

Jefferies – A Global Investment Banking Firm

April 2021



Jefferies

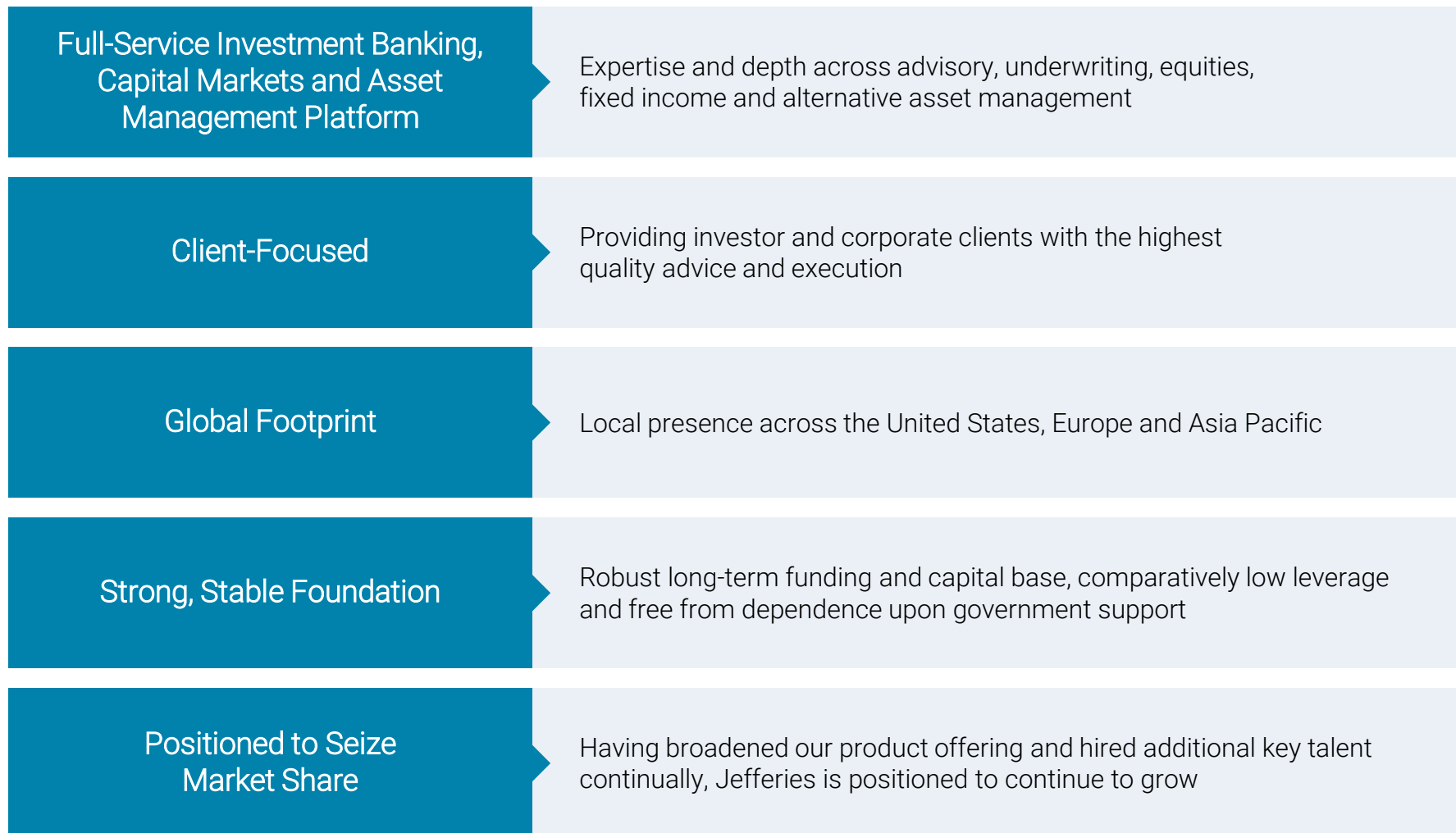
Notes on Forward Looking Statements

This document contains “forward looking statements” within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Forward looking statements include statements about our future and statements that are not historical facts. These forward looking statements are usually preceded by the words “expect”, “intend”, “may”, “will”, or similar expressions. Forward looking statements may contain expectations regarding revenues, earnings, operations, and other results, and may include statements of future performance, plans, and objectives. Forward looking statements also include statements pertaining to our strategies for future development of our business and products. Forward looking statements represent only our belief regarding future events, many of which by their nature are inherently uncertain.

