NEWMARK

Newmark Group, Inc.

(Nasdaq: NMRK)

First Quarter 2024 Financial Results Presentation

May 3, 2024

Property Type: Retail

Disclaimers

Discussion of Forward-Looking Statements

References in this document to “we,” “us,” “our,” the “Company” and “Newmark” mean Newmark Group, Inc., and its consolidated subsidiaries. Statements in this document regarding Newmark that are not historical facts are "forward-looking statements" that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. These include statements about the Company's business, results, financial position, liquidity, and outlook, which may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Except as required by law, Newmark undertakes no obligation to update any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see Newmark's Securities and Exchange Commission filings, including, but not limited to, the risk factors and Special Note on Forward-Looking Information set forth in these filings and any updates to such risk factors and Special Note on Forward-Looking Information contained in subsequent reports on Form 10-K, Form 10-Q or Form 8-K.Our expectations are subject to change based on various macroeconomic, social, political, and other factors. None of our long-term targets or goals beyond 2024 should be considered formal guidance.

Non-GAAP Financial Measures

This document contains non-GAAP financial measures that differ from the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"). Non-GAAP financial measures used by the Company may include "Adjusted Earnings before noncontrolling interests and taxes", which is used interchangeably with "pre-tax Adjusted Earnings"; "Post-tax Adjusted Earnings to fully diluted shareholders", which is used interchangeably with "post-tax Adjusted Earnings"; "Adjusted EBITDA"; and "Liquidity". The definitions of these and other non-GAAP terms are in the section of this document titled “Non-GAAP Financial Measures”.

Other Items

Investors may find the following information useful: (i) Throughout this document, certain other reclassifications may have been made to previously reported amounts to conform to the current presentation and to show results on a consistent basis across periods. Unless otherwise stated, any such changes would have had no impact on consolidated total revenues or earnings under GAAP or for Adjusted Earnings, all else being equal. Certain numbers in the tables or elsewhere throughout this document may not sum due to rounding. (ii) Rounding may have also impacted the presentation of certain year-on-year percentage changes. (iii) Decreases in losses may be shown as positive percentage changes in the financial tables. (iv) Changes from negative figures to positive figures may be calculated using absolute values, resulting in positive percentage changes in the tables.

Recent Consolidated Results

HIGHLIGHTS OF CONSOLIDATED RESULTS ($ in millions, except per share data)	1Q24	1Q23	Change
Revenues	$546.5	$520.8	4.9%
GAAP loss before income taxes and noncontrolling interests ("GAAP pre-tax income")	(29.8)	(19.4)	(53.7)%
GAAP net loss for fully diluted shares	(16.3)	(10.4)	(57.0)%
GAAP net loss per fully diluted share	(0.09)	(0.06)	(50.0)%
Adjusted Earnings before noncontrolling interests and taxes ("Pre-tax Adjusted Earnings")	42.9	40.8	5.1%
Post-tax Adjusted Earnings to fully diluted shareholders ("Post-tax Adjusted Earnings")	37.4	35.4	5.8%
Post-tax Adjusted Earnings per share ("Adjusted Earnings EPS")	0.15	0.15	-
Adjusted EBITDA ("AEBITDA")	63.5	62.9	0.9%

- GAAP results included a $15.8 million increase in non-cash equity-based compensation due to the timing of such charges between quarters and the increase in Newmark's stock price. These charges were not related to additional share issuance.
- On May 2, 2024, Newmark's Board of Directors (the "Board") declared a qualified quarterly dividend of $0.03 per share payable on June 3, 2024, to Class A and Class B common stockholders of record as of May 17, 2023. The ex-dividend date is May 16, 2023.

Notes: (i) See the sections of this document including, but not limited to, "Non-GAAP Financial Measures", "Adjusted Earnings Defined", and "Reconciliation of GAAP Net Income (loss) to Common Stockholders to Adjusted Earnings Before Noncontrolling Interests and Taxes and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS", including any footnotes to these sections, for the complete and/or updated definitions of these and other non-GAAP terms and how, when and why management uses them, and the differences between results under GAAP and non-GAAP for the periods discussed herein. (ii) The tax rate for Adjusted Earnings was 15.0% in the first quarter of 2024 compared with 15.1% a year earlier. (iii) Newmark's compensation charges with respect to grants of exchangeability generally move in the same direction as the Company's stock price. (iv) On July 1, 2023, Newmark redeemed its interest in Real Estate LP for $105.5 million.

Leading Commercial Real Estate Advisor and Service Provider

TTM Revenues
~$2.5B

2022 + 2023 Transaction Volume
~$1.7T

Professionals
~7,600

Global Client Service Locations
~170

Top Global Public CRE Services Companies

NEWMARK
CBRE
Colliers
CUSHMAN & WAKEFIELD
JLL
savills

Acclaimed Industry Leader

MSCI
Top 3 U.S. Broker by Investment Volume (2023)
#2 Multifamily Broker (2023)
#2 Office Broker (2023)
#4 Cross-Border Broker (2023)

Freddie Mac
#4 Freddie Mac Lender (2023)
& MBA's Top 5 Fannie Mae multifamily loan servicer (2023)

GlobeSt.com
CRE's Best Places to Work (2024)

Commercial Property Executive
Ranked #2 Top Mortgage Banking & Brokerage Firms (2024)

IAOP
Global Outsourcing 100®
for 15th consecutive year in 2024

Strong Earnings, Cash Generation & Low Leverage

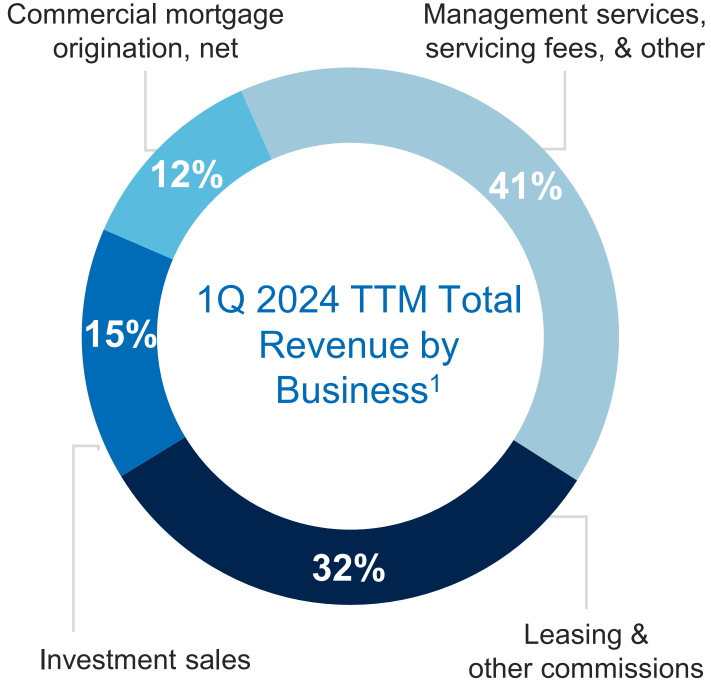
$399MM of Adjusted EBITDA
&
1.3x net leverage as of March 31, 2024

Notes: (i) Headcount and client service locations include independently-owned business partners. Excluding these business partners, we had nearly 7,200 employees in more than 140 offices as of March 31, 2024. Our revenues and volumes are for Newmark company-owned offices only. (ii) Volume figure is the notional value of leasing, investments sales, mortgage brokerage, and GSE/FHA origination transacted by the Company as well as the estimated value of all properties appraised by our V&A businesses for the past two calendar years. (iii) GSE lending rankings are based on disclosures by Fannie Mae regarding Multifamily Delegated Underwriting & Servicing Lenders and/or by Freddie Mac about conventional Multifamily Optigo® Lenders. Servicing ranking is per the MBA. (iv) Adjusted EBITDA and net leverage are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Financial Tables and Reconciliations."

Low Risk Real Estate Services Business with Diversified Revenue Base

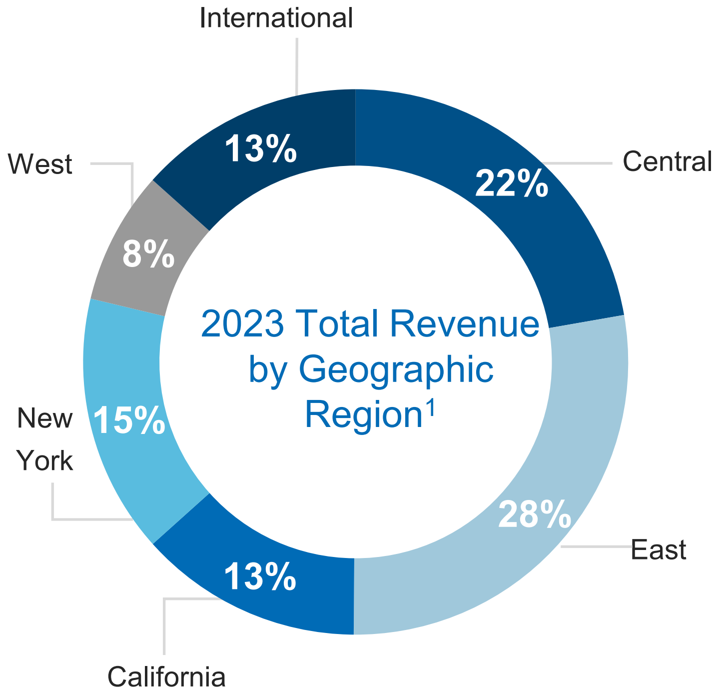
Leading CRE Services Platform

Revenues from “Management services, servicing fees, & other” increased 63% in 1Q 2024 TTM compared with FY2019



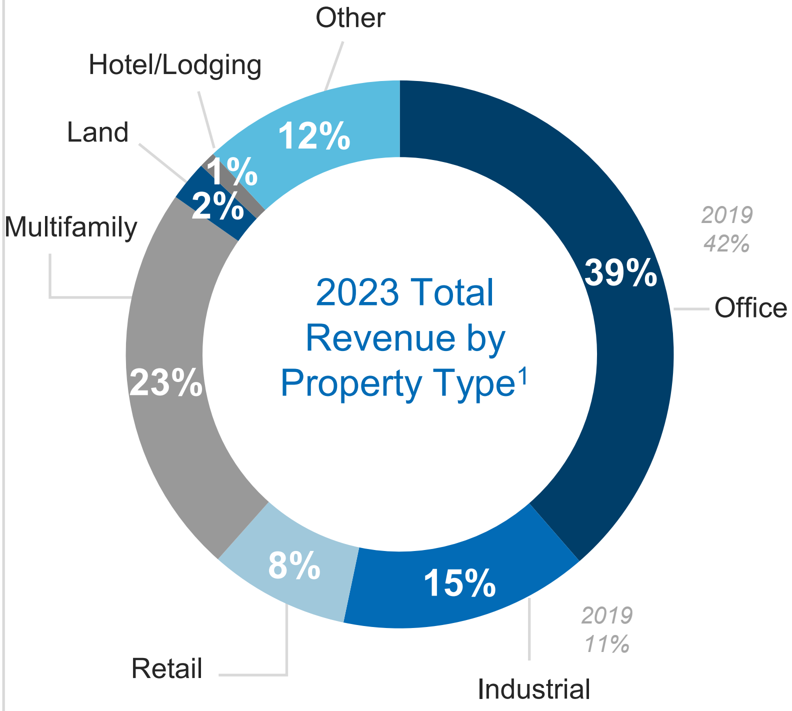
Covering a Broad Geography

Increasingly diversified by region. The addition of Gerald Eve put us at 13% international in 2023



Diversified Revenue Streams

Focused investments driving continued revenue growth across property types



1. Percentage shown reflect 1Q 2024 TTM total revenue of $2.5B and 2023 total revenue of $2.5B as generated by all the Company’s businesses. The Company historically updates revenue by property type and geography only once a year.

