



**TD Bank Group**  
**TD to Acquire**  
**Cowen**

*August 2, 2022*



# Caution Regarding Forward-Looking Statements & Non-GAAP Financial Measures



## Forward-Looking Statements

This communication contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and applicable Canadian securities legislation, with respect to The Toronto-Dominion Bank's ("TD Bank") beliefs, plans, goals, expectations, and estimates. Forward-looking statements are not a representation of historical information, but instead pertain to future operations, strategies, financial results or other developments. The words "believe," "expect," "anticipate," "intend," "target," "plan," "estimate," "should," "likely," "will," "going forward", "position", "allow", "add", "bring", "enhance" and other expressions that indicate future events and trends identify forward-looking statements.

Forward-looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond the control of TD Bank, and many of which, with respect to future business decisions and actions, are subject to change and which could cause actual results to differ materially from those contemplated or implied by forward-looking statements or historical performance. Examples of uncertainties and contingencies include factors previously disclosed in TD Bank's reports filed with the U.S. Securities and Exchange Commission (the "SEC"), and TD Bank's other filings with Canadian regulators, as well as the following factors, among others: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between Cowen Inc. ("Cowen") and TD Bank; the outcome of any legal proceedings that may be instituted against Cowen or TD Bank, including potential litigation that may be instituted against Cowen or its directors or officers related to the proposed transaction or the definitive merger agreement between Cowen and TD Bank to the proposed transaction; the timing and completion of the transaction, including the possibility that the proposed transaction will not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or are obtained subject to conditions that are not anticipated; interloper risk; the risk that any announcements relating to the proposed combination could have adverse effects on the market price of the common stock of either or both parties to the combination; the possibility that the anticipated benefits of the transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies, or as a result of economic and competitive factors in the areas where Cowen and TD Bank do business; certain restrictions during the pendency of the merger that may impact the parties' ability to pursue certain business opportunities or strategic transactions; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; failing to retain key talent of Cowen after the announcement or completion of the transaction; reputational risk and potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; Cowen and TD Bank success in executing their respective business plans and strategies and managing the risks involved; currency and interest rate fluctuations; success of hedging activities; material adverse changes in economic and industry conditions, including the availability of short and long-term financing; general competitive, economic, political and market conditions, including difficult market conditions, market disruptions and volatility; the inability to sustain revenue and earnings growth; inflation; the impact, extent and timing of technological changes; capital management activities; the Office of the Superintendent of Financial Institution's and other regulators' legislative and regulatory actions and reforms; the pandemic created by the outbreak of COVID-19 and its variants, and resulting effects on economic conditions, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains; and other factors that may affect future results of Cowen and TD Bank.

Assumptions about Cowen and TD Bank's current and expected financial performance (including balance sheet, income statement and regulatory capital figures), expected capital availability for the proposed transaction, expected closing date of the proposed transaction, expected synergies (and timing to achieve), integration and restructuring costs, assumed purchase price accounting (including fair value marks), costs of financing, foreign exchange rates, and future regulatory capital requirements, including the Office of the Superintendent of Financial Institutions' announced Basel III reforms effective in the second quarter of fiscal 2023, were considered by TD Bank in estimating its expected return on invested capital, adjusted EPS accretion and/or TD Bank's expected regulatory capital ratios. Examples of material assumptions made by TD Bank in the forward-looking statements, including TD Bank's expectations regarding the costs and financial impact of the transaction, include assumptions regarding Cowen's future net income, transaction costs, transaction process, timeline to close and/or integrate the acquisition, expected synergies, expected value of certain lines of business in the event of a divestiture, future TD Bank capitalization, tax rate, currency conversion rate, and financial results. Assumptions about TD Bank's integration plan, the efficiency and duration of integration and the alignment of organizational responsibilities were material factors TD Bank considered in estimating integration costs.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. Additional factors that could cause results to differ materially from those contemplated by forward-looking statements can be found in TD Bank's Annual Report on Form 40-F for the year ended October 31, 2021 filed with the SEC and available in the "Investor Relations" section of TD Bank's website, [www.td.com](http://www.td.com), under the heading "Regulatory Filings" and in other documents TD Bank files with the SEC (available at [www.sec.gov](http://www.sec.gov)) and applicable securities regulators in Canada (available at [www.sedar.com](http://www.sedar.com)). All such factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements, should be considered carefully when making decisions with respect to TD Bank.