It is possible that the actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Information regarding important factors that could cause actual results to differ, perhaps materially, from those in our forward looking statements is contained in reports we file with the Securities and Exchange Commission (“SEC”). You should read and interpret any forward looking statement together with reports we file with the SEC.

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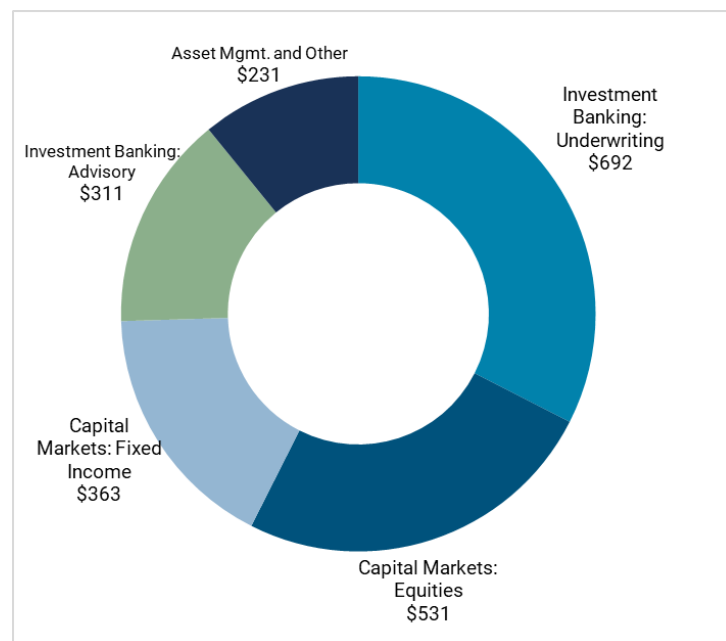
Earnings Update – First Quarter 2021 and Last Twelve Months

Performance First Quarter Ending February 28, 2021

- Net Revenues: \$2,129 million
- Pre-Tax Earnings: \$671 million
- Net Earnings: \$494 million

NET REVENUES BY SOURCE

(\$ Millions)

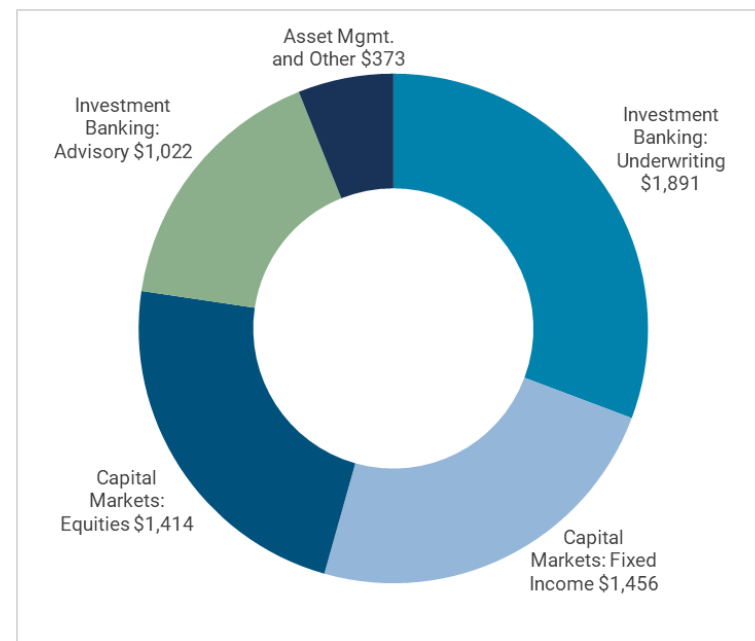


Performance Last Twelve Months Ending February 28, 2021

- Net Revenues: \$6,156 million
- Pre-Tax Earnings: \$1,613 million
- Net Earnings: \$1,200 million

NET REVENUES BY SOURCE

(\$ Millions)



Liquidity and Funding Principles

Jefferies' long-standing liquidity and funding principles have maintained the strength and soundness of our platform across market cycles