First Quarter 2024 Highlights[1]

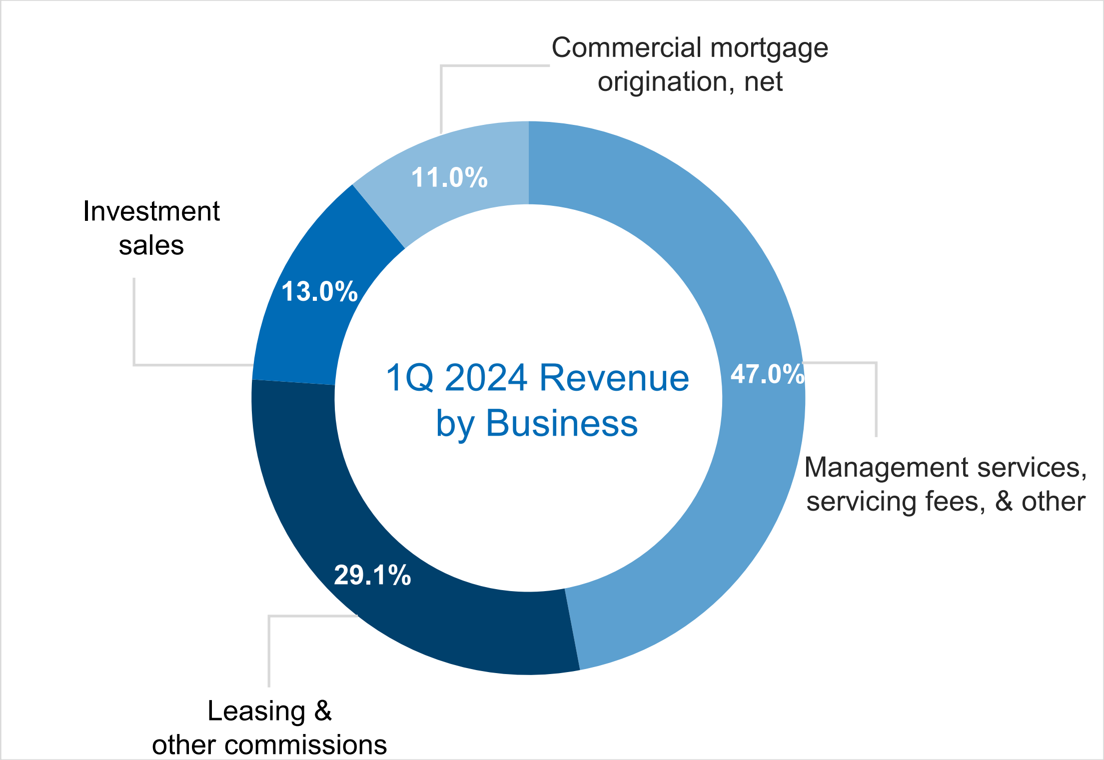
$546.5MM REVENUES	$63.5MM ADJUSTED EBITDA	$0.15 POST-TAX ADJUSTED EPS	11.6% ADJUSTED EBITDA MARGIN

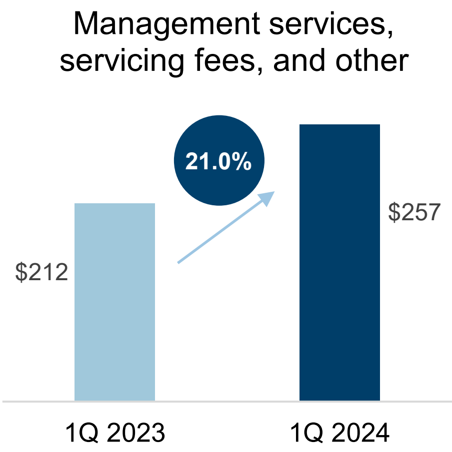
- Newmark's 13.5% increase in capital markets[2] revenues outpaced the industry for the third consecutive quarter, led by 50.5% growth in Fees from commercial mortgage origination, net.

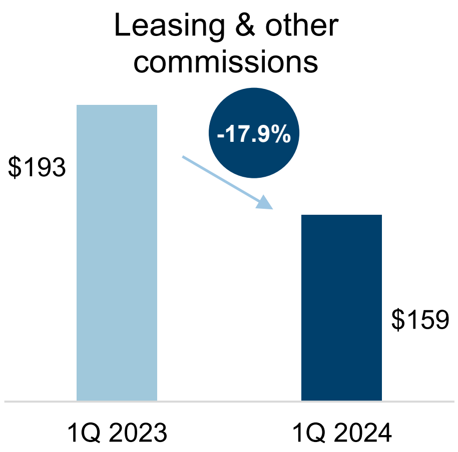
- The Company's businesses across Management services, servicing fees, and other increased by 21.0% and produced strong double-digit growth for the third quarter in a row.

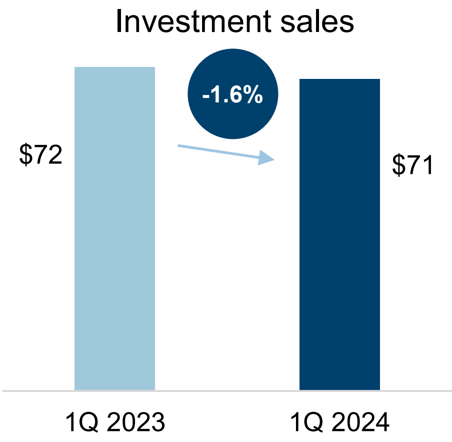
1. For more on items including recent acquisitions and hires as well as any economic or industry data referenced herein, including Newmark's MSCI ranking, see "Other Useful Information".
2. Beginning in the second quarter of 2024, the Company will present the total for Investment Sales, Fees from commercial mortgage origination, net, and OMSR revenues as "Capital markets". See "Certain Revenue Terms Defined" later in this presentation for more information.
3. Historically, new producers have generated higher revenues 6 to 18 months after joining the Company, although Newmark incurs related expenses prior to this ramp up period. See slides titled "Expect to Generate Record Revenue and Earnings When Industry Volumes Normalize" later in this presentation for more detail.

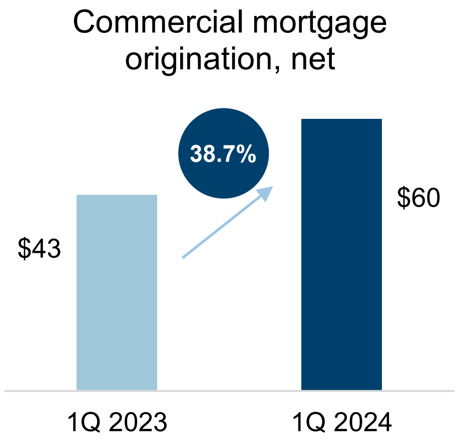
1Q 2024 Revenue Detail









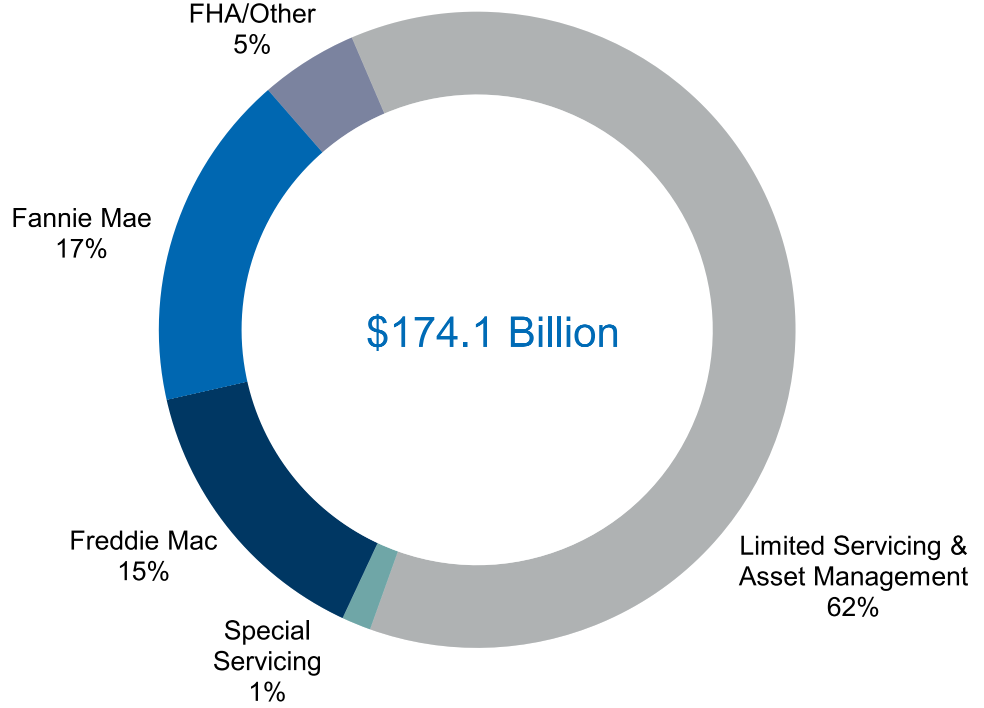


- Fees from management services, servicing, and other rose 22.7%. This improvement reflected the addition of Gerald Eve, as well as approximately 21% organic growth from Newmark's high margin servicing and asset management platform.
- Revenues from Leasing and other commissions were impacted by industry-wide activity declines of over 10% in the U.S. and more than 20% in the U.K.
- The Company gained meaningful market share in Investment sales compared with industry-wide volume declines of 16% in the U.S. and 26% in Europe.
- Newmark's debt origination business dramatically outpaced the industry, as Fees from commercial mortgage origination, net, increased by 50.5%[1]. In comparison, U.S. commercial/multifamily origination volumes increased by approximately 5%.[2]

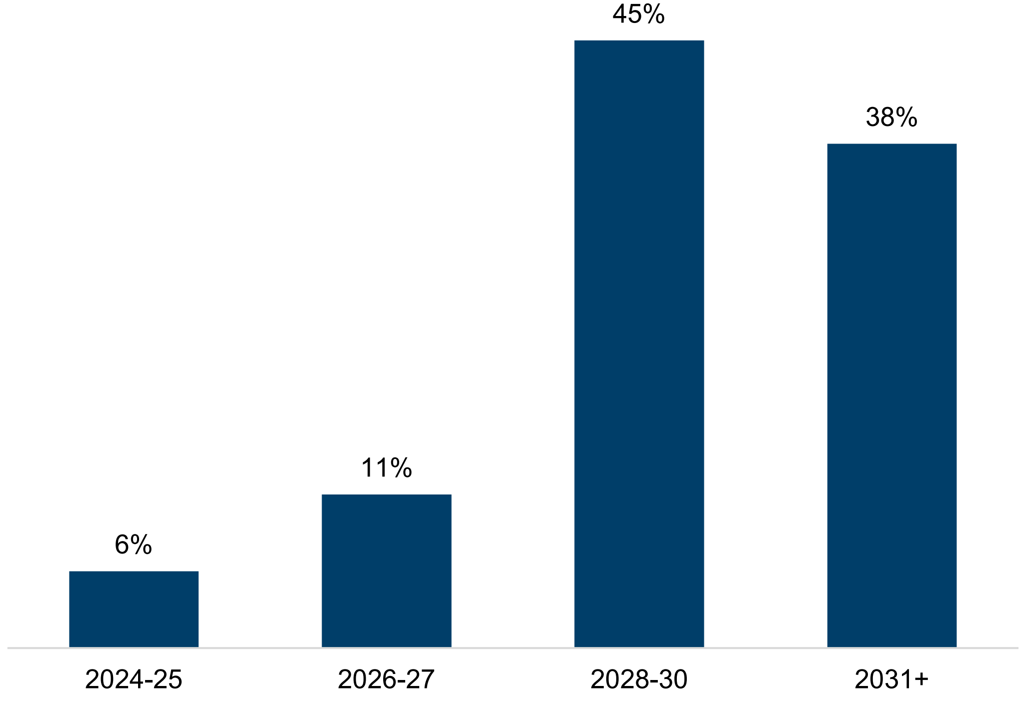
1. Including OMSR revenues, which increased by 14.5% to $16.1 MM, revenues related to Commercial mortgage origination, net, increased by 38.7%.
2. See the page titled “Newmark Volumes”.

Servicing & Asset Management Provides Long-term and Recurring, High-Margin Revenues

Portfolio Composition as of 03/31/2024



Newmark Fannie Mae/Freddie Mac Portfolio Maturities by Year



- Newmark's servicing portfolio generated $63.5 MM1 (+21% Y/Y) and $256.9 MM (+16% Y/Y), respectively, of high-margin, recurring, and predictable revenue during the three and twelve months ended 3/31/2024.
- As of 3/31/2024, Newmark's higher margin primary servicing portfolio[2] was up 13% Y/Y to $63.8 billion, while its weighted-average maturity was 6.0 years.
- Of the Fannie Mae[3] and Freddie Mac loans in Newmark's servicing portfolio, only 1.6% will mature before 2025 and ~ 90% will mature in 2027 or later.

1. Newmark produced $163.9 mm in servicing fees during the twelve months ended 3/31/2024. In addition to servicing fees, the Company generated $93.0 mm of other revenues, for a total of $256.9 mm of servicing & other revenues. These include escrow interest, servicing and asset management fees, interest on loans held for sale, and yield maintenance fees. Multifamily mortgage servicing revenue is stable and recurring in part because of greater call protection versus single family mortgages, and because interest income moves in tandem with interest rates. Nearly 99% of the Company's GSE loans include prepayment penalties. Beginning in the first quarter of 2024, servicing fees also reflect Spring 11's limited servicing and asset management business. Please see "Recurring Revenues" under "Certain Revenue Terms Defined" in the appendix for more information regarding Spring11's servicing and asset management revenues.
2. We believe that for the industry, commercial and multifamily servicing and asset management companies earn 40 to 50 basis points on their Fannie Mae servicing book, eight to 10 basis points on Freddie Mac loans, approximately 15 basis points for FHA loans, and 1 to 3 basis points for limited servicing. The fees for special servicing and asset management can vary depending on a variety of factors. Spring11's portfolio currently earns closer to the low end of the latter range but is targeting higher fees over time as it expands its offerings across special servicing and asset management. Limited servicing, special servicing, and asset management together generally produce higher profit margins than Newmark as a whole, but lower profit margins versus GSE/FHA primary servicing. We expect our overall portfolio to continue providing a steady stream of income and cash flow over the life of the serviced loans
3. Newmark's agency risk sharing portfolio was $29.8 B at 3/31/2024. As of that same date, the OLTV of the portfolio was 62%.

