

JMP

Introduction to JMP Group LLC

November 2020

Forward-Looking Statements

This presentation, as well as any accompanying comments by JMP Group representatives, contains forward-looking statements that reflect JMP Group's current views with respect to, among other things, the company's operations and financial performance, as well as potential increases in dividends and retained earnings as a result of the proposed reorganization transaction discussed herein. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "predicts," "intends," "plans," "estimates," "anticipates," or the negative versions of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. JMP Group believes that these factors include, but are not limited to, those described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on March 30, 2020, and in the similarly captioned sections of its other periodic reports filed under the Securities Exchange Act of 1934, as amended. JMP Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

A Diversified Platform

- Multiple business lines provide complementary revenue opportunities
 - Boutique investment bank with franchise value in consolidating industry
 - Alternative asset manager with focus on private capital strategies and platform investments
- Serving four growth industries: technology, healthcare, financial services, and real estate
- Commitment to full-service model, pairing capital markets expertise with strategic advisory capabilities
- A publicly traded partnership (NYSE: JMP) taxed as a corporation
 - Executive management and board of directors own approximately 60% of outstanding shares

2020 Key Developments

- JMP Securities revenues up 23% YTD, driven by recovery in ECM business
- Underwriter of 12 IPOs in 2020, with 35%+ year-over-year growth in IPO fees
- Reviewed expense base and instituted cost-saving initiatives to improve structural profitability

Operating EPS by Segment ⁽¹⁾

(\$ per share)	LTM		2019	
	EPS	ROE	EPS	ROE
Broker-Dealer	\$0.15	13.7%	(\$0.24)	(21.5%)
Asset Management Fee Income	\$0.01	3.8%	(0.02)	(7.6%)
Investment Income	0.32	6.9%	0.48	8.2%
Total Asset Management	0.33	6.7%	0.46	7.4%
Corporate Costs	(0.26)		(0.26)	
Operating Net Income	<u>\$0.22</u>	5.7%	<u>(\$0.04)</u>	(0.9%)

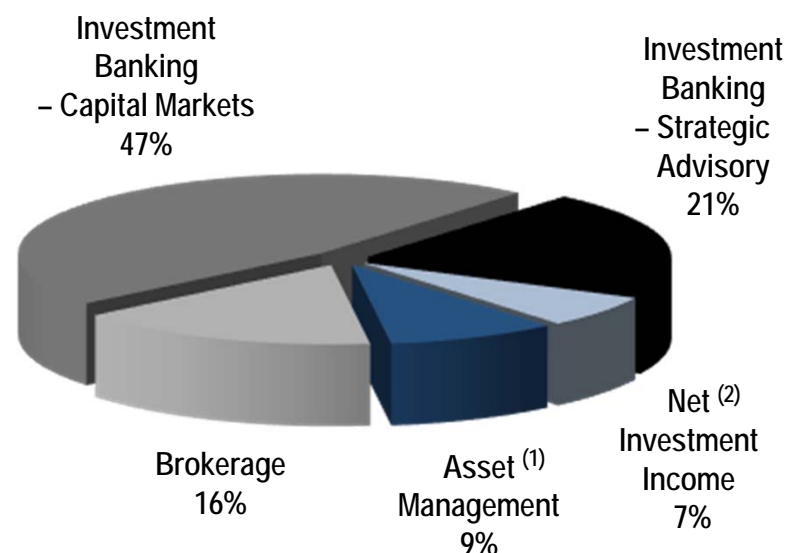
⁽¹⁾ A non-GAAP financial measure. For more information, see the Form 8-K filed on 10/28/20. Due to rounding, per share amounts may not sum totals presented.

Components of Revenue

Multiple Business Lines

- Focus on revenue growth and margin expansion across all business lines
- Within JMP Securities, pursuit of market share gains as competitors consolidate, exit businesses or reallocate resources
- Increasing portion of total revenues derived from higher-margin strategic advisory services
- Asset management growth strategy reoriented toward independent platforms that offer revenue synergies with JMP Group
- Effort to deemphasize less productive businesses in favor of areas in which the firm can successfully compete at scale

