62)</b>	<b>\$(796)</b>	<b>\$1,073</b>	<b>\$777</b>	<b>\$1,164</b>	<b>\$7,307</b>	<b>\$(1,320)</b>	<b>\$7,150</b>
<b>TOTAL REVENUE<sup>6</sup></b>	<b>\$933,550</b>	<b>\$224,156</b>	<b>\$559,440</b>	<b>\$272,828</b>	<b>\$505,555</b>	<b>\$1,561,979</b>	<b>\$685,227</b>	<b>\$389,433</b>	<b>\$358,817</b>	<b>\$1,433,475</b>

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			
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
<b>SUMMARY ECONOMIC INCOME DATA</b>										
Economic proceeds	\$933,550	\$224,156	\$559,440	\$272,828	\$505,555	\$1,561,977	\$685,227	\$389,433	\$358,817	\$1,433,475
Pre-tax economic income (loss) <sup>1</sup>	\$58,692	\$5,007	\$165,724	\$34,203	\$130,050	\$334,984	\$198,475	\$71,870	\$60,084	\$330,427
Economic income tax expense	\$0	\$0	\$0	\$0	\$0	\$0	\$53,191	\$19,261	\$15,111	\$87,563
Economic income (loss) <sup>2</sup>	\$53,258	\$3,649	\$164,339	\$32,790	\$128,607	\$329,381	\$143,858	\$51,149	\$43,496	\$238,500
Economic operating income (loss) <sup>2</sup>	\$73,661	\$9,077	\$169,996	\$3,846	\$134,507	\$352,036	\$147,041	\$54,488	\$47,044	\$248,570
<b>RETURN ON AVERAGE COMMON EQUITY</b>										
Annualized return on average common equity <sup>3</sup>	11.0 %	5.6 %	95.7 %	20.2 %	69.2 %	49.4 %	66.8 %	24.8 %	20.2 %	38.1 %
<b>PER COMMON SHARE INFORMATION</b>										
Economic income per share (basic)	\$1.80	\$0.13	\$5.87	\$1.19	\$4.77	\$11.85	\$5.26	\$1.90	\$1.51	\$8.52
Economic Income per share (diluted)	\$1.70	\$0.13	\$5.61	\$1.09	\$4.24	\$11.16	\$4.29	\$1.51	\$1.33	\$7.17
Economic operating income per share (basic)	\$2.49	\$0.32	\$6.07	\$1.39	\$4.99	\$12.67	\$5.37	\$2.03	\$1.63	\$8.88
Economic operating income per share (diluted)	\$2.35	\$0.32	\$5.80	\$1.28	\$4.44	\$11.93	\$4.38	\$1.61	\$1.44	\$7.47
<b>NON-INTEREST EXPENSES (EX. D&amp;A)</b>										
Compensation expenses	\$532,468	\$125,006	\$304,644	\$152,829	\$278,273	\$860,753	\$385,578	\$216,280	\$198,702	\$800,560
Non-compensation expenses	\$294,614	\$80,631	\$75,572	\$71,994	\$83,976	\$312,173	\$89,415	\$87,811	\$88,356	\$265,582
Fixed non-compensation expenses (ex. D&A) <sup>4</sup>	\$140,327	\$35,816	\$33,878	\$32,974	\$38,998	\$141,666	\$35,707	\$40,329	\$40,312	\$116,349
Variable non-compensation expenses <sup>4</sup>	\$154,287	\$44,815	\$41,694	\$39,020	\$44,978	\$170,507	\$53,707	\$47,482	\$48,044	\$149,233
Floor brokerage & trade execution costs	\$102,290	\$32,665	\$34,795	\$33,603	\$37,470	\$138,533	\$45,480	\$38,695	\$33,476	\$117,651
Client services & business development costs	\$41,214	\$9,365	\$1,820	\$1,519	\$2,714	\$15,418	\$2,691	\$3,399	\$5,222	\$11,312
Other variable non-compensation expenses	\$10,783	\$2,785	\$5,079	\$3,898	\$4,794	\$16,556	\$5,536	\$5,388	\$9,346	\$20,270
<b>DEPRECIATION &amp; AMORTIZATION</b>										
Depreciation	\$7,274	\$2,234	\$2,383	\$3,222	\$2,593	\$10,432	\$2,560	\$2,667	\$2,864	\$8,091
Amortization	\$13,129	\$3,194	\$3,274	\$2,448	\$3,307	\$12,223	\$1,789	\$1,894	\$1,927	\$5,610
<b>EXPENSE RATIOS</b>										
Compensation to revenue ratio	57.0 %	55.8 %	54.5 %	56.0 %	55.0 %	55.1 %	56.3 %	55.5 %	55.4 %	55.8 %
Non-compensation expenses to revenue ratio	31.6 %	36.0 %	13.5 %	26.4 %	16.6 %	20.0 %	13.0 %	22.5 %	24.6 %	18.5 %
Fixed non-comp expense to revenue ratio (ex. D&A)	15.0 %	16.0 %	6.1 %	12.1 %	7.7 %	9.1 %	5.2 %	10.4 %	11.2 %	8.1 %
Variable non-comp expense to revenue ratio	16.5 %	20.0 %	7.5 %	14.3 %	8.9 %	10.9 %	7.8 %	12.2 %	13.4 %	10.4 %