Strong Balance Sheet & Credit Metrics

No near term debt maturities due to the refinancing of our corporate debt

AS OF 03/31/2024, UNLESS OTHERWISE STATED ($ IN MILLIONS)

Cash and Cash Equivalents			$140.9

	Interest Rate	Maturity	
Senior Notes	7.50%	01/12/2029	$595.2
Credit Facility	SOFR + 1.50%	04/26/2027	$75.0
Total Debt			$670.2
Net Debt			$529.3
Total Equity			**$1,566.6**

- On January 12, 2024, the Company closed its offering of $600.0 million aggregate principal amount of 7.500% senior notes[1] due January 2029 and used the proceeds to repay the Delayed Draw Term Loan and Cantor Credit Facility.
- The balance sheet changes from year-end 2023 reflected $59.8MM of cash generated by the business, $125MM of incremental corporate debt, which was offset by the issuance of $161.1MM of employee loans used primarily to hire revenue-generating professionals, $37.2MM of share repurchases, and various normal movements in working capital.
- After the close of the quarter, Newmark renewed its $600.0 million revolving Credit Facility under substantially the same covenants, extending the maturity date from March 2025 to April 2027.
- The Company's target is to maintain net leverage at or below 1.5X.

Credit Metrics
as of 03/31/2024

$399.0 million
TTM Adjusted EBITDA

1.3x
Net Leverage Ratio as of 03/31/2024[2]

8.0x
Interest Coverage Ratio[3]

1. For more information on recent bond offering, please see the related form 8-K.
2. Net Debt / TTM Adjusted EBITDA. Adjusted EBITDA and net leverage are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Financial Tables and Reconciliations."
3. TTM Adjusted EBITDA / TTM Interest Expense.

Strong Financial Position & Cash Generation

Low Risk Intermediary

- Capital-light model; we do not own real estate
- Virtually no balance sheet risk[1]
- ~$174 billion loan servicing and asset management portfolio

Strong Financial Profile & Credit Metrics

- Operates with investment grade credit metrics
- 1.3x net leverage[2] ratio as of 03/31/2024; long-term target remains <1.5x
- ~70% expenses are variable[2]

Strong Cash Flow

- Newmark has a history of strong Cash Flow Generation and Conversion [3]

Cash & Cash Equivalents **$141 MM** + Undrawn Portion of Credit Facility[4] **$525 MM** + Strong Expected Cash Generation[5] **$300MM+** = Significant Expected Available Capital **~ $1 Billion**

1. Newmark shares credit losses on a pari passu basis with Fannie Mae. On average, Newmark and the industry have experienced very low net charge offs.
2. Note the following (i) Adjusted EBITDA and net leverage are non-GAAP financial measures. See "Financial Tables and Reconciliations“. (ii) Approximately 70% of GAAP and AE expenses over the last 3 fiscal years were variable, on average.
3. Defined as “Net cash provided by (used in) operating activities” under GAAP (“CFFO”) divided by Adjusted EBITDA or Post-tax Adjusted Earnings. See “Other useful information“ and “Newmark Has A Proven Record of Strong Cash Flow Conversion”.
4. This adjusts for the repayment of all the company’s revolving credit facilities following the January 2024 issuance of the Senior Notes.
5. This refers to “Cash Generated by the Business”, which was $341.2 million and $393.1 million in fiscal years 2023, and 2022, respectively. Please see the “Other useful information” section in the appendix for the definition of this term.

2024 Outlook[1]

Metric	FY 2023 Actual	Expected YoY Change (Except for Tax Rate)
Total Revenues (millions)	$2,470.4	3% to 7%
Adjusted EBITDA (millions)	$398.3	5% to 9%
Adjusted Earnings Per Share	$1.05	5% to 9%
Adjusted Earnings Tax Rate	15.1%	15% to 18%

- The Company's outlook for full year 2024 remains unchanged, other than its improved expectation for Adjusted Earnings taxes.
- Newmark continues to expect sequential and year-on-year improvement in its non-GAAP earnings measures for the second and third quarters of 2024.
- The Company expects to complete its $75 million cost savings plan in the second quarter of 2024.
- The Company anticipates its Fully diluted weighted-average share count for Adjusted Earnings to decline for the remainder of 2024 and to grow by approximately 2% compared with 246.3 million in 2023.
- The Company continues to target equity-based compensation equal to 7% to 9% of commission-based revenues over time.

1. This outlook assumes no material acquisitions or meaningful changes in our stock price. Our expectations are subject to change based on various macroeconomic, social, political, and other factors. None of our targets or goals beyond 2024 should be considered formal guidance.

Expect to Generate Record Revenue and Earnings When Industry Volumes Normalize

We anticipate strong incremental margins and target over $630 MM AEBITDA in 2026

Newmark invested for growth in 2023 and 1Q 2024

- Acquired Gerald Eve in 1Q 2023.
- Hired a significant number of revenue-generating professionals.

$425 MM+ of Incremental Revenues

- Expect investments over the last ~15 months to produce over $425 MM of additional revenues, once recent hires ramp up productivity.
- Anticipate these additional revenues and cost savings initiates to produce strong incremental margins, similar to our 4Q2023 results.

Expect to Exceed Record 2021 Results

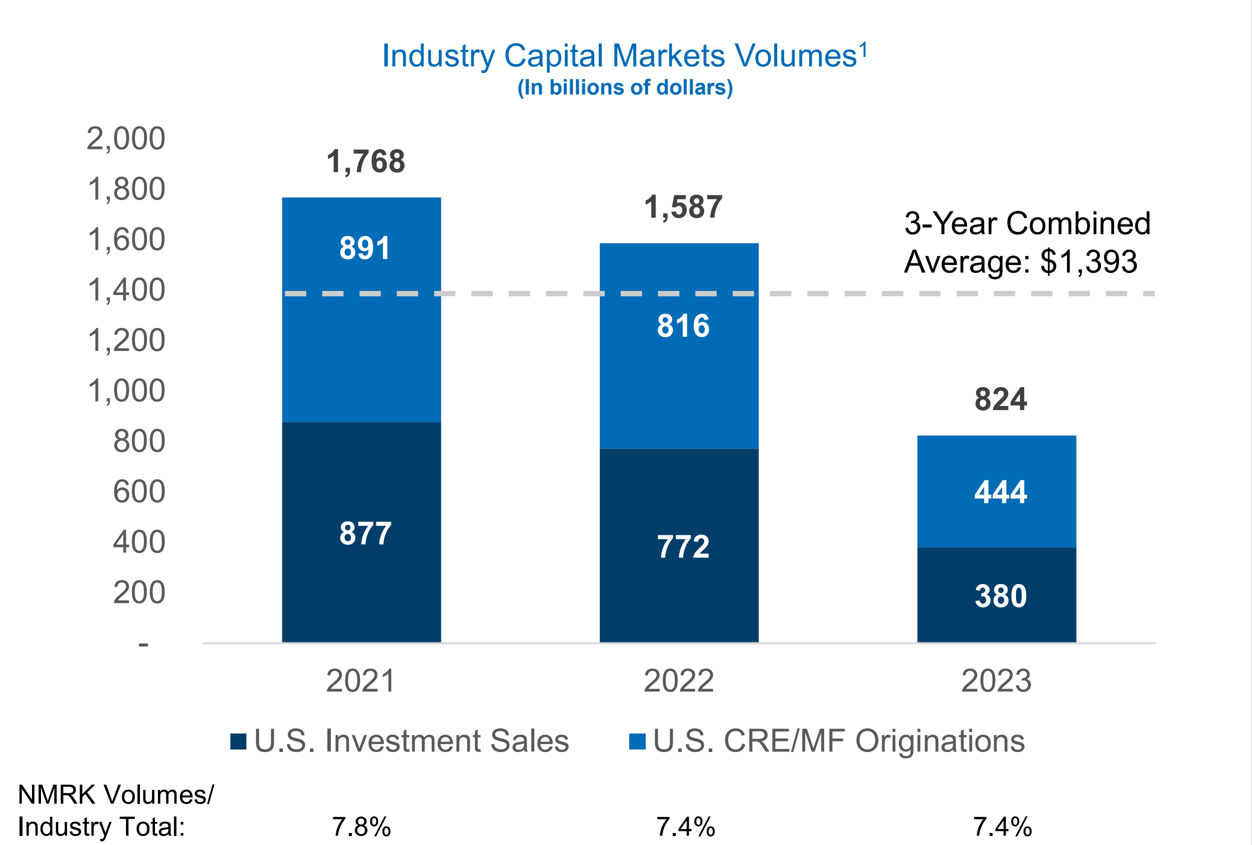
- Once volumes fully normalize (which we target by the end of 2025) and given our substantial investments, we expect our business to generate more than $3B in revenues and over $630 MM in Adjusted EBITDA (on an annual basis).[1]

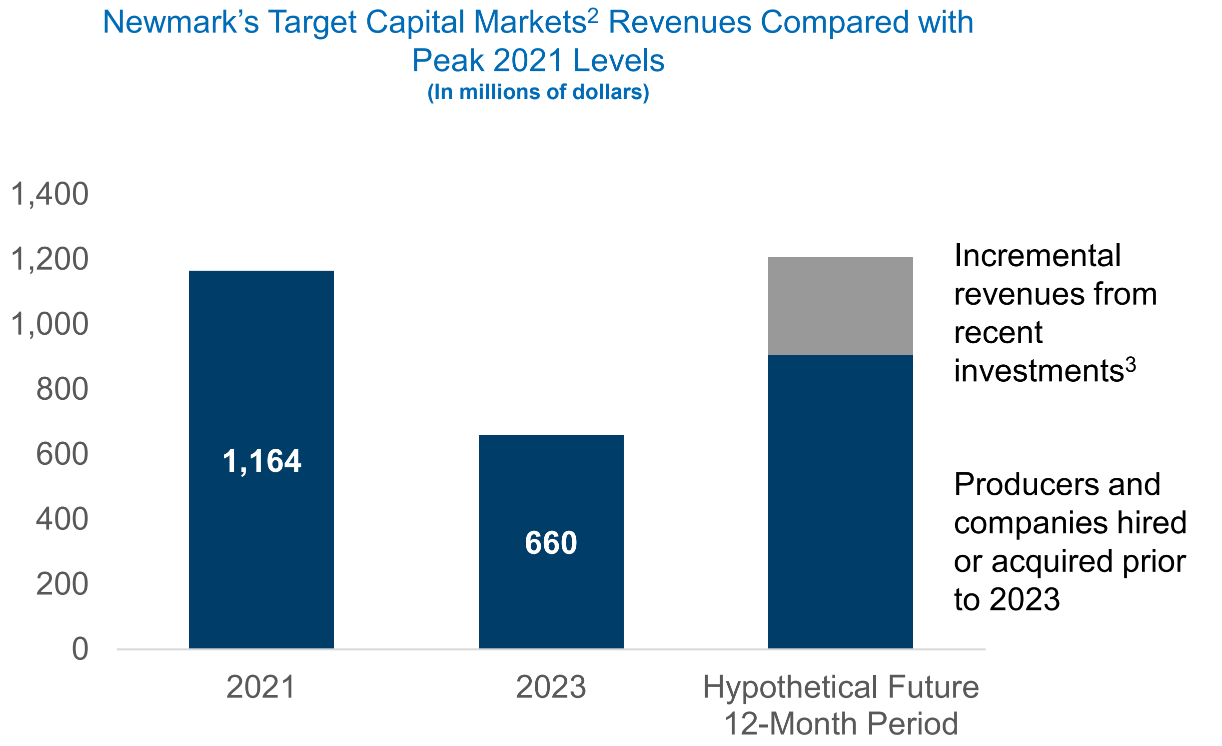
Note: We only provided guidance for full year 2024. These future targets are for some hypothetical 12-month period at some point in the future. These targets are for illustrative purposes only and are not meant to be part of our formal outlook. See below for additional notes:

1. Our targets assume over $425 MM of revenues above what the Company would otherwise generate absent these investments. Our assumptions include: (i) New producers hired between January 2023 and February 21, 2024, ramp up their productivity and generate more than $300 MM of revenues annually. (ii) Gerald Eve produces total revenues consistent with the ~£95 million it recorded for its fiscal year ended March 31, 2023 (iii) There are no major change in the relevant exchange rates. For example, the GPB/USD spot rate averaged $1.25 over the twelve months ended February 20, 2024, according to Bloomberg. (iv) There is moderate growth in industry-wide industrial and retail leasing activity and lower office leasing activity, all compared with 2021 levels. (v) Industry-wide capital markets volumes are approximately 20% below 2021 levels.