- Owning inventory that is composed of liquid assets that turn over regularly, with Level 3 Financial Instruments Owned at approximately 2% of Financial Instruments Owned as of 02/28/2021
- Maintaining a sound, long-term funding and capital base and reasonable leverage relative to our business activity
- No material reliance on short-term unsecured funding or customer balances. No commercial paper program
- Short-term secured funding that is readily and consistently available through clearing houses, or fixed for periods of time that exceed the expected tenure of the inventory they are funding
- Assessing capital reserves and maintaining liquidity to withstand adverse changes in the trading or financing markets and a firm specific idiosyncratic stress
- Where appropriate, entering into partnerships and joint ventures with complementary long-term partners to pursue business opportunities that otherwise may exceed our capital capacity or risk tolerance (Jefferies Finance LLC)

Core Operating Principles

Jefferies is focused on the following core principles to manage risk and deliver across-the-cycle revenue and earnings growth:

Strong Liquidity

- Jefferies maintains a very liquid, financeable and low-risk balance sheet

Limited Leverage

- Jefferies maintains a consistent, carefully managed leverage ratio, and has demonstrated the operational and financial flexibility to reduce leverage in times of stress

Driving Productivity

- Jefferies continues to increase investment banker productivity

Taking Market Share

- Since 2008, Jefferies has grown market share by:
 - Taking advantage of market dislocation and our competitors' ongoing struggles to enter new businesses and regions and expand existing capabilities
 - Delivering broader and better capabilities to our clients

Culture

- Jefferies is transparent, not arrogant, client focused and creditor friendly

Strong Capital Structure and Ample Liquidity

- Jefferies maintains a highly liquid balance sheet, with low gross leverage and exposure to illiquid assets, and significant structural liquidity
- Jefferies continues to manage the size of its balance sheet in response to market conditions and volatility
 - Total assets: \$51.4 billion
 - Leverage: 7.8x ⁽¹⁾
 - Tangible gross leverage: 10.5x ⁽²⁾
- Long-term capital of \$13.2 billion

(1) Leverage ratio equals total assets divided by total equity.

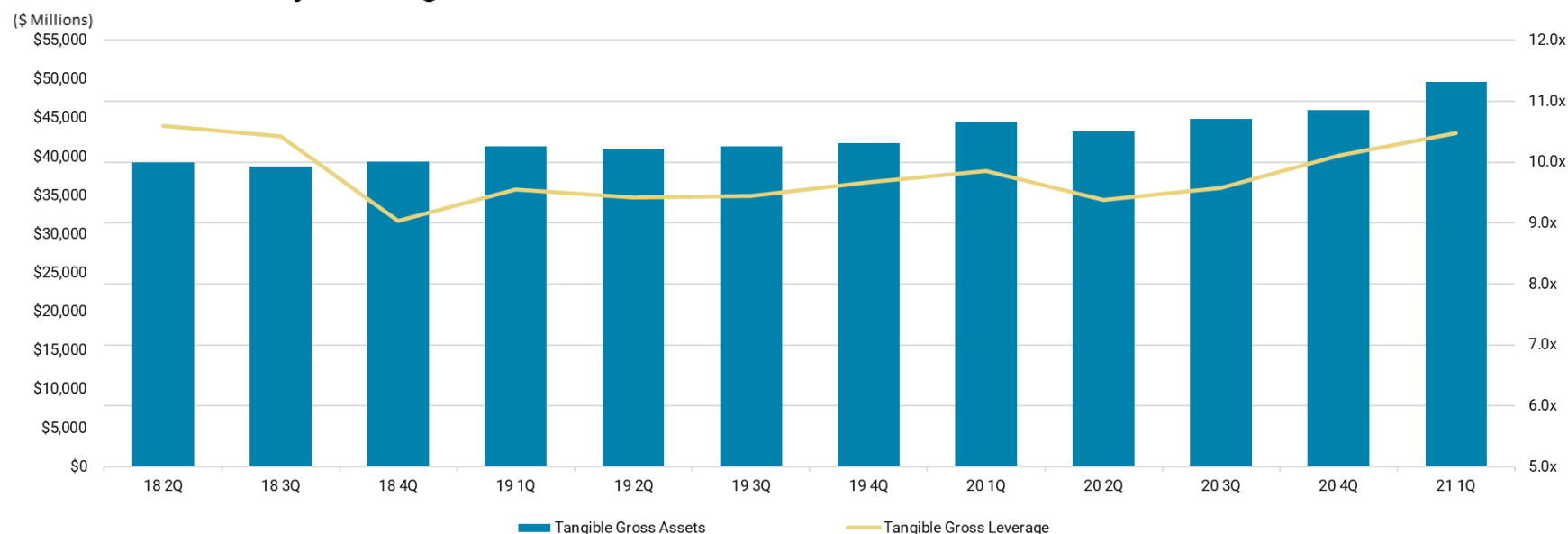
(2) Tangible gross leverage ratio and tangible gross assets are non-GAAP financial measures. Tangible gross leverage ratio equals tangible gross assets divided by tangible Jefferies Group LLC member's equity. Tangible gross assets equals total assets less goodwill and identifiable intangible assets. Tangible Jefferies Group LLC member's equity represents total Jefferies Group LLC member's equity less goodwill and identifiable intangible assets. The tangible gross leverage ratio is used by rating agencies in assessing our leverage ratio. See Appendix on page 17 for a reconciliation to GAAP measures.