Any forward-looking statements contained in this document represent the views of TD Bank only as of the date hereof and are presented for the purpose of assisting shareholders and analysts in understanding the terms of the transaction and TD Bank's objectives and assumptions, and may not be appropriate for other purposes. TD Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf, except as required under applicable securities legislation.

## Non-GAAP Financial Measures

TD Bank's results and measures in this document are presented on an International Financial Reporting Standard (IFRS) basis and on an U.S. Generally Accepted Accounting Principles (U.S. GAAP) basis for Cowen. TD Bank refers to results prepared in accordance with IFRS and U.S. GAAP as the "reported" results. Non-GAAP financial measures and ratios used in this presentation, such as "economic income" and "economic proceeds", are not defined terms under IFRS or U.S. GAAP and, therefore, may not be comparable to similar terms used by other issuers. The forward-looking estimated adjusted results presented in this document are based on median analyst consensus estimates of TD Bank's and Cowen's future adjusted results, and we caution that the methodology applied by analysts to estimate those results may not be consistent with TD Bank's methodology. For illustrative purposes, an example of TD Bank's reconciliation of reported results to adjusted results is available in TD Bank's 2021 MD&A.

## Important Other Information

In connection with the proposed transaction, Cowen intends to file relevant materials with the SEC, including a proxy statement on Schedule 14A.

This communication does not constitute an offer to sell or a solicitation of an offer to buy any securities or a solicitation of any vote or approval. SHAREHOLDERS OF COWEN ARE URGED TO READ, WHEN AVAILABLE, ALL RELEVANT DOCUMENTS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) FILED WITH THE SEC, INCLUDING COWEN'S PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT COWEN AND THE PROPOSED TRANSACTION.

Investors and shareholders of Cowen will be able to obtain a free copy of the proxy statement as well as other relevant documents filed with the SEC without charge at the SEC's website (<http://www.sec.gov>). Copies of the proxy statement and the filings with the SEC that will be incorporated by reference in the proxy statement can also be obtained, without charge, by directing a request to Owen Littman ([Owen.Littman@cowen.com](mailto:Owen.Littman@cowen.com)).

## Participants in the Solicitation

TD Bank and Cowen and certain of its directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction under the rules of the SEC. Information regarding Cowen's directors and executive officers is available in the proxy statement for its 2021 annual meeting of shareholders, which was filed with the SEC on May 17, 2022, and certain of its Current Reports on Form 8-K. Other information regarding the participants in the solicitation of proxies in respect of the proposed transaction and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC. Free copies of these documents, when available, may be obtained as described in the preceding paragraph.

# Strategic Expansion of TD Securities' U.S. Capabilities & Scale Accelerates Growth



## Positions TD Securities as an Integrated Dealer with Full Suite of Cross-Border Capabilities

- Combination with Cowen positions TD Securities as an integrated dealer with strong presence in corporate & investment banking and global markets
- Full suite of products and services allows TD Securities to compete more effectively and accelerates growth across the dealer
- In order to leverage the strength of Cowen's brand, parts of the combined business will be known as TD Cowen, a division of TD Securities, which will be led by Jeffrey Solomon

## Cowen is a Premier U.S. Equities and Research Platform

- Leading independent equities brokerage with broad client coverage and offerings
- Best-in-class U.S. equity sales, trading and execution capability with growing non-U.S. execution business
- Top 10 investment research platform is one of the largest and most diverse in the industry, covering 985 securities representing 45% of the S&P 500, supported by ESG, policy and thematic research<sup>1</sup>

## Adds Scale and Industry Expertise in U.S. Capital Markets and M&A Advisory

- Adds a strong, diversified investment banking business and deep relationships with corporate and middle-market financial sponsor clients across important growth sectors
- Brings strong equity capital markets, M&A and overall financing advisory expertise

## Financially Attractive and Enhances Long-Term Growth

- Expected to generate approximately 14% adjusted ROIC on a fully-synergized run rate basis<sup>2</sup>
- Cowen has grown revenue by over 25%<sup>3</sup> on an annualized basis over the past decade, resulting in a platform with substantial earnings power that, on a pro forma basis, is expected to increase TD Securities' revenue by over a third<sup>4</sup>
- Enhances TD Securities' growth and further diversifies and accelerates TD's long-term earnings growth