Composition of LTM Adjusted Net Revenues

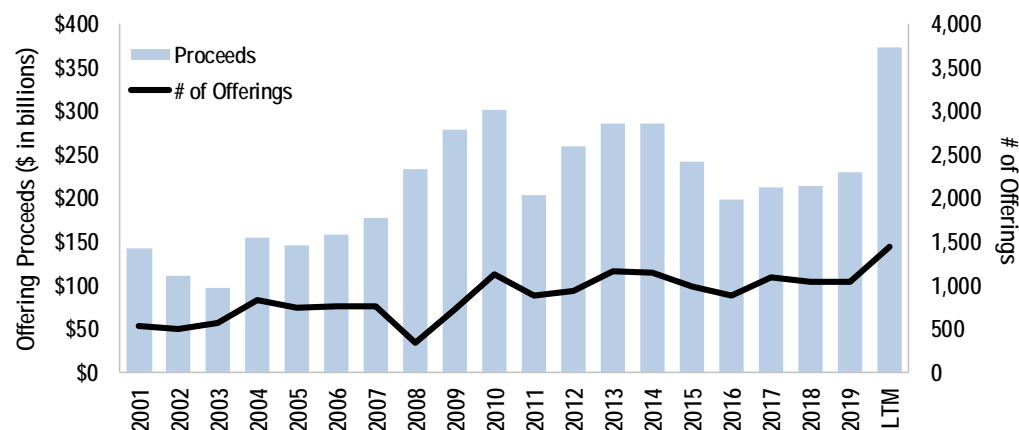


(1) Includes fundraising and other asset management-related fee revenues reported as other income. Excludes all non-controlling interests in asset management fees.
(2) Excludes net unrealized gains and losses on strategic equity investments and warrants as well as any gains and losses earned on deferred employee compensation invested. Excludes all non-controlling interests in net investment income.

Attractive Long-Term Growth

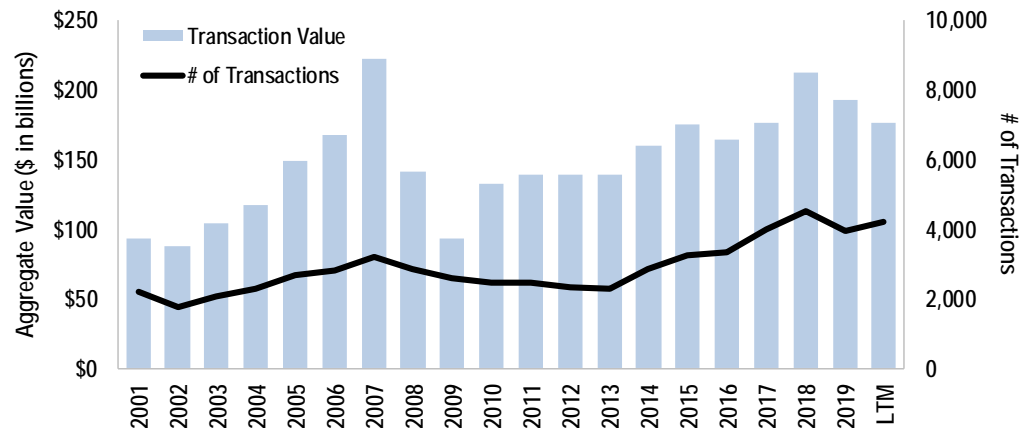
- The number of common equity offerings by U.S. issuers each year has doubled in the past two decades, spiking over the past 12 months
- As underwriting revenues across the industry have climbed since 2016, JMP Securities has competed aggressively for ECM market share
- Middle-market M&A activity has been strong in recent years, while slowing in 2019 and 2020
- JMP Securities has undertaken a multi-year initiative to organically expand the firm's strategic advisory business, making it a growing component of the firm's revenue

U.S. Common Equity Offerings



U.S. Mergers & Acquisitions

Transactions with Total Consideration of \$1.0 Billion or Less



Franchise Value in Independence

- Following more than a decade of consolidation among institutional broker-dealers and advisory firms, JMP Securities is among the few remaining independent investment banks with meaningful scale

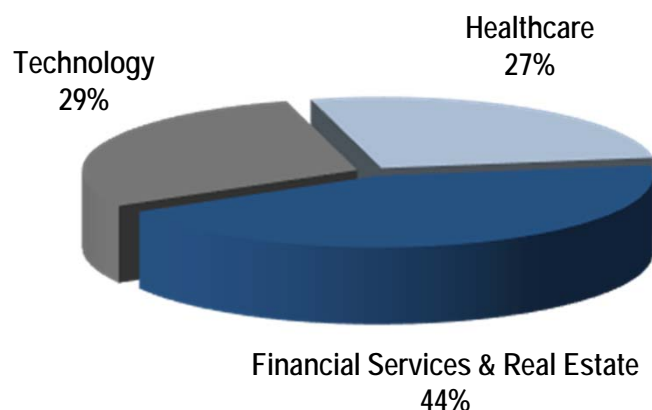
- Selected peer firms acquired or closed since JMP Group's 2007 IPO:

— Buckingham Research Group	Apr. 2020	— Dahlman Rose & Company	Feb. 2013
— Ladenburg Thalmann	Nov. 2019	— Caris & Company	Dec. 2012
— Freeman & Co.	Oct. 2019	— Milestone Advisors	Dec. 2012
— Sandler O'Neill + Partners	July 2019	— Jefferies Group	Nov. 2012
— Cleary Gull	July 2019	— KBW	Nov. 2012
— GMP Capital	June 2019	— ThinkEquity	Nov. 2012
— FIG Partners	Mar. 2019	— Rodman & Renshaw	July 2012
— Bowstring Advisors	Feb. 2019	— Brigantine Advisors	Feb. 2012
— Leerink Partners	Nov. 2018	— McGladrey Capital Markets	Jan. 2012
— National Holdings Corporation	Nov. 2018	— Morgan Keegan & Company	Jan. 2012
— Quarton International	Nov. 2018	— Ticonderoga Securities	Jan. 2012
— Cain Brothers & Company	Aug. 2017	— Citadel Securities	Aug. 2011
— Wunderlich Securities	May 2017	— Signal Hill Capital Group (Equities)	Aug. 2011
— Avondale Partners (Equities)	Mar. 2017	— Soleil Securities	Mar. 2011
— CLSA Americas (Equities)	Mar. 2017	— Nollenberger Capital Partners	Feb. 2011
— FBR & Co.	Feb. 2017	— Howe Barnes Hoefler & Arnett	Dec. 2010
— Tudor, Pickering, Holt & Co.	Nov. 2016	— Tri-Artisan Capital Partners	Dec. 2010
— BB&T Capital Markets (Equities)	July 2016	— CRT Capital Group	Aug. 2010
— Sterne Agee CRT	June 2016	— Udata Advisors	Aug. 2010
— Simmons & Company	Nov. 2015	— Thomas Weisel Partners	Apr. 2010
— MLV & Co.	July 2015	— Fox-Pitt Kelton	Sep. 2009
— Sterne Agee Group	Feb. 2015	— Merrill Lynch & Co.	Sep. 2008
— Lazard Capital Markets	Sep. 2014	— Lehman Brothers	Sep. 2008
— Pacific Crest Securities	July 2014	— Bear Stearns	Mar. 2008
— Gleacher & Company	July 2014	— CIBC World Markets (U.S.)	Nov. 2007
— SWS Group	Apr. 2014	— Putnam Lovell	June 2007
— McColl Partners	June 2013	— Cochran Caronia Waller	May 2007
— Edgeview Partners	June 2013		

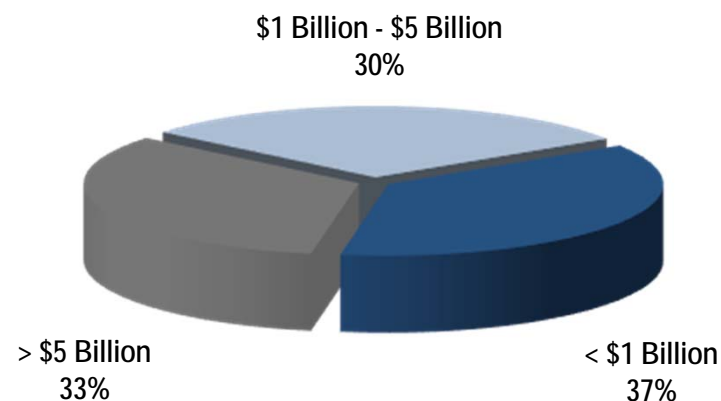
Well-Established Distribution Network

- Differentiated equity research is key to active relationships with institutional clients as well as publicly traded and privately held companies that may seek investment banking services
- 18 publishing research analysts ⁽¹⁾, 378 covered companies, and a median market capitalization of \$2.2 billion
- Focus on four high-growth industry verticals characterized by routine need for new capital
- Institutional brokerage platform highly effective in the marketing and distribution of securities offerings

Research Coverage by Sector



Research Coverage by Market Cap.