Note: All figures are as of February 28, 2021

Limited Leverage

- Jefferies has a long-standing policy of carefully managing balance sheet leverage
- In periods of stress, Jefferies has demonstrated the ability to rapidly reduce leverage without unduly impacting our business

Historical Quarterly Leverage ⁽¹⁾



(1) Tangible gross leverage ratio and tangible gross assets are non-GAAP financial measures. Tangible gross leverage ratio equals tangible gross assets divided by tangible Jefferies Group LLC member's equity. Tangible gross assets equals total assets less goodwill and identifiable intangible assets. Tangible Jefferies Group LLC member's equity represents total Jefferies Group LLC member's equity less goodwill and identifiable intangible assets. The tangible gross leverage ratio is used by rating agencies in assessing our leverage ratio. See Appendix on page 17 for a reconciliation to GAAP measures.

Strong Liquidity

Jefferies' trading inventory is liquid and low-risk, rapidly turning in order to serve client flow

Very Liquid Inventory

- 67% of financial instruments owned are readily and consistently financeable at haircuts of 10% or less
- Level 3 Financial Instruments Owned represent only ~2% of long inventory

Reliable Secured Funding

- Approximately 62% of our cash and non-cash repurchase financing activities use collateral that is considered eligible collateral by central clearing corporations
- No reliance on short-term unsecured funding or customer balances. No commercial paper program

Client-Focused

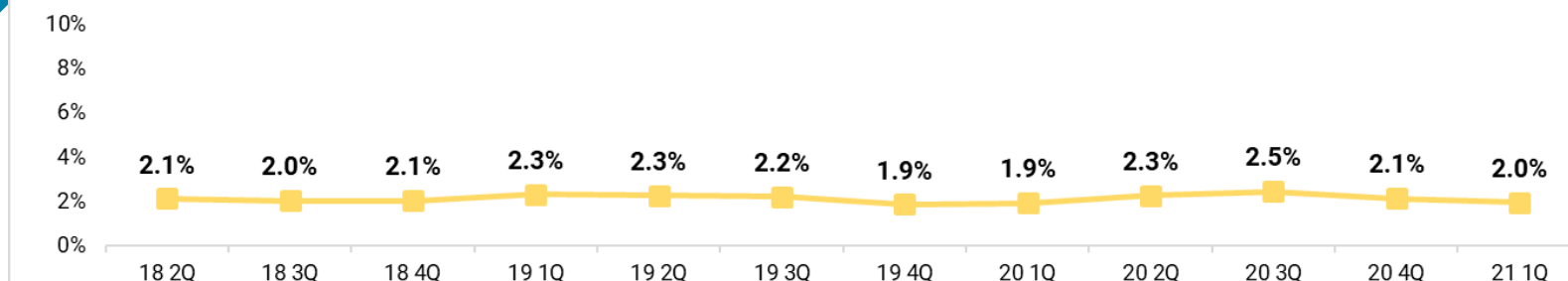
- Fee and flow based businesses represent preponderance of net revenues

Note: All figures are as of February 28, 2021

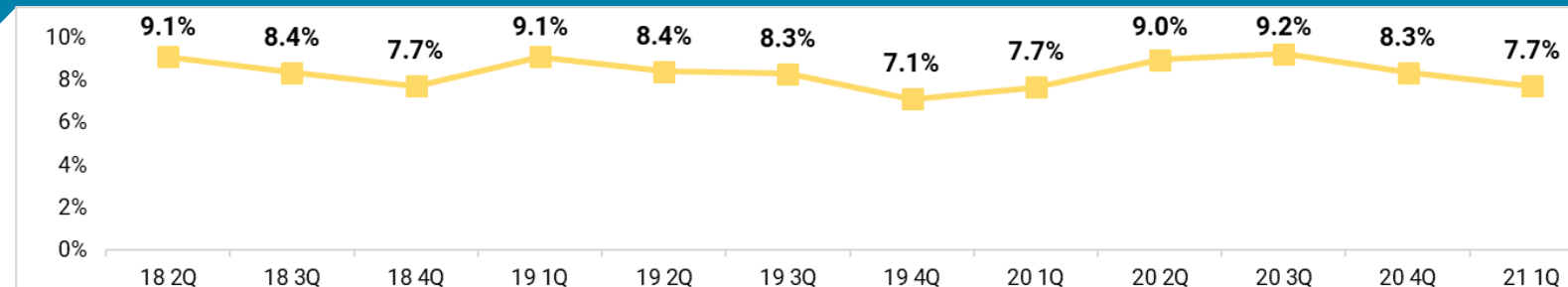
Level 3 Financial Instruments Owned Overview