## Strong Cultural Alignment and Shared Growth Aspirations

- Teams share a strong commitment to customers, communities and colleagues, supported by a disciplined risk culture
- TD Securities and Cowen leadership teams are aligned on a shared vision for the future of the combined organization, and have a track record of driving growth and successfully integrating acquisitions

Source: Company filings, S&P Global Market Intelligence

1. Cowen's number of securities covered as of June 30, 2022; top 10 in the U.S. in stocks under coverage (excluding Keefe, Bruyette & Woods Inc. from Stifel's stock count) and number of publishing analysts based on Starmine as of December 2, 2021
2. Calculated on the basis of the median analyst consensus estimate of Cowen's Economic Income (US\$156 million for 2023E) and assumes expected synergies are fully realized. Adjusted results are non-GAAP and defined on page 2. For further information, please see the Glossary on page 11
3. Cowen twelve-month periods ended March 31, 2012 – March 31, 2022; Cowen figure includes only Economic Proceeds for the Investment Banking and Brokerage segments. Adjusted results are non-GAAP and defined on page 2. For further information, please see the Glossary on page 11
4. TD twelve-month period ended April 30, 2022; Cowen twelve-month period ended March 31, 2022; Cowen figure includes only Economic Proceeds for the Investment Banking and Brokerage segments, using an exchange rate of US\$1.00 = C\$1.28 as of August 1, 2022. Adjusted results are non-GAAP and defined on page 2. For further information, please see the Glossary on page 11

# Acquisition of Cowen Creates a Leading Integrated North American Dealer



		TD Securities	TD Securities	COWEN
New Capabilities	Equity Capital Markets	✓		✓
	Equity Sales, Trading & Execution	✓		✓
	Equity Research	✓		✓
Increased Depth	Industry & Sponsors Coverage	✓	✓	✓
	Mergers & Acquisitions	✓	✓	✓
	Leveraged Finance & Private Capital	✓	✓	✓
	Prime Services	✓	✓	✓
Integrated Offering	Fixed Income, Currency & Commodities	✓	✓	
	Corporate Lending	✓	✓	
	Debt Capital Markets	✓	✓	
	Global Transaction Banking	✓	✓	

# Creates Expanded Wholesale Platform with Significant Global Growth Potential...



	<b>TD Securities</b>	<b>COWEN</b>	<b>TD Securities + COWEN</b>
<b>Global Revenue<sup>1</sup></b>	C\$4.8 Billion	C\$2.0 Billion <sup>2,3</sup>	<b>C\$6.8 Billion<sup>3</sup></b>
<b>U.S. Revenue<sup>1</sup></b>	US\$1.1 Billion	US\$1.3 Billion <sup>3</sup>	<b>US\$2.4 Billion<sup>3</sup></b>
<b>Cities</b>	16	29	<b>40<sup>4</sup></b>
<b>Employees</b>	~5,000	~1,700	<b>More than 6,500</b>
<b>Managing Directors<sup>5</sup></b>	285	~300	<b>~585</b>
<b>Companies Under Research Coverage</b>	331	985	<b>1,295<sup>4</sup></b>
<b>Publishing Analysts</b>	30	62	<b>92</b>

Source: Company filings

Note: TD data as of April 30, 2022 and reflects TD Securities figures; Cowen data as of March 31, 2022

1. TD twelve-month period ended April 30, 2022; Cowen twelve-month period ended March 31, 2022

2. Reflects exchange rate of US\$1.00 = C\$1.28 as of August 1, 2022

3. Cowen figure includes only Economic Proceeds for the Investment Banking and Brokerage segments. Adjusted results are non-GAAP and defined on page 2. For further information, please see the Glossary on page 11

4. Excludes overlap

5. Represents front-office Managing Directors and above

# ... Allowing the Combined Organization to Better Serve its Clients



## Equities

- Adds Cowen's U.S. equities capabilities to TD Securities' global sales, trading and execution platform
- Strength of combined algorithmic trading operation creates top-tier offering across multiple venues
- Accelerates growth of combined prime services business

## Research

- Creates a North American research leader, with approximately 1,300 companies under coverage, supported by strong ESG, policy and thematic research
- Cowen's research footprint creates new areas of growth and potential to deepen relationship with TD Securities' client base