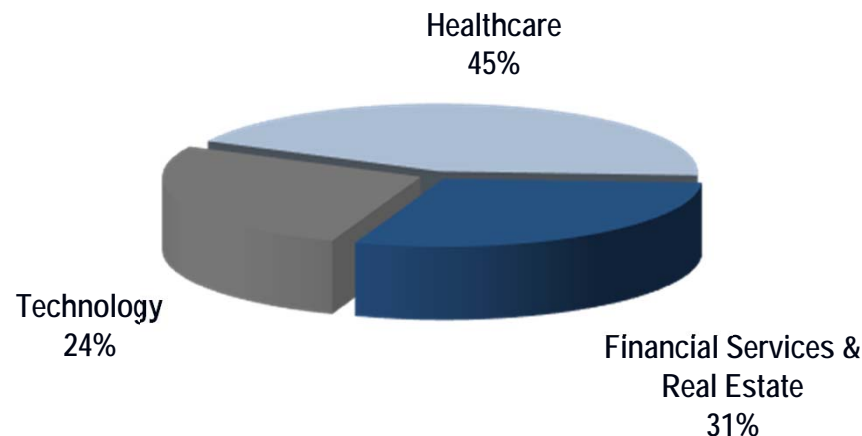


⁽¹⁾ Excludes two senior analysts who have not yet initiated coverage.

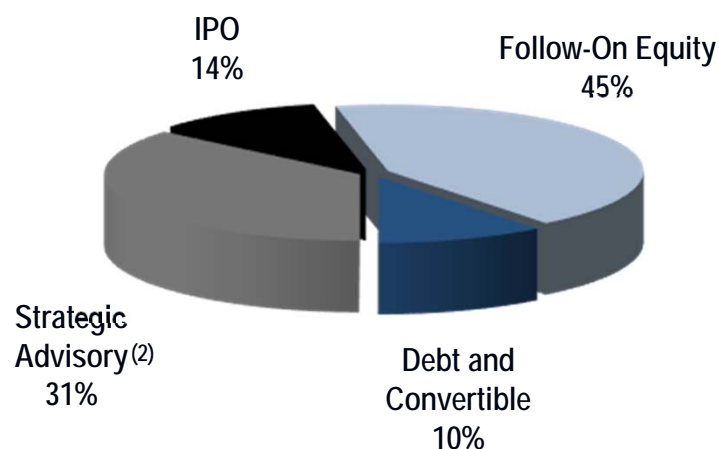
Diversification in Transaction Volume

- Despite uncertainties due to the COVID-19 pandemic, JMP Securities remains optimistic about the long-term outlook for both capital markets and strategic advisory activity
- JMP Securities' ECM market share in the technology sector is strong and growing
 - Underwriter of 26, or 26%, of the 99 U.S.-listed technology IPOs since the start of 2018 ⁽¹⁾
- Contributions from senior M&A bankers hired over the past 18 months are now adding to the organic growth of high-margin strategic advisory revenues