Expect to Generate Record Revenue and Earnings (continued)

Led by return to normal industry volumes and Newmark's recent investments



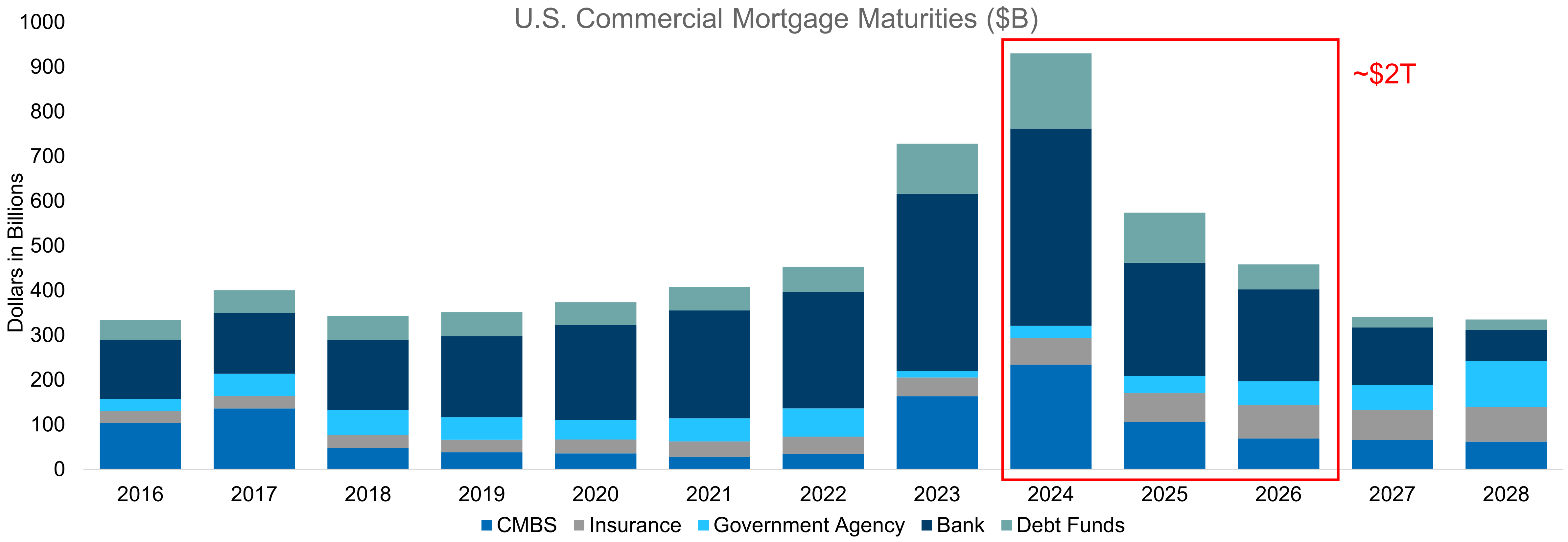


- Combined industry volumes averaged ~ $1.4T from 2021-2023, which was ~20% below peak 2021 levels.
- Newmark's combined capital markets and origination volumes averaged 7.6% of industry volumes from 2021-2023.
- We assume future normalized volumes are similarly ~ $1.4T and that relevant producers from prior to 2023 maintain their recent market shares.
- A large majority of producers hired since the beginning of 2023 have been in capital markets and GSE/FHA origination, and we expect them to generate meaningful revenues with strong incremental margins.

1. Sources: MSCI and MBA as of April 17, 2024.
2. Beginning in the second quarter of 2024, the Company will present the total for Investment Sales, Fees from commercial mortgage origination, net, and OMSR revenues as "Capital markets". For more information, see "'Certain Revenue Terms Defined' later in this presentation.
3. Note the following: Recent investments relevant to this page include investment sales and origination producers hired between January 1, 2023 and February 21, 2024, and Gerald Eve's investment sales business. We assume that both our mix and commission rates across our GSE/FHA origination, mortgage brokerage, and investment sales are similar to our average from 2018 to 2022. (ii) Capital markets revenues include OMSRs. (iii) 2023 figures include fees related to the Signature transactions. (iv) Over 90% of Newmark's relevant volumes in the above periods were generated in the U.S.

Record Quantities of Debt Maturing in 2024-2028

$1.3T of Outstanding CRE Debt is Potentially Troubled, $670B of this is Maturing in 2024-2026[1]



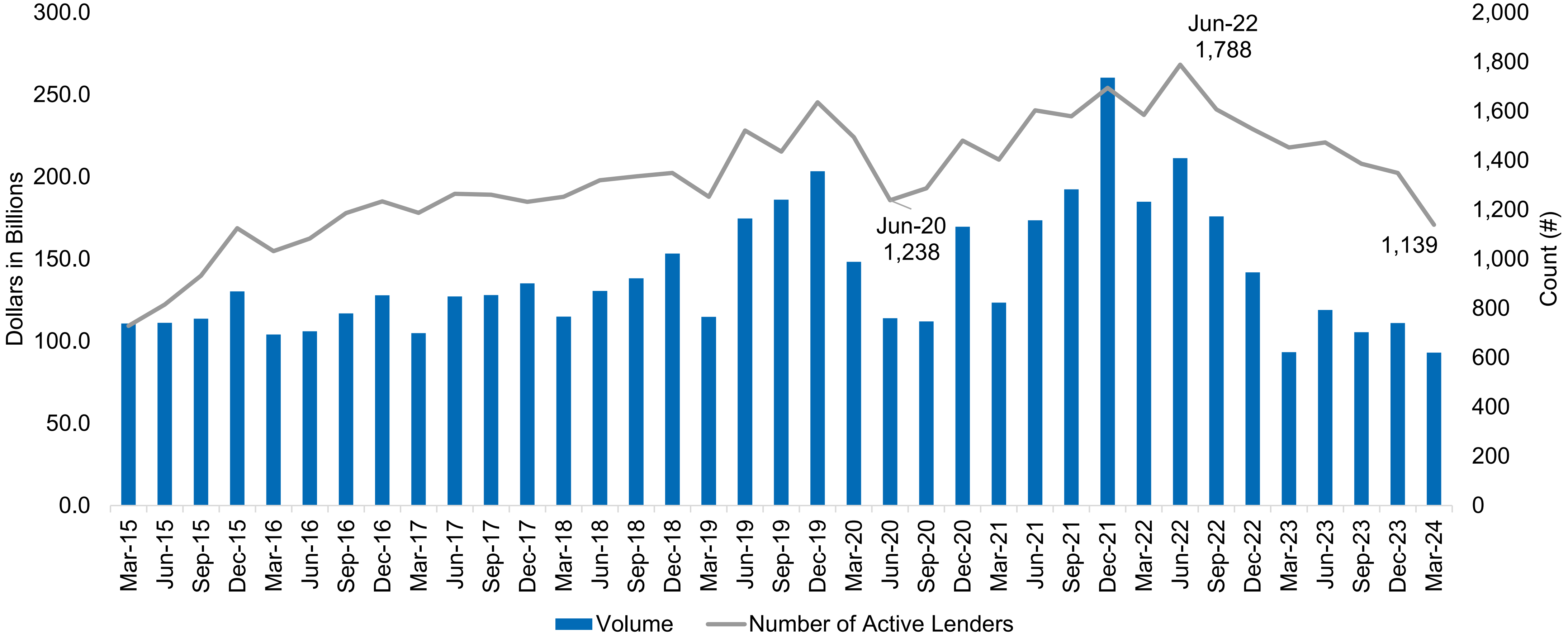
- The MBA expects a record $929 billion of commercial and multifamily mortgage maturities in 2024. We expect these maturities will eventually translate into higher sales and acquisition financing as owners and lenders address increased scrutiny and the potential for higher-for-longer interest rates.
- Of these maturities, we estimate that approximately:
  - 1/3 are of these maturing loans are likely to result in a loan sale or property sale.
  - 1/3 will need assistance with restructurings and/or recapitalizations.
  - 1/3 will likely require an advisor to help find new lenders.

Sources: Newmark Research, Trepp, and/ or the MBA. Data for 2016-2022 is based on Trepp. Data from 2023 onward is based on the MBA's 2023 loan maturities volumes published in February 2024. Some maturities that are shown in 2023 may have been rolled over to 2024.

1. Newmark Research used the following methodology: The loans are marked-to-market using an average of cumulative changes in the Dow Jones REIT sector price indices, REIT sector enterprise value indices and Green Street sector CPPI. The $1.3T covers the 2024 to 2033 maturity period, of which Newmark Research estimates $670B mature between 2024-2026. This analysis excludes other property types included in the Trepp and MBA figures, such as hotel and healthcare. The Trepp and MBA data excludes loans for acquisitions, development, and construction, as well as loans collateralized by owner-occupied commercial properties.

The Number of Active Lenders Has Declined 36% Since Peaking in 2Q 2022

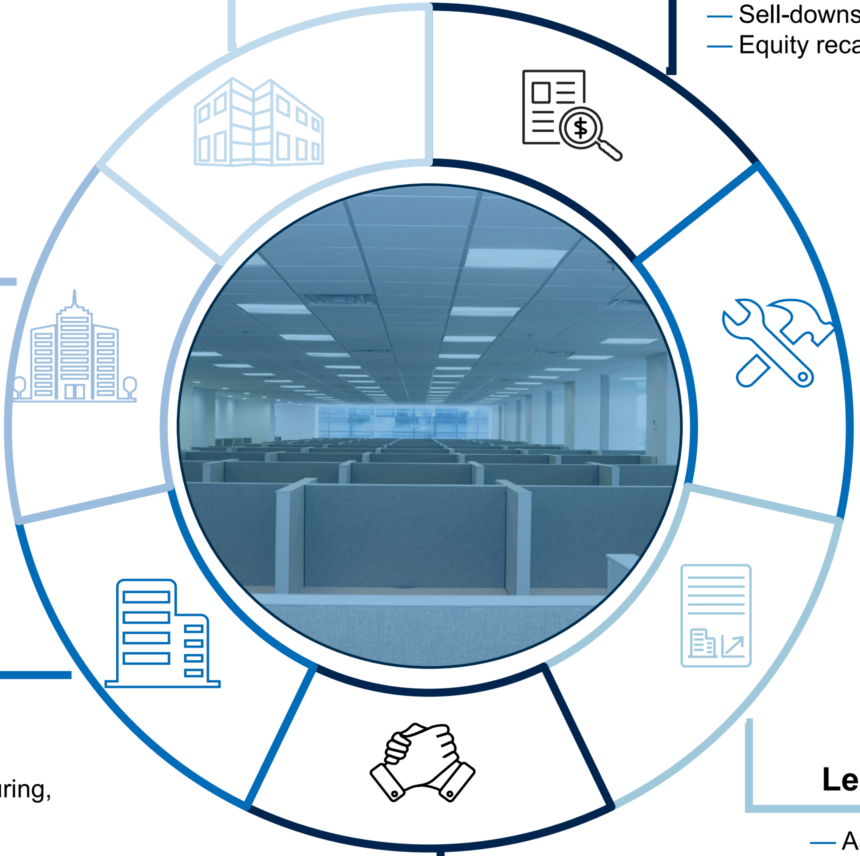
Number of active lenders is below pre-2019 levels.



- As banks are widely expected to reduce CRE exposure, conditions point toward a greater role for alternative sources of capital.
- Clients will look to our top professionals in this challenging macroeconomic environment.

Source: MSCI, Newmark Research as of 4/26/2024
Note: loan origination volumes are adjusted for future expected revisions using Newmark's proprietary models. These figures exclude construction loans.