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

<i>\$ thousands</i>	2019	2020				2021				
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
<b>MANAGEMENT FEE</b>	\$1,976	\$204	\$168	\$262	\$312	\$946	\$316	\$299	\$295	\$911
Monthly run rate for period	\$165	\$68	\$56	\$87	\$104	\$79	\$105	\$100	\$98	\$152
<b>INCENTIVE INCOME</b>	\$1,132	\$(2,144)	\$983	\$1,319	\$1,769	\$1,927	\$(1,214)	\$514	\$(447)	\$(1,148)
<b>INVESTMENT INCOME</b>	\$3,111	\$(11,655)	\$(1,893)	\$(124)	\$5,108	\$(8,564)	\$3,090	\$(117)	\$391	\$3,364
<b>OTHER REVENUE</b>	\$58	\$0	\$2	\$2	\$1	\$5	(\$1)	\$0	(\$1)	(\$1)
<b>TOTAL REVENUE</b>	\$6,277	\$(13,594)	\$(740)	\$1,459	\$7,190	\$(5,686)	\$2,191	\$696	\$238	\$3,126



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

\$ thousands	2019	2020					2021			
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
<b>SUMMARY ECONOMIC INCOME DATA</b>										
Economic proceeds	\$6,277	\$(13,594)	\$(740)	\$1,459	\$7,190	\$(5,686)	\$2,191	\$696	\$238	\$3,126
Pre-tax economic income (loss) <sup>1</sup>	\$(8,202)	\$(15,888)	\$(2,763)	\$(745)	\$4,448	\$(14,948)	\$(1,643)	\$(4,668)	\$(4,812)	\$(11,121)
Economic income tax expense	\$0	\$0	\$0	\$0	\$0	\$0	\$(440)	\$(1,251)	\$(1,256)	\$(2,947)
Economic income (loss) <sup>2</sup>	\$(9,560)	\$(16,228)	\$(3,074)	\$(1,028)	\$4,193	\$(16,136)	\$(1,474)	\$(3,655)	\$(3,777)	\$(8,904)
Economic operating income (loss) <sup>2</sup>	\$(9,523)	\$(16,222)	\$(3,068)	\$(1,023)	\$4,198	\$(16,114)	\$(1,471)	\$(3,652)	\$(3,772)	\$(8,889)
<b>RETURN ON AVERAGE COMMON EQUITY</b>										
Annualized return on average common equity <sup>3</sup>	(22.3)%	(152.0)%	(39.3)%	(9.6)%	27.3 %	(26.2)%	(10.2)%	(25.8)%	(27.3)%	(21.4)%
<b>PER COMMON SHARE INFORMATION</b>										
Economic income per share (basic)	\$(0.32)	\$(0.57)	\$(0.11)	\$0.04	\$0.16	\$(0.58)	\$(0.05)	\$(0.14)	\$(0.13)	\$(0.32)
Economic Income per share (diluted)	\$(0.31)	\$(0.57)	\$(0.10)	\$0.03	\$0.14	\$(0.55)	\$(0.04)	\$(0.11)	\$(0.12)	\$(0.27)
Economic operating income per share (basic)	\$(0.32)	\$(0.57)	\$(0.11)	\$0.04	\$0.16	\$(0.58)	\$(0.05)	\$(0.14)	\$(0.13)	\$(0.32)
Economic operating income per share (diluted)	\$(0.30)	\$(0.57)	\$(0.10)	\$0.03	\$0.14	\$(0.55)	\$(0.04)	\$(0.11)	\$(0.12)	\$(0.27)
<b>NON-INTEREST EXPENSES (EX. D&amp;A)</b>										
Compensation expenses	\$5,070	\$699	\$438	\$957	\$1,674	\$3,767	\$2,819	\$4,133	\$4,186	\$11,137
Non-compensation expenses	\$3,924	\$154	\$110	\$133	\$(46)	\$350	\$(79)	\$55	\$38	\$13
Fixed non-compensation expenses (ex. D&A)	\$2,537	\$146	\$105	\$127	\$(50)	\$328	\$(84)	\$47	\$32	\$(6)
Variable non-compensation expenses	\$1,387	\$8	\$5	\$6	\$4	\$22	\$5	\$8	\$6	\$19
Floor brokerage & trade execution expenses	\$47	\$0	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0
Client services & business development expenses	\$91	\$6	\$4	\$3	\$4	\$18	\$3	\$5	\$4	\$12
Other variable non-compensation expenses	\$1,249	\$1	\$0	\$2	\$0	\$4	\$2	\$3	\$2	\$7
<b>DEPRECIATION &amp; AMORTIZATION</b>										
Depreciation	\$35	\$5	\$6	\$5	\$5	\$21	\$4	\$4	\$6	\$14
Amortization	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>EXPENSE RATIOS</b>										
Compensation to revenue ratio	80.8 %	N/A	N/A	65.6 %	23.3 %	N/A	128.7 %	593.8 %	1,758.8 %	356.3 %
Non-compensation expenses to revenue ratio	62.5 %	N/A	N/A	9.1 %	N/A	N/A	N/A	7.9 %	16.0 %	0.4 %
Fixed non-comp expense to revenue ratio (ex. D&A)	40.4 %	N/A	N/A	8.7 %	N/A	N/A	N/A	6.8 %	13.4 %	N/A
Variable non-comp expense to revenue ratio	22.1 %	N/A	N/A	0.4 %	0.1 %	N/A	0.2 %	1.1 %	2.5 %	0.6 %

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 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.