

## LETTER FROM THE CHAIR & CEO



2021 was a stellar year for Cowen, with record revenues that approached \$2 billion for the first time and our highest ever after-tax income. Achieving record results for two consecutive years shows not only the durability of our business but also our ability to capture market opportunities based on our differentiated value proposition. Looking ahead, we will continue to leverage the strengths of our long-term client relationships, the strategic investments we have made, and our proven agility to adapt to more challenging market conditions.

In the beginning of 2022, we entered a more uncertain geopolitical and macroeconomic environment than we've seen in the last decade, resulting in global equity markets turning in their worst four-month start to a year in more than 50 years. And Cowen is prepared. Our team has thoughtfully and intentionally transformed the firm to perform throughout market cycles. The breadth of our businesses and the growth potential of the select opportunities we have identified position us well to continue driving positive outcomes for our clients, colleagues and the communities we serve.

## DEAR SHAREHOLDERS, PARTNERS, COLLEAGUES AND FRIENDS:

As 2021 came to a close, capping a year of record performance for Cowen, we saw changes emerging in the global markets, which accelerated in early 2022. Supply chain disruptions. The lingering effects of the pandemic. Inflation and rising rates. And, tragically, war in Europe. All of these factors have come together to create a more challenging environment, resulting in a shift in many of the investment paradigms to which we have become accustomed over the past decade.

As veterans of an industry that is inherently cyclical, we are prepared to adapt. The combination of our legacy as a 104-year-old firm and the nimbleness of our entrepreneurial mindset enable us to navigate different, choppier market conditions. Our long-term success comes from the fact that we have become a sustainable business with upside potential to grow as we focus our efforts to gain share in areas that are both addressable and accessible.

Our markets business underpins our sustainability. We posted record revenues in 2021, driven by share gains in key areas of focus such as algorithmic trading, prime brokerage and securities finance, as well as our expansion into European trading. The growth of our markets business enables us to offset cyclical declines in other areas of our business, such as a slowdown in capital formation. Clients always have a need to transact with trusted counterparties like Cowen as they reposition their portfolios, generating revenues and driving profitable growth. Arguably, in volatile markets with

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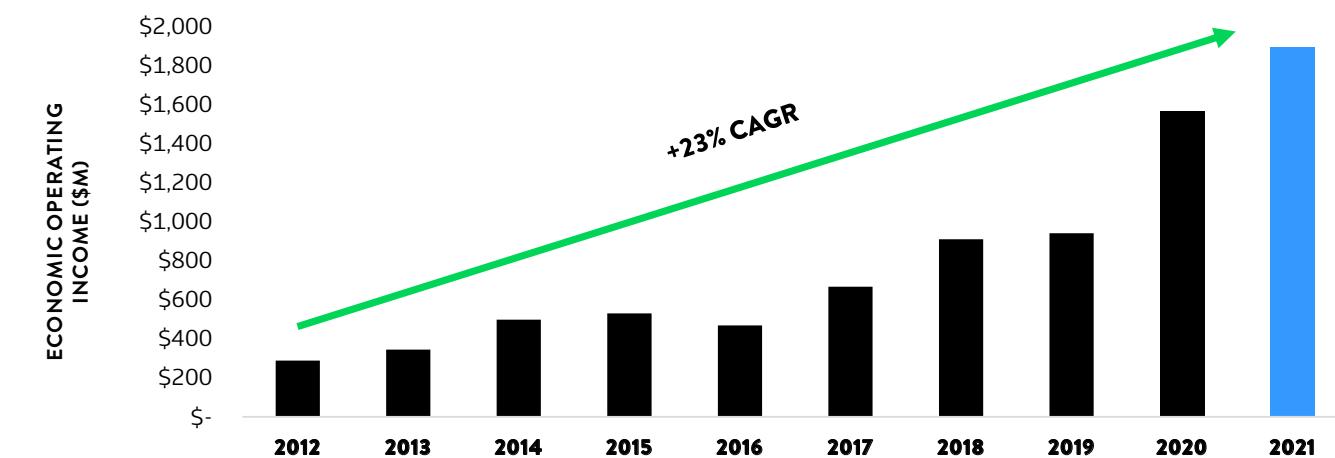
a lot of uncertainty, our ability to provide insights and advice becomes even more critical to our clients.

In investment banking, in addition to our traditional strength in raising capital for companies in industries undergoing meaningful disruption, we are continuing to build our products and capabilities, both organically and through acquisition. We are better positioned today to better serve financial sponsors, including private equity and family offices, which have become important clients for our M&A and capital markets advisory services. We view this as a tailwind for our business, generating resilient growth through the economic cycle, as sponsors have both ample capital and ongoing needs to manage their portfolios. Their decision to do business with Cowen is a function of our industry domain expertise and our long-term, partnership-oriented culture. Our success is also a powerful example of how relationships forged over the past few years truly come to bear in challenging times like these.