Distress Creates Demand for Commercial Real Estate Service Providers Like Newmark



Financing

- Loan acquisition financing
- Debt restructuring and syndication
- Loan Sales and re-sales
- GSE/FHA origination
- Future refinancing via Mortgage Brokerage

Investment Sales

- Loan and REO-disposition and syndication
- Sell-downs for loan portfolio acquirers
- Equity recapitalizations

Property Management

- Receivership
- Building operations and maintenance
- Property accounting, contract management and tenant relations
- Strategy relating to capital expenditures & conversion to other property types
- Assess and optimize real estate costs

Global Corporate Services

- Workplace consulting: human experience & change management, location strategy and economic incentives
- Outsourcing for occupiers: facility management, lease administration and transaction management
- Outsourcing for owners: repairs, maintenance, preparing and updating property budgets/accounting, challenging property tax assessments and receivership
- Increased occupier portfolio data visibility for informed decision making
- Working with other Newmark service lines for conversion to other property types

Underwriting, Asset Management & Loan Servicing

- Loan/portfolio underwriting and due diligence
- Loan onboarding, system implementation, asset management and loan servicing
- Resolution strategies and management through restructuring, receivership, foreclosure and disposition

Leasing

- Assessing credit of leasing counterparts
- Leasing vacant space in building
- Operating expenses audit services
- Workplace services
- Flex services

Valuation & Advisory

- Property valuation and property type specific strategic advisory
- Real estate property tax advisory
- Loan documentation compliance audit
- Highest and best use analysis
- Litigation support and consulting
- Risk assessment & stress testing services

GAAP Financial Results

Property Type: Multifamily

Newmark Group, Inc. Condensed Consolidated Statements of Operations

(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (UNDER GAAP)

	Three Months Ended March 31,	
Revenues:	**2024**	**2023**
Management services, servicing fees and other	$ 256,934	$ 212,292
Leasing and other commissions	158,799	193,306
Investment sales	70,823	71,993
Commercial mortgage origination, net	59,943	43,208
Total revenues	546,499	520,799
Expenses:		
Compensation and employee benefits	328,195	328,351
Equity-based compensation and allocations of net income to limited partnership units and FPUs	51,443	35,648
Total compensation and employee benefits	379,638	363,999
Operating, administrative and other	137,943	118,982
Fees to related parties	7,541	7,792
Depreciation and amortization	43,975	38,830
Total non-compensation expenses	189,459	165,604
Total operating expenses	569,097	529,603
Other income (loss), net:		
Other income (loss), net	(14)	(3,010)
Total other income (loss), net	(14)	(3,010)
Loss from operations	(22,612)	(11,814)
Interest expense, net	(7,220)	(7,591)
Loss before income taxes and noncontrolling interests	(29,832)	(19,405)
Benefit for income taxes	(3,516)	(3,056)
Consolidated net loss	(26,316)	(16,349)
Less: Net loss attributable to noncontrolling interests	(10,062)	(5,999)
Net loss available to common stockholders	$ (16,254)	$ (10,350)

See the following page for per share data.

Newmark Group, Inc. Condensed Consolidated Statements of Operations *(continued)*

(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (UNDER GAAP)

Per share data:		
Basic earnings per share		
Net loss available to common stockholders	$ (16,254)	$ (10,350)
Basic earnings per share	$ (0.09)	$ (0.06)
Basic weighted-average shares of common stock outstanding	174,774	172,561
Fully diluted earnings per share		
Net loss for fully diluted shares	$ (16,254)	$ (10,350)
Fully diluted earnings per share	$ (0.09)	$ (0.06)
Fully diluted weighted-average shares of common stock outstanding	174,774	172,561
Dividends declared per share of common stock	$ 0.03	$ 0.03
Dividends paid per share of common stock	$ 0.03	$ 0.03

Newmark Group, Inc. Condensed Consolidated Balance Sheets

(IN THOUSANDS) (UNAUDITED) (UNDER GAAP)

	March 31, 2024	Dcember 31, 2023
Assets		
Current Assets:		
Cash and cash equivalents	$ 140,903	$ 164,894
Restricted cash	97,806	93,812
Loans held for sale, at fair value	505,668	528,944
Receivables, net	524,413	622,508
Other current assets	108,527	95,946
Total current assets	1,377,317	1,506,104
Goodwill	774,156	776,547
Mortgage servicing rights, net	521,872	531,203
Loans, forgivable loans and other receivables from employees and partners, net	787,878	651,197
Right-of-use assets	568,118	596,362
Fixed assets, net	173,685	178,035
Other intangible assets, net	78,683	83,626
Other assets	140,213	148,501
Total assets	$ 4,421,922	$ 4,471,575
Liabilities, Redeemable Partnership Interest, and Equity:		
Current Liabilities:		
Warehouse facilities collateralized by U.S. Government Sponsored Enterprises	$ 493,428	$ 498,631
Accrued compensation	316,554	400,765
Accounts payable, accrued expenses and other liabilities	550,718	583,564
Payables to related parties	9,571	6,644
Total current liabilities	1,370,271	1,489,604
Long-term debt	670,183	547,260
Right-of-use liabilities	568,044	598,044
Other long-term liabilities	246,795	241,741
Total liabilities	2,855,293	2,876,649
Equity:		
Total equity (1)	1,566,629	1,594,926
Total liabilities, redeemable partnership interest, and equity	$ 4,421,922	$ 4,471,575

(1) Includes "redeemable partnership interests," "noncontrolling interests" and "total stockholders' equity."

Newmark Group, Inc. Summarized Condensed Consolidated Statements of Cash Flows

(IN THOUSANDS) (UNAUDITED) (UNDER GAAP)

	Three Months Ended March 31,	
	2024	2023
Net cash (used in) operating activities	$ (68,783)	$ (398,840)
Net cash (used in) investing activities	(7,354)	(118,059)
Net cash provided by financing activities	56,140	498,651
Net (decrease) in cash and cash equivalents and restricted cash	(19,997)	(18,248)
Cash and cash equivalents and restricted cash at beginning of period	258,706	312,952
Cash and cash equivalents and restricted cash at end of period	$ 238,709	$ 294,704
Net cash (used in) operating activity excluding loan originations and sales (1)	$ (101,263)	$ (108,521)

(1) Includes loans, forgivable loans and other receivables from employees and partners in the amount of $161.1 million and $130.5 million for the three months ended March 31, 2024 and 2024, respectively. Excluding these loans, net cash provided by operating activities excluding loan originations and sales would be $59.8 million and $21.9 million for the three months ended March 31, 2024 and 2023, respectively.

The Condensed Consolidated Statements of Cash Flows are presented in summarized form. For complete Condensed Consolidated Statements of Cash Flows, please refer to Newmark's Quarterly Report on Form 10-Q for the three months ended March 31, 2024, to be filed with the Securities and Exchange Commission in the near future.

Appendix 1:

Additional Information on Newmark

Property Type: Office

Newmark Volumes[1]

($ IN MILLIONS)

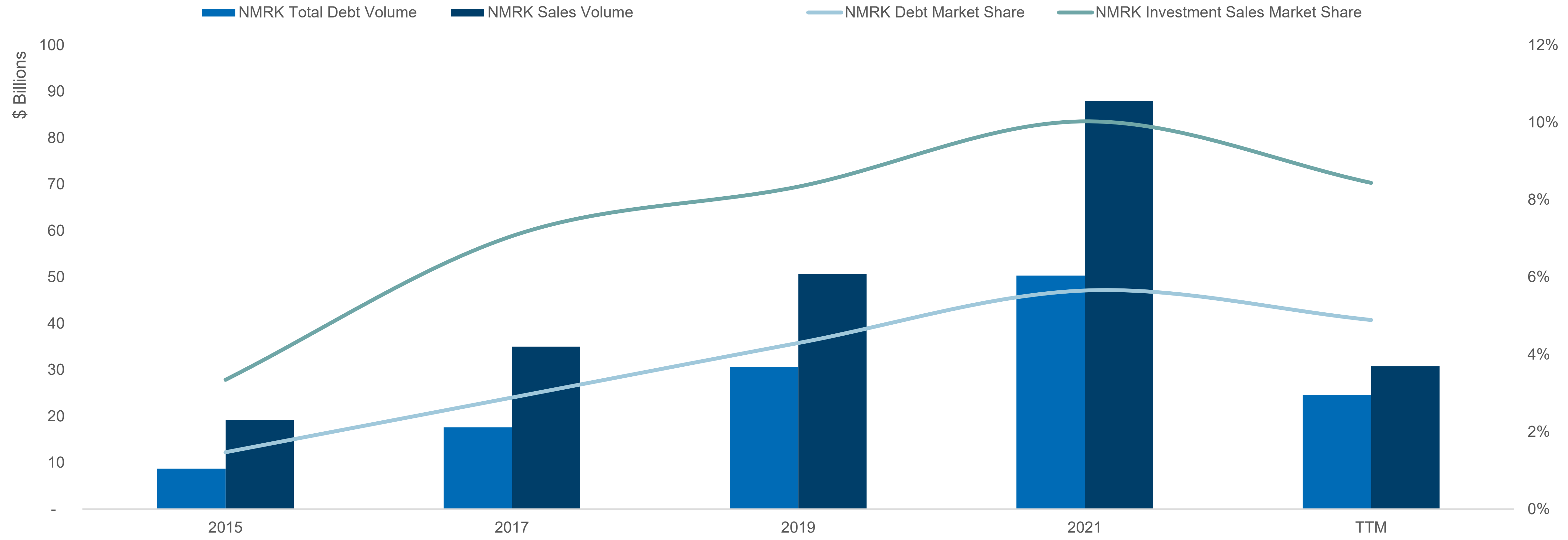
	1Q24	1Q23	% Change
Investment Sales	6,668	7,396	(9.8)%
Mortgage Brokerage	6,050	2,889	109.4%
Total Capital Markets Brokerage	**12,718**	**10,284**	**23.7%**
Fannie Mae	835	616	35.7%
Freddie Mac	556	377	47.5%
FHA / Other	-	-	NMF
Total Origination Volume	**1,391**	**993**	**40.2%**
Multifamily Debt	3,445	1,842	87.0%
Other Debt	3,996	2,039	96.0%
Total Debt[1]	**7,441**	**3,881**	**91.7%**
Total Capital Markets Volume[2]	**14,109**	**11,277**	**25.1%**

- Newmark gained meaningful market share in Capital Markets during 1Q 2024, as our total debt volumes and investment sales were up by 92% and down by 10%, respectively.
- In comparison, Newmark Research estimates that overall U.S. commercial and multifamily originations may have increased as much as 5%, based on their analysis of MBA data and preliminary MSCI lending figures, while MSCI's preliminary U.S. and Europe investment sales figures indicate that industry volumes declined by 16% and 26%, respectively in the same period.
- The Company's GSE/FHA origination platform, which comprise a portion of our total debt volumes, also gained significant share. Our GSE/FHA volumes increased by approximately 40% year-over year versus a 16% increase in industry GSE multifamily activity.

1. These items include all relevant GSE/FHA and/or mortgage brokerage volumes.
2. Over 90% of Newmark's FY2023 investment sales volumes were generated in the U.S., (which included the Signature transactions), while approximately 88% were from the U.S. in 1Q 2024. Most of this international volume was from the Company's U.K. operations. Essentially all of Newmark's total debt volumes were generated in the U.S. in both periods. As a result, this document only discusses MBA U.S. data or MSCI U.S. and European volumes for the industry, although the Company's revenue and volume figures shown elsewhere may also reflect a relatively small amount of brokerage activity with respect to certain other international operations. Given its recent hires and acquisitions, the Company expects non-U.S. transactions to make up a greater percentage of Newmark's capital markets revenues and volumes over time. See "Other Useful Information" in the appendix for more about industry volumes and for the definitions of the terms used in this table. Volume figures on this page exclude the notional value of all leasing transacted by the Company as well as the estimated value of any properties appraised by our V&A business.

Newmark Has a Long-Term Track Record of Gaining Share in Capital Markets

(TTM figures exclude the Signature Transactions; NMRK's figures shown below include only its U.S. volumes)



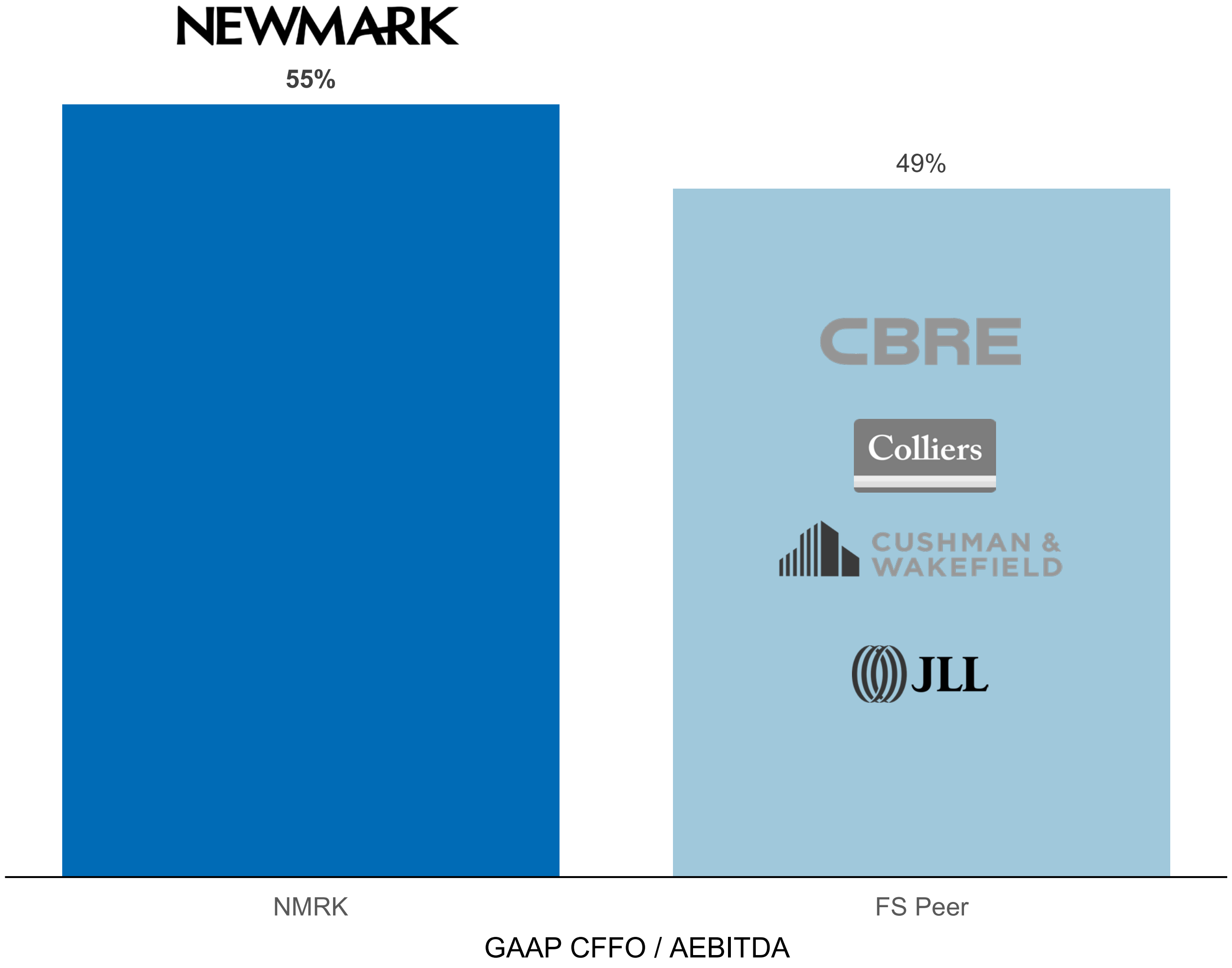
- Proven record of gaining market share
- Comparing 2015 to TTM ended March 31, 2024:
  - U.S. commercial and multifamily debt origination volumes have decreased 15%, while Newmark has expanded its total debt volumes by over 183%, excluding the debt portion of the Signature transactions.
  - MSCI U.S. investment sales volumes have decreased 36%, while Newmark grew its investment sales volumes by over 60%, excluding the equity portion of the Signature transactions.