## Capital Markets

- Creates integrated equity capital markets platform to support issuers across borders and markets
- Increases opportunity for equity, leveraged finance and debt capital markets revenue from expanded corporate and financial sponsor coverage

## Advisory

- Combined platform offers broader industry sector expertise with extensive cross-border advisory capabilities
- Broadens suite of services to support important corporate and financial sponsor client base
- Cowen's growing European presence extends TD Securities' reach in the region

## Lending

- Leverages TD's strong balance sheet and transaction banking capabilities to support Cowen's extensive client base
- Private credit advisory solution broadens TD Securities' product offering and increases opportunities to support clients of TD Bank, America's Most Convenient Bank®

## Fixed Income, Currency & Commodities

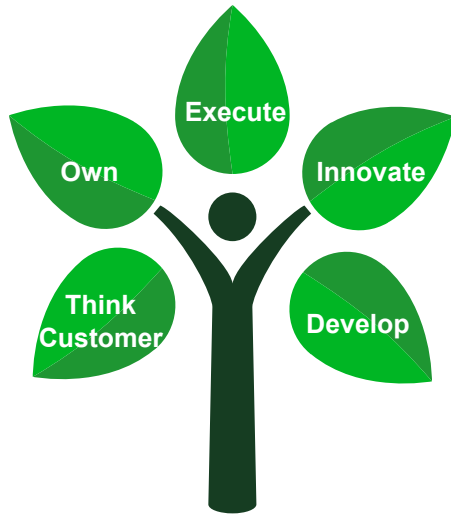
- Grows client base for TD Securities' global fixed income, currency and commodity offerings
- Cowen's client base gains access to an expanded range of products and services to support their growth



# Shared Vision for Culture and Talent Will Drive Success of Combined Organization



## TD Framework



## Cowen's Core Values



### Culture

- TD Securities and Cowen are purpose-driven and forward-focused
- Organizations share a winning culture of teamwork and entrepreneurialism
- Collaborative spirit will drive combined organization to serve client needs



### Talent

- Combined TD Securities and the new TD Cowen have a wealth of talent at all levels to support future growth
- Diverse and inclusive culture will create a space for employees to thrive

# Transaction Summary



<b>Purchase Price and Consideration</b>	<ul style="list-style-type: none"><li>■ US\$39.00 per common share / US\$1.3 billion in aggregate</li><li>■ 100% cash consideration</li><li>■ Represents 1.7x Cowen tangible book value and 8.1x Cowen 2023E earnings of US\$156 million<sup>1</sup></li></ul>
<b>Sources of Capital and Financial Impact</b>	<ul style="list-style-type: none"><li>■ Transaction expected to be CET1 capital neutral when combined with the sale of 28.4 million non-voting common shares<sup>2</sup> of The Charles Schwab Corporation ("Schwab") for aggregate proceeds of approximately US\$1.9 billion; CET1 ratio expected to comfortably exceed 11% at closing<sup>3</sup></li><li>■ Expected to be modestly accretive to 2023E adjusted EPS on a fully-synergized basis<sup>4</sup></li><li>■ Expected to generate approximately 14% adjusted ROIC on a fully-synergized run rate basis<sup>5</sup></li></ul>
<b>Synergies and Integration</b>	<ul style="list-style-type: none"><li>■ Substantial estimated revenue synergies of US\$300 million - US\$350 million, adding approximately US\$100 million in net income by year three</li><li>■ Organizational structure and integrated client coverage model will be in place at closing, with systems integration following thereafter</li><li>■ Pre-tax integration and retention costs are estimated to be US\$450 million over three years</li><li>■ Transaction is not expected to have an impact on cost or timing of pending acquisition of First Horizon</li></ul>
<b>Regulatory Approvals and Timing</b>	<ul style="list-style-type: none"><li>■ Subject to customary closing conditions, including approvals from Cowen's shareholders and certain U.S., Canadian and foreign regulatory authorities, including the Office of the Superintendent of Financial Institutions (OSFI), the Financial Industry Regulatory Authority (FINRA) and under the Hart-Scott-Rodino (HSR) Act</li><li>■ Anticipated closing in the first calendar quarter of 2023</li></ul>

Source: Company filings, S&P Global Market Intelligence

Note: Market data as of August 1, 2022; reflects exchange rate of US\$1.00 = C\$1.28