- At February 28, 2021, approximately 98% of inventory is Levels 1 and 2, with a minimal amount of Level 3 Financial Instruments Owned
- At February 28, 2021, Level 3 Financial Instruments Owned represent only 7.7% of tangible Jefferies Group LLC member's equity

Level 3 Financial Instruments Owned as a Percentage of Financial instruments Owned

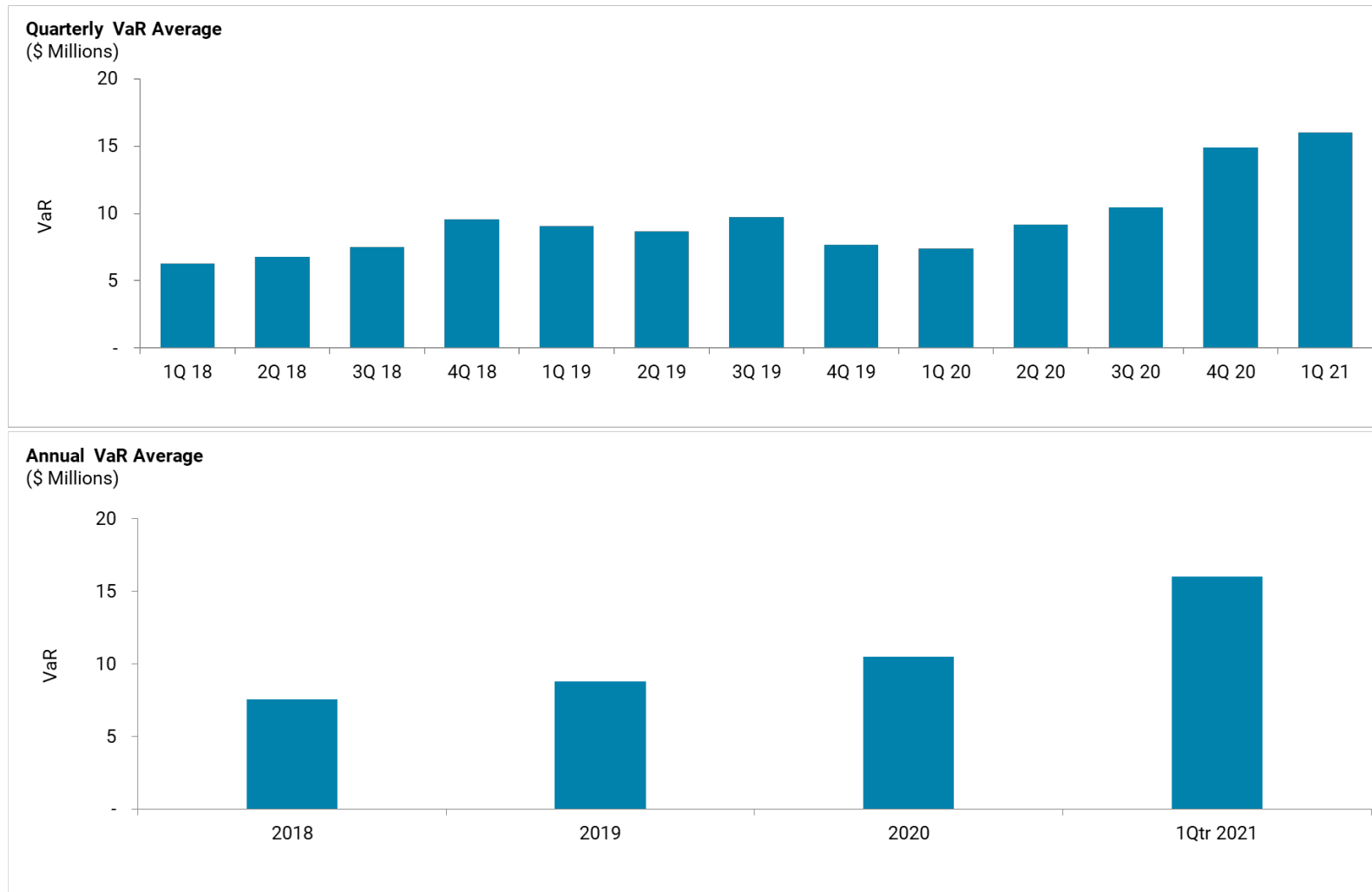


Level 3 Financial Instruments Owned as a Percentage of Tangible Jefferies Group LLC Member's Equity⁽¹⁾