Notes: Investment sales market share is calculated by dividing NMRK's U.S. volumes by MSCI U.S. investment sales volumes for all dates shown. "NMRK Total Debt Volume" includes Newmark's non-originated mortgage brokerage volume plus GSE/FHA origination volumes. NMRK's debt market share are those volumes divided the MBA commercial/multifamily mortgage origination volumes. For periods such as 1Q2024, MSCI loan data may be modeled by Newmark Research in lieu of MBA data, and/or revised upwards later.
Sources: MSCI, MBA, and Newmark Research as of 04/23/2024. Newmark's volumes above only go back to 2015 because (i) it is as far back as the Company reported stand-alone financials results, (ii) We began acquiring the companies that made up ARA in 2016, and (iii) our volumes include a full year of Berkeley Point only from 2015 onwards.

Newmark Has A Proven Record of Strong Cash Flow Conversion

Analysis of Cumulative Cash Flow Relative to Adjusted EBITDA for NMRK and its full-service peers, 2017-2023

($ in millions)



From 2017 through 2023, Net cash provided by (used in) operating activities under GAAP ("CFFO") was ~55% of Adjusted EBITDA ("AEBITDA") versus the full-service peer average[1] of ~49%.

If one were to treat equity-based compensation as an expense for its non-GAAP calculations, Newmark would have averaged ~90% CFFO / AEBITDA conversion from 2017-2023. This would be meaningfully higher than the conversion ratio for any of the relevant peers.

1. NMRK's Full-service peer average reflects the simple average for U.S. ticker symbols CBRE, CIGI, CWK, and JLL.

Notes: Although it is not shown, if one excludes the impact of the 2021 Equity Event, Cash generated by the business would have averaged ~82% of Adjusted EBITDA over this 7-year period. See Newmark's most recent Annual Report on Form 10-K for more information on the 2021 Equity Event. See "Other Useful Information" in the appendix of this presentation for more on Cash generated by the business. "Other income" related to Nasdaq earn-outs is not reflected above, as it was recorded in cash flows from investing activities. Furthermore, this chart is for discussion purposes only. Neither Adjusted EBITDA, Post-tax Adjusted Earnings, or Cash generated by the business, are intended to be measures of free cash flow or GAAP cash flow from operations, because these measures may not consider certain cash requirements such as capital expenditures, tax payments, and/or debt service payments.

Newmark Group, Inc. Fully Diluted Period-End Share Count Summary

As of March 31, 2024

	Fully Diluted Shares (millions)	Ownership (%)
Class A owned by Public	133.3	52.5%
Limited partnership units owned by employees[1]	50.7	19.9%
Class A owned by employees	19.3	7.6%
Other owned by employees	4.6	1.8%
Partnership Units owned by Cantor	24.9	9.8%
Class B owned by Cantor	21.3	8.4%
Total*	**254.1**	**100%**

	Fully Diluted Shares (millions)	Ownership (%)
Public	133.3	52.5%
Employees	74.6	29.4%
Cantor	46.2	18.2%
Total*	**254.1**	**100%**

***Figures may not sum due to rounding**

1. In conjunction with the spin-off of Newmark, certain limited partnership units were distributed to employees of both Newmark and BGC. Over time, virtually all of the partners of Newmark are expected to only own units and/or shares of Newmark and virtually all of the partners of BGC are expected to only own units and/or shares of BGC. From 1Q 2018 onwards, partners of Newmark have been compensated with Newmark partnership units and partners of BGC have been compensated with BGC units and/or RSUs.

Certain Revenue Terms Defined

Fee and non-fee revenues

The Company's total revenues include certain management services revenues that equal their related expenses. These revenues represent fully reimbursable compensation and non-compensation costs recorded as part of Newmark's Global Corporate Services ("GCS") and Property Management businesses. Such revenues therefore have no impact on the Company's GAAP or Non-GAAP earnings measures and may be referred to as "Pass through revenues". The amounts recorded as Pass through revenues are also recorded as "Pass through expenses". Newmark's total revenues also include non-cash gains with respect to originated mortgage servicing rights ("OMSRs"), which represent the fair value of expected net future cash flows from servicing recognized at commitment, net. Such non-cash gains may also be called "OMSR revenues." Newmark may also refer to Pass through revenues and OMSR revenues together as "Non-fee revenues", and the remainder of its total revenues as "Fee revenues".

Commission-based revenues

"Commercial mortgage origination, net" includes origination fees related to Newmark's multifamily GSE/FHA business and fees from commercial mortgage brokerage and loan sale advisory (together, "Fees from commercial mortgage origination, net"), and includes all OMSR revenues. Revenues from Investment sales and mortgage brokerage transactions were together referred to as "capital markets". As discussed below, capital markets will also include all revenues related to multifamily GSE/FHA origination beginning in the second quarter of 2024. Newmark's "commission-based" revenues include Leasing and other commissions, Investment sales, fees from commercial mortgage origination, net, and Valuation & Advisory. In these businesses, revenue-generating professionals earn a substantial portion or all their compensation based on their production (and who therefore may also be referred to as "producers"). Commission-based revenues exclude OMSR revenues because Newmark does not compensate its producers based on this non-cash item.

Recurring revenues

"Servicing and other revenues" may be called Newmark's "servicing business" and includes servicing fees, interest income on loans held for sale, escrow interest, and yield maintenance fees, which all relate primarily to Newmark's multifamily GSE/FHA business. "Management services, servicing fees, and other" (which may also be referred to as "recurring revenues", "recurring businesses", or "management businesses") includes all pass through revenues, as well as fees from Newmark's servicing business, GCS, Property Management, its flexible workspace platform, and Valuation & Advisory, as well as all revenues generated by Spring11. Fees from management services, servicing, and other" are revenues from all recurring businesses excluding Pass through revenues.

Beginning in the first quarter of 2024, the portion of Spring11's revenues associated with its servicing and asset management portfolio are no longer reported under "Management services" but are instead recorded as part of "Servicing and other revenues" for periods from the first quarter of 2023 onwards. This change had no impact on the overall line items "Fees from management services, servicing, and other" and "Management services, servicing fees, and other", or on the Company's consolidated results.

Contractual Business

"Contractual business", which may be used interchangeably with "contractual services" or "contractual revenues", is defined as business for which the Company has a contract with a client that is generally for a year or longer. Contractual business, when quantified, includes all revenues related to landlord representation (or "agency") leasing, loan servicing (including escrow interest income), outsourcing (including property management, facilities management, and asset management), and lease administration. It also includes certain fees under contract produced by the Company's flexible workspace and tenant representation service lines.

Revenues by Geography and Property Type

For revenues by geography: East U.S. includes Connecticut, Delaware, Florida, Georgia, Massachusetts, Maryland, Maine, North Carolina, New Hampshire, New Jersey, Pennsylvania, Rhode Island, South Carolina, Virginia, Vermont, and West Virginia. Central U.S. includes Alabama, Arkansas, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Mississippi, North Dakota, Nebraska, Ohio, Oklahoma, South Dakota, Vermont, Virginia, and West Virginia. West U.S. includes Alaska, Arizona, Colorado, Hawaii, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming. For revenues by property type: Revenues from leasing, capital markets, and Valuation & Advisory are broken out by the property types listed. "Industrial" also includes warehouse and R&D. "Specialty/Other" includes, land, municipal, and specialty/mixed-use. "Multifamily" also includes all origination revenues and servicing fees. Revenues from property and facilities management are broken out by property type based on year-end portfolio square footage and/or mix of management fees by property type.

New Revenue Analysis Presentation

Beginning in the second quarter of 2024, the Company will recast its four main revenue line items into three line items as discussed and shown in its first quarter 2024 financial results press release. This change will have no impact on Newmark's consolidated GAAP or non-GAAP results. Before the end of the second quarter of 2024, the Company intends to update the Revenue Detail tab of the quarterly supplemental excel tables on its website to show revenues under this new presentation for periods from 2018 through the first quarter of 2024.

Additional details on current and historical amounts for certain of Newmark's revenues are available in the Company's quarterly supplemental Excel tables.

Other Useful Information

Signature Transactions

The book value of the overall loan portfolio was approximately $60 billion when Newmark was retained as an advisor by the FDIC and approximately $53 billion when the Company began marketing the loans, while the completed transactions had a combined notional value of $39.5 billion. The latter figure consisted of $21.7 billion of equity placements recorded as part of the Company's investment sales volumes and $17.8 billion of loan sales recorded as mortgage brokerage. A portion of the loans did not relate to real estate. For more information, please see various announcements, press releases, and other information on the FDIC website, including: "FDIC Announces Upcoming Sale of the Loan Portfolio from the Former Signature Bank, New York, New York", "SIGF-23 Sale Announcement $18.5 Billion All Cash Loan Sale", "SIGCRE-23 Sale Announcement $33.22 Billion Commercial Real Estate Loan Portfolio", "FDIC Signature Bank Receivership Sells 20 Percent Equity Interest in Entity Holding $9 Billion Rent-Stabilized / Rent-Controlled Multifamily Loans", "FDIC Signature Bridge Bank Receivership Sells Five Percent Equity Interest in Entities Holding $5.8 Billion of Rent-Stabilized / Rent-Controlled Multifamily Loans", and "FDIC Signature Bridge Bank Receivership Sells 20 Percent Equity Interest in Entity Holding $16.8 Billion of Commercial Real Estate Loans".

Other Recent Highlights

For more on the other recent highlights mentioned at the beginning of this document, please see: (i) the Newmark press releases titled "Newmark Represents DrinkPAK in Two New Industrial Leases in Fort Worth, Totaling 2.9 Million Square Feet", the article called "2023's Largest Office Lease: Paul Weiss Takes 765K SF at 1345 Avenue of the Americas", and the following press releases: "Fisher Brothers and J.P. Morgan Announce Largest Commercial Office Lease In The United States In 2023 At 1345 Avenue Of The Americas", and "Newmark Facilitates Sale of 2.2 Million-Square-Foot Mixed-Use Corporate Campus in Dallas-Fort Worth" (which, according to Real Estate alert, was the largest U.S. office transaction in 2023 in terms of square footage with respect to a majority or 100% of a building, the second largest including minority interest sales, and the fourth largest in terms of total sales price.)

Recent Acquisitions and Hires

On March 10, 2023, the Company acquired London-based real estate advisory firm, Gerald Eve, which operates from nine U.K. offices across multiple business lines and property types. The firm generated a majority of its fiscal year 2022 total revenues from management services, and has particular strength in capital markets, corporate real estate advisory, planning and development, tenant representation, landlord (or agency) leasing, and valuation. For the trailing twelve months ended March 31, 2023, MSCI ranked Gerald Eve at number three for U.K. industrial investment sales. Newmark also announced the acquisitions of three other companies in the second quarter of 2022. Together, these companies contributed revenues to Newmark's management services, leasing, and investment sales businesses.

In the first quarter of 2023, Newmark purchased the approximately 49% of Spring11 that it did not already own, having held a controlling stake since 2017. The acquisition of the balance of Spring11 significantly increased the size of the Company's overall servicing and asset management portfolio. Spring11 provides commercial real estate due diligence, consulting, asset management and limited servicing, as well as advisory services to a variety of clients, including lenders, investment banks and investors.