1. Cowen tangible book value as of March 31, 2022; Cowen 2023E earnings based on the median analyst consensus estimate of Cowen's Economic Income for 2023E as of August 1, 2022. Adjusted results are non-GAAP and defined on page 2. For further information, please see the Glossary on page 11
2. Non-voting common shares automatically convert into voting common shares upon transfer to a third party
3. Based on TD's and Cowen's estimated balance sheets including transaction related impacts and assumes that the transaction closes after the acquisition of First Horizon Corporation ("First Horizon")
4. Calculated on the basis of the median analyst consensus estimate of Cowen's Economic Income as of August 1, 2022 (US\$102 million and US\$156 million, for 2022E and 2023E, respectively) and assumes expected synergies are fully realized and reflects expected impact of the sale of Schwab shares based on the median analyst consensus estimate of Schwab's adjusted EPS as of August 1, 2022 (US\$3.92 per share and US\$4.83 per share, for 2022E and 2023E, respectively). Consensus estimates are calendarized for TD fiscal year ending October 31, 2023. Adjusted results are non-GAAP and defined on page 2. For further information, please see the Glossary on page 11
5. Calculated on the basis of the median analyst consensus estimate of Cowen's Economic Income (US\$156 million for 2023E) and assumes expected synergies are fully realized. Adjusted results are non-GAAP and defined on page 2. For further information, please see the Glossary on page 11



# TD to Acquire Cowen



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**Cowen is a Premier U.S. Equities and Research Platform**

**Adds Scale and Industry Expertise in U.S. Capital Markets and M&A Advisory**

**Financially Attractive and Enhances Long-Term Growth**

**Strong Cultural Alignment and Shared Growth Aspirations**

# Appendix



# Glossary of Financial Terms



- **Adjusted Results:** The forward-looking estimated adjusted results presented in this document are based on median analyst consensus estimates of TD Bank's, Cowen's and Schwab's future adjusted results, and we caution that the methodology applied by analysts to estimate those results may not be consistent with TD Bank's methodology. For illustrative purposes, an example of TD Bank's reconciliation of reported results to adjusted results is available in TD Bank's Q2 2022 MD&A
- **Common Equity Tier 1 (CET1) Capital:** This is a primary Basel III capital measure comprised mainly of common equity, retained earnings and qualifying noncontrolling interest in subsidiaries. Regulatory deductions made to arrive at the CET1 Capital include goodwill and intangibles, unconsolidated investments in banking, financial, and insurance entities, deferred tax assets, defined benefit pension fund assets, and shortfalls in allowances
- **Common Equity Tier 1 (CET1) Capital Ratio:** CET1 Capital ratio represents the predominant measure of capital adequacy under Basel III and equals CET1 Capital divided by RWA. This measure has been calculated in accordance with OSFI's Capital Adequacy Requirements guidelines
- **Economic Income:** Economic Income is a non GAAP financial measure calculated by making the following income statement adjustments to net income (loss) attributable to Cowen common stockholders: (i) US GAAP Income tax expense (benefit), (ii) amortization of discount premium on debt, (iii) goodwill and/or other impairment, (iv) debt extinguishment gain (loss) and/or accelerated debt costs, (v) bargain purchase gain, (vi) contingent liability adjustments, (vii) acquisition related amounts, and (viii) preferred stock dividends, then deducting economic income tax expense and preferred stock dividends
- **Economic Proceeds:** A non GAAP financial measure calculated as Revenues and Other Income (Loss) minus (i) underwriting expenses, (ii) reimbursable client expenses, (iii) securities financing interest expense, (iv) fund start-up costs, distribution and other fees, (v) certain equity method investments, (vi) carried interest, (vii) proprietary trading gains and losses, (viii) insurance related activities expenses, and (ix) facilitation trading gains and losses (loss) attributable to Cowen common stockholders
- **Return on Invested Capital (ROIC):** A non-GAAP performance measure calculated by dividing adjusted net income attributable to common shareholders by the average invested capital, which includes the required Common Equity Tier 1 (CET1) capital on risk weighted assets plus goodwill and transaction-related intangibles, net of associated deferred tax liabilities
- **Risk-Weighted Assets (RWA):** Assets calculated by applying a regulatory risk-weight factor to on and off-balance sheet exposures. The risk-weight factors are established by the OSFI to convert on and off-balance sheet exposures to a comparable risk level