(1) Tangible Jefferies Group LLC member's equity (a non-GAAP financial measure) represents total Jefferies Group LLC member's equity less goodwill and identifiable intangible assets. See Appendix on page 17 for a reconciliation to GAAP measures.

Value-at-Risk (VaR)



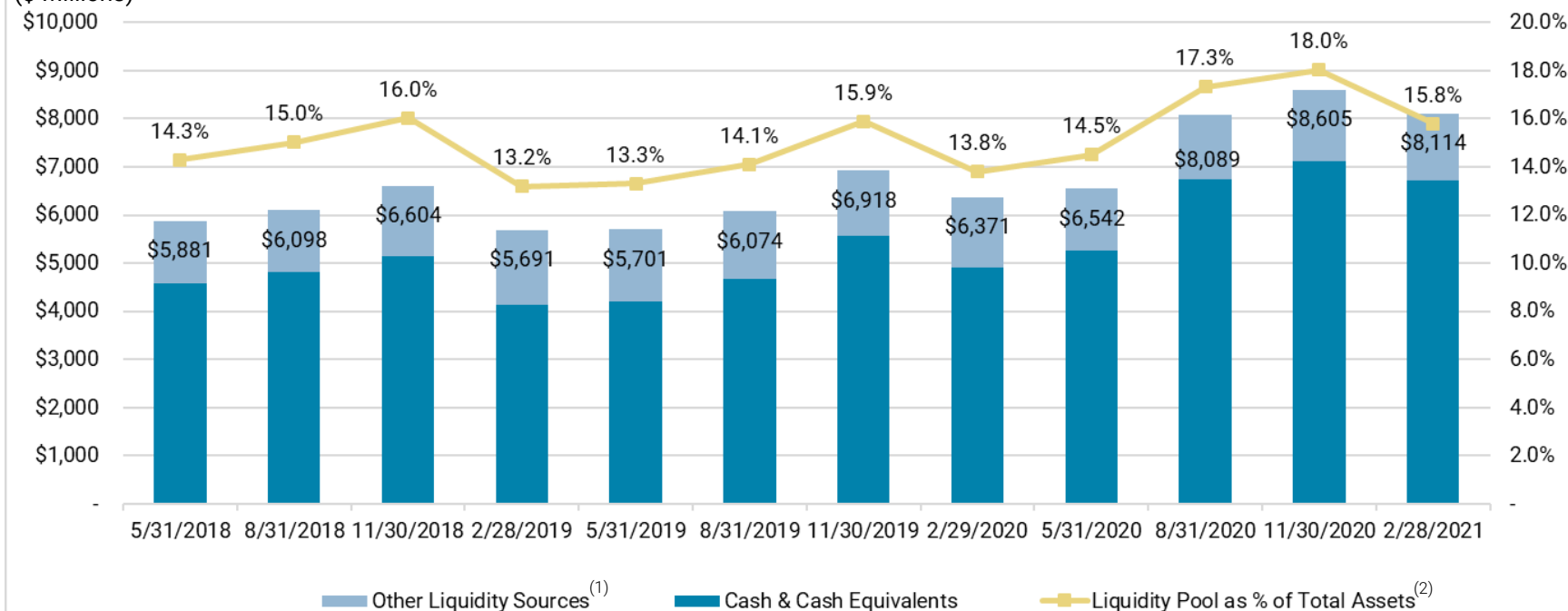
(1) A one-day time horizon, with a one year look-back period, and a 95% confidence level was used.