For more information on these acquisitions, please see the Company's most recent Quarterly Report on Form 10-Q or its most recent Annual Report on Form 10-K, and/or the following the press release on its website: "Newmark Acquires Top UK-Based Real Estate Advisory Firm Gerald Eve".

For additional information about key hires thus far in 2024, see the Company's investor relations website for press releases including: "Newmark Lands Leading National Affordable Housing Advisory Team", "Newmark Launches Paris Office, Bolstering Global Expansion with Key Talent Additions", "Newmark Hires Matthew Featherstone as Head of Debt & Structured Finance for the UK and Europe", "Newmark Expands Debt Platform in Partnership with U.S. Capital Markets Team, Industry Powerhouse Jonathan Firestone to Join and Co-Head", as well as additional releases and/or articles with respect to those whose hiring was announced between January 1, 2024, and May 2, 2024 in the "Media" section of Newmark's main website.

Other Useful Information (continued)

Cash Flow Conversion Ratios and Cash Generated by the Business

Cash generated by the business means "Net cash provided by (used in) operating activities excluding loan originations and sales", before the impact of cash used for employee loans (which Newmark considers to be a form of investment, but which is recorded as part of operating cash flow) and the impact of cash used with respect to the 2021 Equity Event. For more information, see the section of the Company's most recent quarterly supplemental Excel tables titled "Details of Certain Components Of 'Net Cash Provided By (Used In) Operating Activities'".

Net cash provided by operating activities under GAAP has totaled ~55% of Adjusted EBITDA and ~76% of Post-tax Adjusted Earnings from 2017 (our IPO Year) through 2023. Net cash provided by operating activities excluding activity from loan originations and sales ("CFFO before lending activity"), as well as before the impact of cash used with respect to the 2021 Equity Event, has totaled ~73% of Post-tax Adjusted Earnings over the same period.

Newmark and Industry Volumes and/or Data

All industry volume figures are preliminary unless otherwise noted. Please see the accompanying supplemental Excel tables and quarterly financial results press release on the Company's investor relations website, as well as Newmark's forthcoming Quarterly Report on Form 10-Q for more information with respect to volumes for Newmark and/or the industry and for other relevant industry and macroeconomic data.

Newmark's investment sales figures include investment sales and equity transactions, while mortgage brokerage figures include the Company's debt placement transactions, all measured in notional terms. Volumes from the Company's investment sales and mortgage brokerage transactions may together be referred to as "capital markets". Fannie Mae and Freddie Mac together are also called the "government sponsored enterprises" or "GSEs", while the Federal Housing Administration is also called the "FHA." Volumes for Newmark's mortgage brokerage and GSE/FHA multifamily originations businesses together may be referred to as "total debt". The Company calculates its notional GSE/FHA origination volumes based on when loans are rate locked, which is consistent with how certain revenues are recorded as part of "Commercial mortgage origination, net". The Company's mix of GSE/FHA originations, and therefore revenues, can vary depending on the size of loans, as well by the categories of loans with respect to the FHA, Freddie Mac, and different Fannie Mae structures. Any overall industry investment sales market share and volume data discussed herein are preliminary and from MSCI (previously known as RCA). Any other U.S. industry debt volumes are from the MBA, MSCI, and/or Trepp, while any GSE data is from Fannie Mae, Freddie Mac, and/or the MBA.

The notional volumes reported by the GSEs are based on when loans are sold and/or securitized, and typically lag those reported by Newmark or estimates from the Mortgage Bankers' Association ("MBA") by 30 to 45 days. Newmark generally calculates its GSE market share based on delivery for enhanced comparability. (ii) MSCI volumes include the large majority the industry's volumes for transactions of over $2.5 million in the U.S. and over €5 million in Europe. MSCI figures are often revised upwards over time, as they capture a greater percentage of transactions. (iii) Over 90% of Newmark's 2023 investment sales volumes were generated in the U.S., (which included the Signature transactions), while approximately 88% were from the U.S. in first quarter of 2024. Most of this international volume was from the Company's U.K. operations. Essentially all of Newmark's total debt volumes were generated in the U.S. in both periods. As a result, this document only discusses MBA U.S. data or MSCI U.S. and European volumes for the industry, although the Company's revenue and volume figures shown elsewhere may also reflect a relatively small amount of brokerage activity with respect to certain other international operations. Given its recent hires and acquisitions, the Company expects non-U.S. transactions to make up a greater percentage of Newmark's capital markets revenues and volumes over time. (iv) CoStar's leasing activity estimates are generally revised upwards over time, as they capture a greater percentage of transactions.

Please see the supplemental Excel tables and quarterly results presentations on the Company's investor relations website for more information with respect to volumes for Newmark and/or the industry.

Other Industry Data

Preqin estimates that there was approximately $400 billion of investible funds held by closed-end funds at real estate focused institutions as of April 18 2024, of which $256 billion was held by North America focused funds and $70 billion by funds focused on Europe. This is in addition to the significant amount of real estate assets held by other types of investors and owners such as publicly traded REITs, non-traded REITs, and open-ended core property funds. According to the most recent data from MSCI, the overall size of the professionally managed global real estate investment market was $13.3 trillion in 2022, while the size of the overall investible market was $19.5 trillion. Furthermore, there were approximately $4.7 trillion in U.S. commercial and multifamily mortgage debt outstanding as of year-end 2023 per the MBA (excluding loans for acquisitions, development, and construction, as well as loans collateralized by owner-occupied commercial properties). Of this amount, approximately $2.6 trillion is expected to mature between 2024 and 2028, with approximately $2.0 trillion of this debt expected to mature between 2024 and 2026.

Other Items

Investors may find the following information useful: (i) Throughout this document, certain other reclassifications may have been made to previously reported amounts to conform to the current presentation and to show results on a consistent basis across periods. Unless otherwise stated, any such changes would have had no impact on consolidated total revenues or earnings under GAAP or for Adjusted Earnings, all else being equal. Certain numbers in the tables or elsewhere throughout this document may not sum due to rounding. (ii) Rounding may have also impacted the presentation of certain year-on-year percentage changes. (iii) Decreases in losses may be shown as positive percentage changes in the financial tables. (iv) Changes from negative figures to positive figures may be calculated using absolute values, resulting in positive percentage changes in the tables.

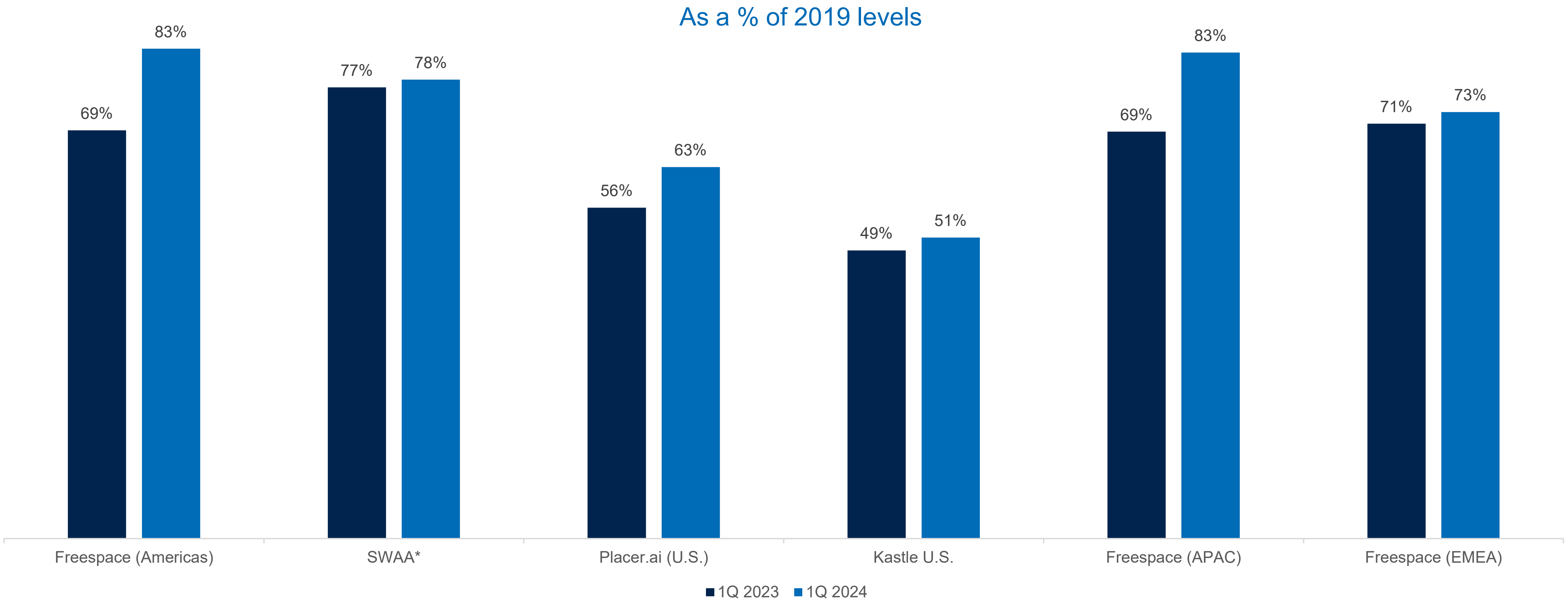
Appendix 2:

Additional Industry Information

Property Type: Office

Return to Workplace Continues to Improve Year-Over-Year

While workplace utilization has not reached pre-pandemic levels, year-over-year change suggests improvement



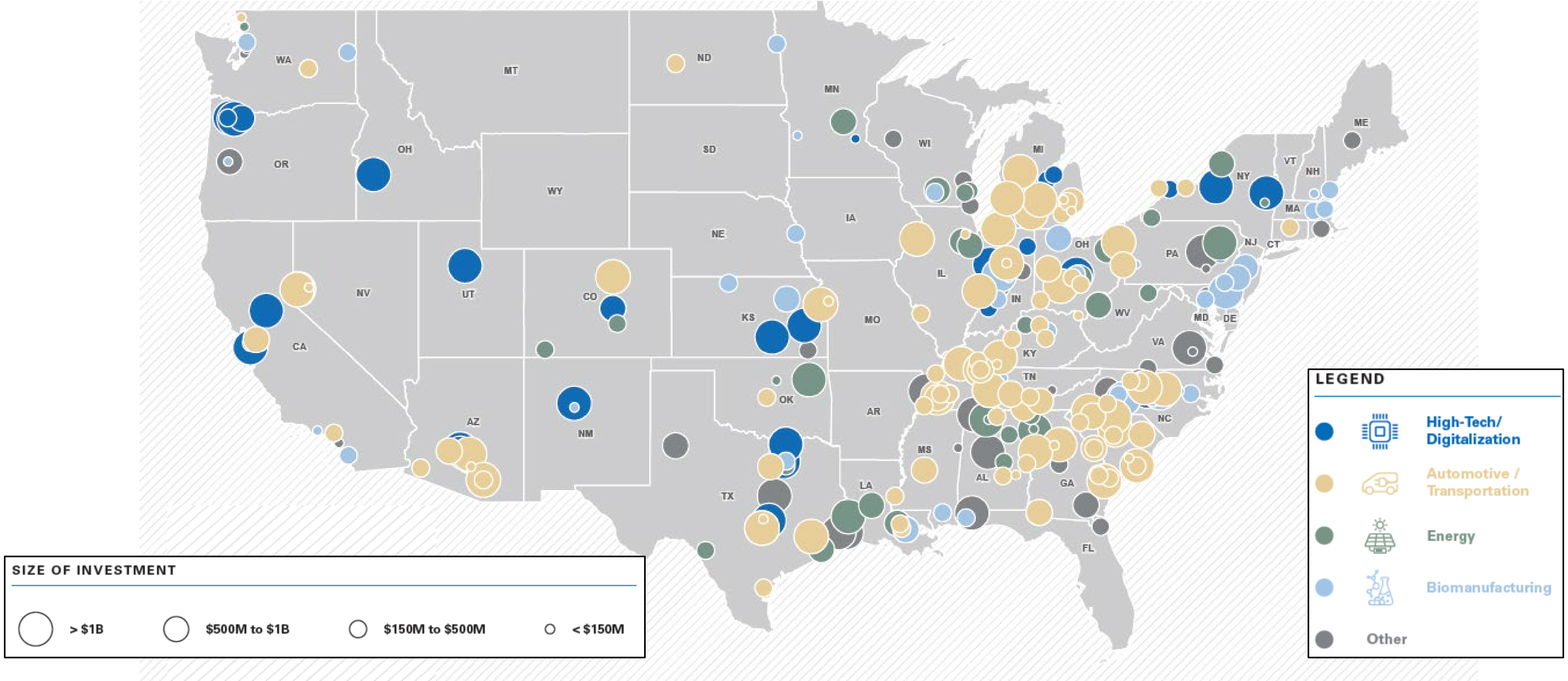
- While each of the above measures use a different methodology, they all agree that workspace utilization continued to show improvement in 1Q 2024.
- Although down from pre-pandemic levels, most of these measures climbed to post-pandemic highs at some point this year.