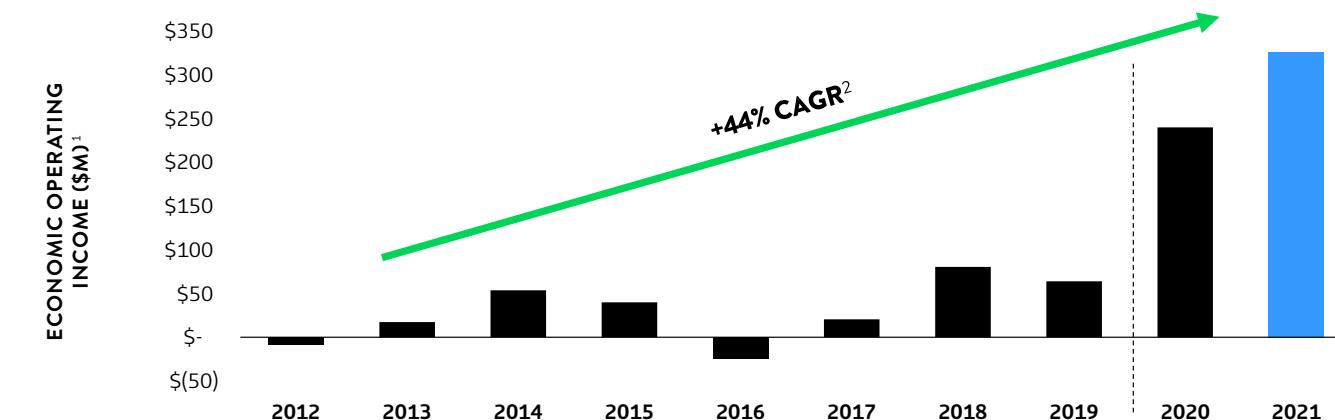
At Cowen, we have thoughtfully constructed our firm to give our clients unbiased advice. We have built the product breadth to see and serve the entire landscape of opportunities—

## DELIVERING RECORD RESULTS FOR A SECOND CONSECUTIVE YEAR

A DECADE OF REVENUE GROWTH...



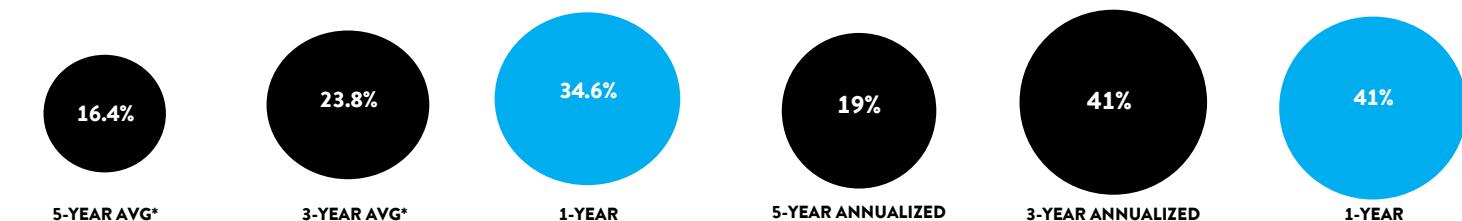
... GENERATING SUSTAINABLE PROFITABILITY



<sup>1</sup> Economic Operating Income is presented after taxes starting in 2020

<sup>2</sup> CAGR is based on economic operating income from FY'13 – FY'21

EXCEEDING OUR MID-TEENS RETURN ON COMMON EQUITY TARGET...



\*Average of annual ROE

# POWERFUL GROWTH

+21%

TOTAL REVENUE<sup>1</sup>

207,809

PAGES OF  
RESEARCH PUBLISHED

+36%

INCREASE IN  
MANAGEMENT FEES

+41%

INCREASE IN  
INVESTMENT BANKING REVENUE

+12%

INCREASE IN  
MARKETS REVENUE

#1

BEST ESG RESEARCH<sup>2</sup>

<sup>1</sup> Economic Income  
<sup>2</sup> Winner of the 2022 ESG Investing Awards

and the product depth to execute on them. Our knowledge and innovation span multiple areas, such as M&A and advisory, debt capital markets and private capital raises, with multiple products and solutions that anticipate and meet the needs of our clients. Our edge as strategic advisors can be found in our human capital and intellectual capital. We bring our deep industry knowledge and cross-firm collaboration to everything we do.

We also continue to be well known for our ability to identify emerging industries undergoing change and working with the disruptive companies that are making it

happen. A decade ago, we proved ourselves in biotech and have expanded our expertise to include tools and diagnostics, as well as other critical areas of future health. Today, we are making conscious choices in select areas where we see similar long-term potential, such as our firm-wide commitment to sustainability and environmental, social and governance (ESG). Sustainability is an important theme across all our businesses, from investment banking to investment management—and we see plenty of opportunity ahead. We have deep baseline knowledge to advise and raise capital for ESG-oriented companies across a wide

variety of industries. That makes our approach far more horizontal than vertical, as every industry is undergoing some form of ESG revolution.

Whether it's biotech, sustainability and ESG, electric vehicles, AgTech, robotics and AI, or many other disruptive trends, all these areas have one important commonality: they are still not well understood by many institutional investors. At Cowen, our clients look to us for help discerning the future and finding new ways to capitalize on emerging trends. That starts with our award-winning independent research that prides itself on truly being "Ahead Of The Curve." Collaboration across business lines and functions allows us to deliver the best of ourselves and our expertise each day, as we strive to outperform on behalf of clients.

Finally, in everything we do, the true secret to our success is our values-driven, inclusive culture, grounded in Vision, Empathy, Sustainability and Tenacious Teamwork. We are deeply committed to improving inclusion and diversity, within our firm and in our industry. We are also highly aware of our responsibility for our impact on the planet, which is why we are the very first firm on Wall Street to provide ESG scores on all our company research reports that we issue. These are our priorities, undertaken for the sake of clients, colleagues and the communities in which we work and live.

As always, a big part of everything we do is attributable to our shareholders. We value your trust and confidence in us as we strive to deploy your capital intelligently, in all market conditions. Thank you for your support.

With thanks for your continuing support,



**JEFFREY M. SOLOMON**

Chair and Chief Executive Officer

# COWEN

VISION | EMPATHY | SUSTAINABILITY | TEAMWORK