Liquidity Pool

- Jefferies maintains significant excess liquidity on hand

Total Liquidity Pool

(\$ Millions)



(1) Consists of high quality sovereign government securities and reverse repurchase agreements collateralized by U.S. government securities and other high quality sovereign government securities; deposits with a central bank within the European Economic Area, Canada, Australia, Japan, Switzerland or the USA; and securities issued by a designated multilateral development bank and reverse repurchase agreements with underlying collateral comprised of these securities. In addition, amounts include unencumbered inventory representing an estimate of the amount of additional secured financing that could be reasonably expected to be obtained from our financial instrument owned that are currently not pledged after considering reasonable financing haircuts.

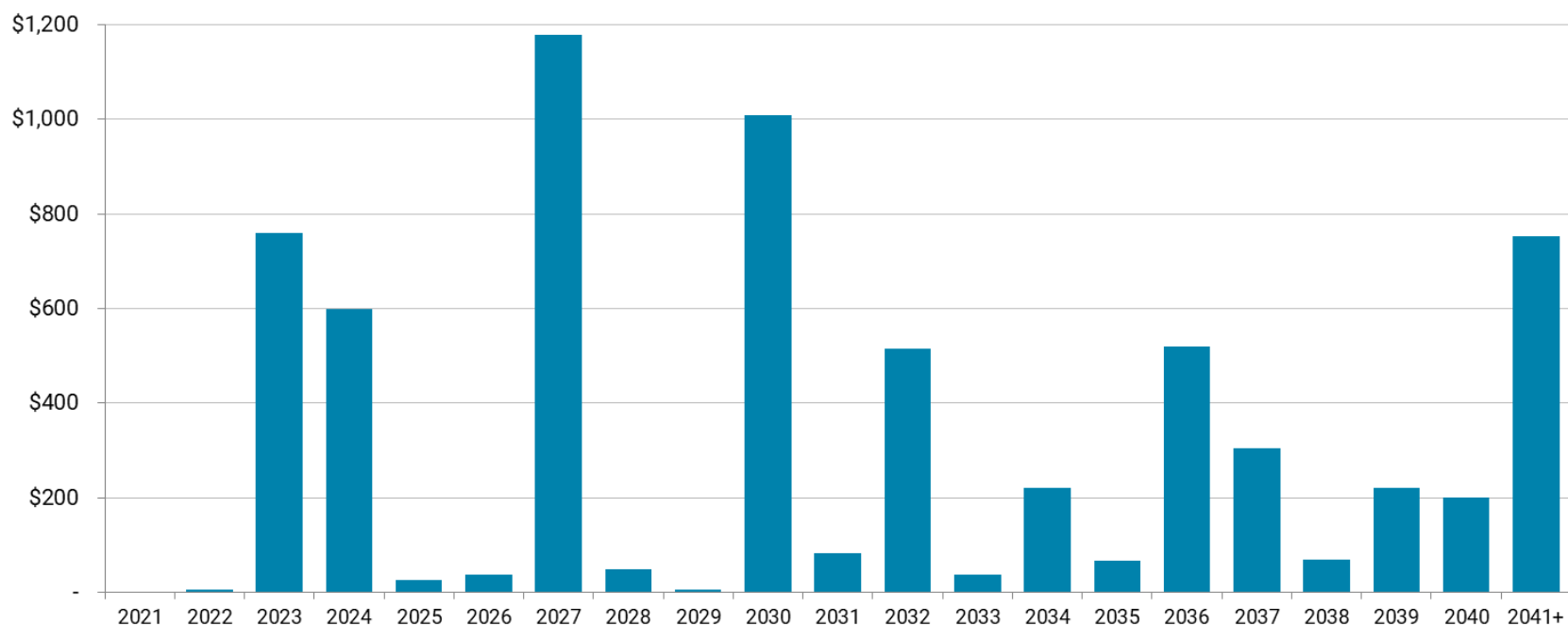
(2) Cash and cash equivalents plus other liquidity sources, divided by total assets.

Unsecured Long-Term Debt Profile

- As of February 28, 2021, our \$6.68 billion carrying value of unsecured long-term debt had a weighted average maturity of approximately 10.6 years
- No maturity of unsecured long-term debt in a single year is greater than 20% of outstanding long-term debt

Long-Term Unsecured Debt Maturity Schedule

(\$ Millions)



Credit Ratings

Group

Jefferies Group LLC		
Agency	Rating	Outlook
Standard & Poor's	BBB	Stable
Moody's	Baa3	Positive
Fitch	BBB	Stable

Subsidiaries

Jefferies LLC ⁽¹⁾		
Agency	Rating	Outlook
Standard & Poor's	BBB+	Stable
Moody's	Baa2	Positive

Jefferies International Limited ⁽²⁾		
Agency	Rating	Outlook
Standard & Poor's	BBB+	Stable
Moody's	Baa2	Positive

1) US incorporated entity, regulated by the US SEC

2) UK incorporated entity, regulated by the UK FCA

A low-angle, upward-looking photograph of several tall skyscrapers in a city. The image is heavily overlaid with a semi-transparent blue filter, which is darker on the left and fades towards the right. The perspective creates a sense of height and scale, with the buildings converging towards the top of the frame. The word "Appendix" is written in white, sans-serif font on the left side of the image.