Investment Banking Revenues – LTM by Industry



Investment Banking Revenues – LTM by Transaction

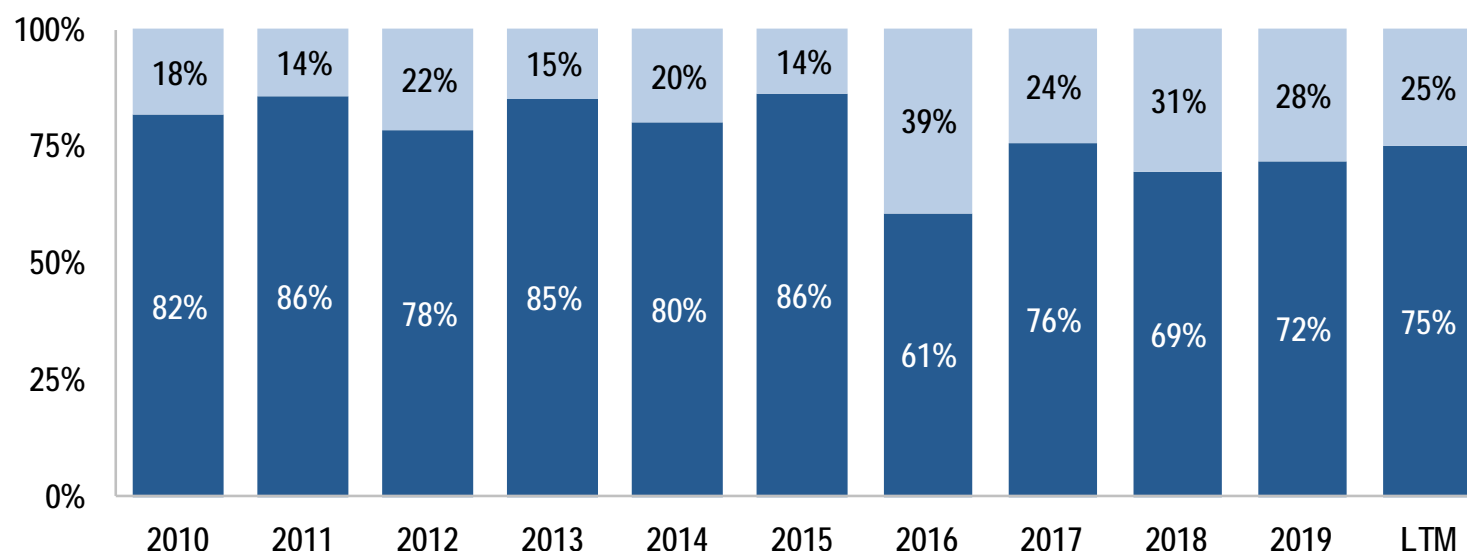


⁽¹⁾ Excludes issuers domiciled in China.

⁽²⁾ Includes private placement revenues.

Composition of Revenues

- Aggregate investment banking and institutional brokerage revenues at JMP Securities have shifted toward strategic advisory fees since 2016 as a result of a build-out of the firm's M&A capabilities



(\$ in millions)

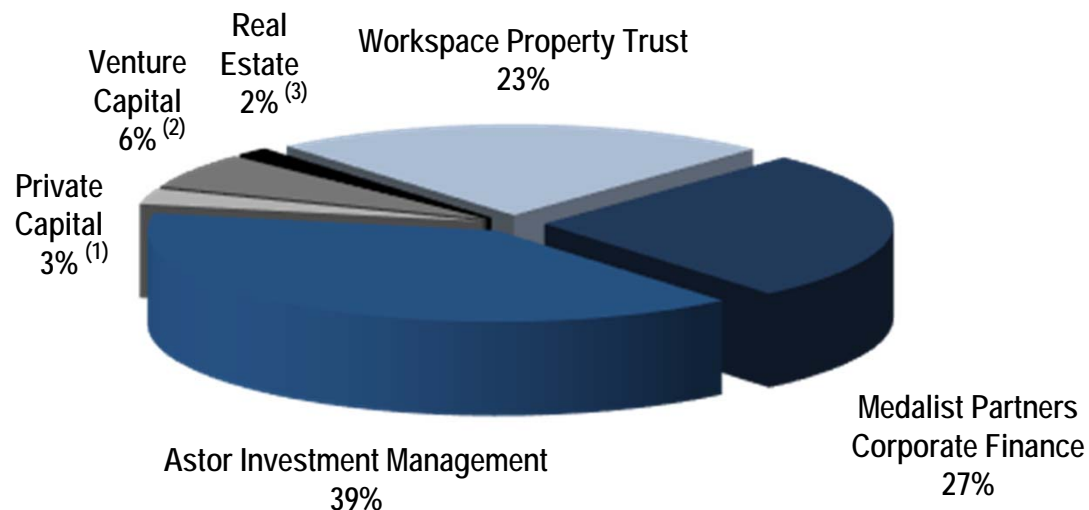
Advisory Revenues	\$13.7	\$10.3	\$15.7	\$14.6	\$21.7	\$12.5	\$31.0	\$24.0	\$33.4	\$23.5	\$24.1
Capital Markets Revenues	60.2	61.3	57.2	84.2	86.3	77.3	48.1	74.5	75.4	59.9	72.3
JMP Securities Revenues	\$73.8	\$71.6	\$72.9	\$98.8	\$108.0	\$89.8	\$79.1	\$98.5	\$108.8	\$83.4	\$96.4

Note: Effective January 1, 2018, JMP Group adopted a new accounting standard that requires a gross presentation of investment banking revenues. Prior to 2018, certain investment banking revenues were presented net of related expenses.

- Narrowed focus to fund strategies that leverage domain expertise across the JMP Group platform
 - Venture capital
 - Private credit
 - Real estate
- Completely exited the hedge fund space
- Increasing effort to partner with third-party managers that offer strategic fit and revenue synergies

Client Assets Under Management

\$5.6 Billion as of September 30, 2020



⁽¹⁾ Represents Harvest Capital Credit Corporation (NASDAQ: HCAP) and JMP Capital I.

⁽²⁾ Includes Harvest Growth Capital funds and Harvest Intrexon Enterprise Fund.

⁽³⁾ Represents JMP Realty Partners strategy.