Appendix

Balance Sheet Overview

(\$ Millions)

Jefferies Group LLC				
Balance Sheet as of 2/28/2021				
Assets		Liabilities and Equity		
Cash & Cash Equivalents	\$ 6,707	Short-term Borrowings	\$ 883	
Cash & Securities Segregated	615	Financial Instruments Sold, Not Yet Purchased	12,362	
Financial Instruments Owned	18,571	Securities Loaned	2,519	
Loans to and Investments in Related Parties	1,017	Securities Sold Under Agreements to Repurchase	7,208	
Securities Borrowed	7,151	Other Secured Financings	3,804	
Securities Received as Collateral	0	Obligations to Return Securities Received as Collateral	(0)	
Securities Purchased Under Agreements to Resell	6,680	Payables to Brokers, Dealers and Clearing Organizations	4,098	
Receivables from Brokers, Dealers and Clearing Organizations	4,750	Payables to Customers	4,091	
Receivables from Customers	1,863	Accrued Expenses and Other Liabilities	2,386	
Fees, Interest and Other Receivables	491	Operating Lease Liability	558	
Premises and Equipment	849	Long-term Debt	6,922	
Goodwill	1,651	Total Liabilities	\$ 44,830	
Other Assets	1,041	Total Jefferies Group LLC Member's Equity	6,540	
		Noncontrolling Interests	16	
		Total Equity	\$ 6,556	
Total Assets	\$ 51,386	Total Liabilities and Equity	\$ 51,386	
Leverage: ⁽¹⁾	7.8x			
Tangible Gross Leverage: ⁽²⁾	10.5x			

Note: As presented in Jefferies public filings.

(1) Leverage ratio equals total assets divided by total equity.

(2) Tangible gross leverage ratio (a non-GAAP financial measure) equals total assets of \$51,386 million less goodwill and identifiable intangible assets of \$1,807 million divided by tangible Jefferies Group LLC member's equity of \$4,733 million. Tangible Jefferies Group LLC member's equity represents total Jefferies Group LLC member's equity of \$6,540 million less goodwill and identifiable intangible assets of \$1,807 million. The tangible gross leverage ratio is used by rating agencies in assessing our leverage ratio.

Tangible Assets and Tangible Jefferies Group LLC Member's Equity GAAP Reconciliation

(Amounts in \$ Billions, Except for Ratios)	2019			2019				2020				2021
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total Assets (GAAP)	41.1	40.6	41.2	43.1	42.8	43.1	43.5	46.2	45.1	46.7	47.8	51.4
Less: Goodwill and Intangibles	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Tangible Gross Assets (Non-GAAP)	39.3	38.7	39.3	41.3	41.0	41.3	41.7	44.4	43.3	44.9	45.9	49.6
Total Jefferies Group LLC Member's Equity (GAAP)	5.5	5.6	6.2	6.2	6.2	6.2	6.1	6.3	6.4	6.5	6.3	6.5
Less: Goodwill and Intangibles	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Tangible Jefferies Group LLC Member's Equity (Non-GAAP)	3.7	3.7	4.4	4.3	4.4	4.4	4.3	4.5	4.6	4.7	4.5	4.7
Gross Leverage(GAAP)	7.4x	7.3x	6.7x	7.0x	6.9x	7.0x	7.1x	7.3x	7.0x	7.2x	7.5x	7.8x
Tangible Gross Leverage (Non-GAAP)	10.6x	10.4x	9.0x	9.5x	9.4x	9.4x	9.7x	9.9x	9.4x	9.6x	10.1x	10.5x

Note: Jefferies tangible gross assets and tangible Jefferies Group LLC member's equity are unaudited non-GAAP financial measures that begin with information prepared in accordance with U.S. GAAP and then are adjusted to exclude goodwill and intangibles. Management believes that the tangible gross assets and tangible Jefferies Group LLC member's equity are common metrics used by many investors in its industry to evaluate performance from period to period.