Financial Summary



Balance Sheet

<i>(\$ in millions)</i>	9/30/20	12/31/19
Assets		
Cash	\$56.7	\$49.6
Marketable Securities ⁽¹⁾	55.5	73.1
Other Investments ⁽²⁾	24.0	35.3
Loans Held for Investment	1.1	1.2
Operating Lease Right-of-Use Asset	17.1	19.6
Other Assets	58.2	51.4
Total Assets	\$212.7	\$230.3
Liabilities and Equity		
Accrued Compensation	\$25.6	\$30.3
Bond Payable	80.8	82.6
Note Payable	10.6	6.8
Operating Lease Right-of-Use Liability	22.2	25.4
Other Liabilities	20.2	23.9
Total Liabilities	159.4	168.9
Total Equity	53.3	61.4
Total Liabilities and Equity	\$212.7	\$230.3

- Net invested capital of \$99.5 million
 - YTD ROE of 11.0%⁽³⁾

- Debt-to-total capital ratio of 68%
 - \$80.7 million of long-term debt
 - Goal to decrease to \$50 million by 2023 through investment proceeds and excess earnings

- Tangible book value of \$2.74 per share
 - Adjusted book value of \$3.58 per share⁽⁴⁾

⁽¹⁾ Includes equity investment in Harvest Capital Credit Corporation as well as investments in CLOs managed by Medalist Partners Corporate Finance.

⁽²⁾ Includes investments funds managed by JMP Group subsidiaries in addition to other private equity investments.

⁽³⁾ Not annualized. Calculated using average cost basis for period. Excludes unrealized losses on fair value of CLO equity investments.

⁽⁴⁾ Adds back accumulated depreciation and amortization expense related to investment in Workspace Property Trust.

Financial Summary



Income Statement – Operating Net Income

<i>(\$ in millions)</i>	2017	2018	2019	YTD '19	YTD '20
Revenues					
Investment Banking Fees	\$77.3	\$88.1	\$65.7	\$44.8	\$57.1
Net Brokerage Revenues	21.1	20.7	17.6	13.2	14.0
Asset Management-Related Fees	18.5	19.1	8.6	6.3	8.1
Net Investment Income ⁽¹⁾	9.1	14.3	15.1	13.4	5.9
Loan Loss Provision	(2.5)	(1.6)	(0.4)	(0.4)	-
Adjusted Net Revenues	123.5	140.7	106.5	77.3	85.0
Expenses					
Compensation and Benefits ⁽²⁾	88.5	96.0	72.0	51.4	58.7
General, Administrative and Other	29.9	37.8	35.7	27.2	20.7
Total Non-Interest Expenses	118.3	133.7	107.7	78.6	79.5
Oper. Inc. before Taxes	5.2	6.9	(1.2)	(1.3)	5.6
Income Tax Expense ⁽³⁾	0.8	0.9	(0.3)	(0.3)	1.5
Operating Net Income	\$4.4	\$6.0	(\$0.9)	(\$1.0)	\$4.1
Operating EPS	\$0.20	\$0.28	(\$0.04)	(\$0.05)	\$0.21

⁽¹⁾ Excludes (i) unrealized mark-to-market gains or losses, (ii) unrealized losses derived from depreciation and amortization of investments in commercial real estate, (iii) loan loss provisions, and (iv) all non-controlling interests in income and expenses.

⁽²⁾ Excludes compensation expense related to stock-based awards but accelerates and recognizes deferred compensation.

⁽³⁾ Prior to 2018, assumes an effective tax rate of 38%. As of 1/1/18, assumes rate of 26%, adjusted for cap on interest rate expense. Rates apply only to taxable subsidiary; effective tax rate varies. 1 1

Strategic Plan

- Building capacity for high return on equity at operating platforms through varying market cycles
- Continued investment in JMP Securities' institutional equities platform
 - Protect franchise value derived from position as one of the few remaining independent research boutiques in a consolidating industry
 - Increase market share through improved underwriting economics
- Maturation of JMP Securities' strategic advisory business
 - Growth of M&A and other advisory fees, contributing more consistently to total revenues
 - Gain additional visibility among corporate clients with respect to the firm's advisory capabilities
- Focus on asset management strategies that leverage the firm's collective intellectual capital and relationships
- Potential for improved valuation
 - Revenue mix shift toward higher-margin products and businesses with higher market multiples
 - Redeployment of invested capital into retirement of long-term debt
 - Recognition of embedded value
 - Conservatively stated book value + fair value of investment bank > current market capitalization