Sources:
Kastle: Data is from Bloomberg, as of 3/29/2024.
Freespace: Freespace Americas data shown in chart above is as of March 2024 and March 2023. All Freespace data are rebased using 2019 averages.
Survey of Working Arrangements and Attitudes (SWAA data): Data as of 3/1/2024 was used, rebased off year-end 2019 data point. As original data represents share of those working from home ("WFH") the inverse (1-WFH%) was used to make comparable to other indices. In addition to office, this data includes miscellaneous property types such as hospitality, retail, entertainment, wholesale, construction, manufacturing, and health care in the U.S. See also: Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731. All indices are as of mid-December because the year-end holidays may distort office occupancy.
Placer.ai: Placer.ai data shown in chart above compares January 2024 and January 2023. As original data represents nationwide office building visits compared to a January 2019 baseline, the inverse (1- placer.ai%) was used to make comparable to other indices.

Monumental Growth in Domestic Manufacturing is Underway

Since 2020, ~$400 billion has been pledged towards Industrial Investments, Creating ~21,000+ jobs in the process

U.S. Major Manufacturing Announcements, 2020-2023



- During the first quarter, seasonally adjusted manufacturing construction spending in the U.S. was ~255% higher than the average over the ten years ended 2019 in nominal terms, or ~127% higher in real terms.[1]
- We anticipate long-term tailwinds across our various industrial-focused service lines, which represent a growing proportion of Newmark's total revenues.

Note: The Investments shown on the map are for at least $100 million. Based on a survey conducted 2023 via Newmark Research. Investment dollars may include allocations to real estate and equipment, infrastructure, intellectual property, and other outlays. The increase spending is based on ""Total Construction Spending: Manufacturing in the United States" as reported by the U.S. Census Bureau via FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/TLMFGCONS, May 1, 2024. The real change is based on chain linked 2007 dollars and is per Newmark Research.

Appendix 3:

Financial Tables & Reconciliations

Property Type: Multifamily

Non-GAAP Financial Measures

NON-GAAP FINANCIAL MEASURES

This document contains non-GAAP financial measures that differ from the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"). Non-GAAP financial measures used by the Company include "Adjusted Earnings before noncontrolling interests and taxes", which is used interchangeably with "pre-tax Adjusted Earnings"; "Post-tax Adjusted Earnings to fully diluted shareholders", which is used interchangeably with "post-tax Adjusted Earnings"; "Adjusted EBITDA"; and "Liquidity". The definitions of these and other non-GAAP terms are below. The Company has made certain clarifications of and/or changes to its non-GAAP measures, including “Calculation of Non-Compensation Expense Adjustments for Adjusted Earnings” that will be applicable for reporting periods beginning with the third quarter of 2023 and thereafter, as described below.

The Company has made certain clarifications of and/or changes to its non-GAAP measures, including “Calculation of Non-Compensation Expense Adjustments for Adjusted Earnings” that will be applicable for reporting periods beginning with the third quarter of 2023 and thereafter, as described below.

Historically, Adjusted Earnings excluded gains or charges related to resolutions of litigation, disputes, investigations, or enforcement matters that are generally non-recurring, exceptional, or unusual, or similar items that management believes do not best reflect Newmark’s underlying operating performance. To help management and investors best assess Newmark’s underlying operating performance and for the Company to best facilitate strategic planning, beginning with the third quarter of 2023 and thereafter, calculations of Adjusted Earnings will also exclude unaffiliated third-party professional fees and expense related to these items. Newmark has not modified any prior period non-GAAP measures, as it has determined such amounts were immaterial to previously reported results.

ADJUSTED EARNINGS DEFINED

Newmark uses non-GAAP financial measures, including “Adjusted Earnings before noncontrolling interests and taxes” and “Post-tax Adjusted Earnings to fully diluted shareholders”, which are supplemental measures of operating results used by management to evaluate the financial performance of the Company and its consolidated subsidiaries. Newmark believes that Adjusted Earnings best reflect the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers when managing its business.

As compared with “Income (loss) before income taxes and noncontrolling interests” and “Net income (loss) for fully diluted shares”, both prepared in accordance with GAAP, Adjusted Earnings calculations primarily exclude certain non-cash items and other expenses that generally do not involve the receipt or outlay of cash by the Company and/or which do not dilute existing stockholders, as well as certain gains and charges that management believes do not best reflect the underlying operating performance of Newmark. Adjusted Earnings is calculated by taking the most comparable GAAP measures and making adjustments for certain items with respect to compensation expenses, non-compensation expenses, and other income, as discussed below.

CALCULATIONS OF COMPENSATION ADJUSTMENTS FOR ADJUSTED EARNINGS AND ADJUSTED EBITDA

Treatment of Equity-Based Compensation under Adjusted Earnings and Adjusted EBITDA

The Company’s Adjusted Earnings and Adjusted EBITDA measures exclude all GAAP charges included in the line item “Equity-based compensation and allocations of net income to limited partnership units and FPUs” (or “equity-based compensation” for purposes of defining the Company’s non-GAAP results) as recorded on the Company’s GAAP Consolidated Statements of Operations and GAAP Consolidated Statements of Cash Flows. These GAAP equity-based compensation charges reflect the following items:

- Charges with respect to grants of exchangeability, which reflect the right of holders of limited partnership units with no capital accounts, such as LPUs and PSUs, to exchange these units into shares of common stock, or into partnership units with capital accounts, such as HDUs, as well as cash paid with respect to taxes withheld or expected to be owed by the unit holder upon such exchange. The withholding taxes related to the exchange of certain non-exchangeable units without a capital account into either common stock or partnership units with a capital account may be funded by the redemption of preferred units such as PPSUs.

Non-GAAP Financial Measures (continued)

- Charges with respect to preferred units. Any preferred units would not be included in the Company's fully diluted share count because they cannot be made exchangeable into shares of common stock and are entitled only to a fixed distribution. Preferred units are granted in connection with the grant of certain limited partnership units that may be granted exchangeability or redeemed in connection with the grant of shares of common stock at ratios designed to cover any withholding taxes expected to be paid. The Company believes that this is an acceptable alternative to the common practice among public companies of issuing the gross amount of shares to employees, subject to cashless withholding of shares, to pay applicable withholding taxes. GAAP equity-based compensation charges with respect to the grant of an offsetting amount of common stock or partnership units with capital accounts in connection with the redemption of non-exchangeable units, including PSUs and LPUs.

- GAAP equity-based compensation charges with respect to the grant of an offsetting amount of common stock or partnership units with capital accounts in connection with the redemption of non-exchangeable units, including PSUs and LPUs.

- Charges related to amortization of restricted stock units ("RSUs"), limited partnership units, restricted stock awards, other equity-based awards.

- Charges related to grants of equity awards, including common stock, RSUs, restricted stock awards, or partnership units with capital accounts.

- Allocations of net income to limited partnership units and FPUs. Such allocations represent the pro-rata portion of post-tax GAAP earnings available to such unit holders.

The amount of certain quarterly equity-based compensation charges is based upon the Company's estimate of such expected charges during the annual period, as described further below under "Methodology for Calculating Adjusted Earnings Taxes".

Virtually all of Newmark's key executives and producers have equity or partnership stakes in the Company and its subsidiaries and generally receive deferred equity or limited partnership units as part of their compensation. A significant percentage of Newmark's fully diluted shares are owned by its executives, partners, and employees. The Company issues limited partnership units, RSUs, restricted stock, as well as other forms of equity-based compensation, including grants of exchangeability into shares of common stock, to provide liquidity to its employees, to align the interests of its employees and management with those of common stockholders, to help motivate and retain key employees, and to encourage a collaborative culture that drives cross-selling and growth.

All share equivalents that are part of the Company's equity-based compensation program, including REUs, PSUs, LPUs, certain HDUs, and other units that may be made exchangeable into common stock, as well as RSUs (which are recorded using the treasury stock method), are included in the fully diluted share count when issued or at the beginning of the subsequent quarter after the date of grant. Generally, limited partnership units (other than preferred units) are expected to be paid a pro-rata distribution based on Newmark's calculation of Adjusted Earnings per fully diluted share.

Certain Other Compensation-Related Items under Adjusted Earnings and Adjusted EBITDA

Newmark also excludes various other GAAP items that management views as not reflective of the Company's underlying performance for the given period from its calculation of Adjusted Earnings and Adjusted EBITDA. These may include compensation-related items with respect to cost-saving initiatives, such as severance charges incurred in connection with headcount reductions as part of broad restructuring and/or cost savings plans.

The Company also excludes compensation charges related to non-cash GAAP gains attributable to originated mortgage servicing rights ("OMSRs") because these gains are also excluded from Adjusted Earnings and Adjusted EBITDA. OMSRs represent the fair value of expected net future cash flows from servicing recognized at commitment, net.

Non-GAAP Financial Measures (continued)

Excluded Compensation-Related Items with Respect to the 2021 Equity Event under Adjusted Earnings and Adjusted EBITDA

Newmark does not view the cash GAAP compensation charges related to 2021 Equity Event (the "Impact of the 2021 Equity Event") as being reflective of its ongoing operations. These consisted of charges relating to cash paid to independent contractors for their withholding taxes and the cash redemption of HDUs. These had been recorded as expenses based on Newmark's previous non-GAAP definitions, but were excluded in the recast non-GAAP results beginning in the third quarter of 2021 for the following reasons:

– But for the 2021 Equity Event, the items comprising such charges would have otherwise been settled in shares and been recorded as equity-based compensation in future periods, as is the Company's normal practice. Had this occurred, such amounts would have been excluded from Adjusted Earnings and Adjusted EBITDA and would also have resulted in higher fully diluted share counts, all else equal.

– Newmark views the fully diluted share count reduction related to the 2021 Equity Event to be economically similar to the common practice among public companies of issuing the net amount of common shares to employees for their vested stock-based compensation, selling a portion of the gross shares pay applicable withholding taxes, and separately making open market repurchases of common shares.

– There was nothing comparable to the 2021 Equity Event in 2020 and nothing similar is currently contemplated after 2021. Accordingly, the only prior period recast with respect to the 2021 Equity Event was the second quarter of 2021.

Calculation of Non-Compensation Expense Adjustments for Adjusted Earnings

Newmark’s calculation of pre-tax Adjusted Earnings excludes GAAP gains or charges related to the following:

– Non-cash amortization of intangibles with respect to acquisitions.

– Other acquisition-related costs, including unaffiliated third-party professional fees and expenses.

– Resolutions of non-recurring, exceptional or unusual gains or charges related to resolutions of litigation, disputes, investigations, or enforcement matters that are generally non-recurring, exceptional, or unusual, or similar items that management believes do not best reflect Newmark’s underlying operating performance, including related unaffiliated third-party professional fees and expenses.

– Non-cash gains attributable to OMSRs.

– Non-cash amortization of mortgage servicing rights (which Newmark refers to as “MSRs”). Under GAAP, the Company recognizes OMSRs equal to the fair value of servicing rights retained on mortgage loans originated and sold. Subsequent to the initial recognition at fair value, MSRs are carried at the lower of amortized cost or fair value and amortized in proportion to the net servicing revenue expected to be earned. However, it is expected that any cash received with respect to these servicing rights, net of associated expenses, will increase Adjusted Earnings and Adjusted EBITDA in future periods.

– Various other GAAP items that management views as not reflective of the Company’s underlying performance for the given period, including non-compensation-related charges incurred as part of broad restructuring and/or cost savings plans. Such GAAP items may include charges for exiting leases and/or other long-term contracts as part of cost-saving initiatives, as well as non-cash impairment charges related to assets, goodwill, and/or intangible assets created from acquisitions.

Non-GAAP Financial Measures (continued)

Calculation of Other income (loss) for Adjusted Earnings and Adjusted EBITDA

Adjusted Earnings calculations also exclude certain other non-cash, non-dilutive, and/or non-economic items, which may in some periods include:

– Unusual, non-ordinary or non-recurring gains or charges.

– Non-cash GAAP asset impairment charges.

– Gains or losses on divestitures.

– The impact of any unrealized non-cash mark-to-market gains or losses on “Other income (loss)” related to the variable share forward agreements with respect to Newmark’s receipt of the payments from Nasdaq, Inc. (“Nasdaq”), in 2021 and 2022 and the 2020 Nasdaq payment (the “Nasdaq Forwards”).

– Mark-to-market adjustments for non-marketable investments.

– Certain other non-cash, non-dilutive, and/or non-economic items.

Due to Nasdaq’s sale of its U.S. fixed income business in the second quarter of 2021, the Nasdaq Earn-out and related Forward settlements were accelerated, less certain previously disclosed adjustments. Because these shares were originally expected to be received over a 15 year period ending in 2027, the Earn-out had been included in calculations of Adjusted Earnings and Adjusted EBITDA under Newmark's previous non-GAAP methodology. Due to the acceleration of the Earn-out and the Nasdaq Forwards, the Company now views results excluding certain items related to the Earn-out to be a better reflection of the underlying performance of Newmark’s ongoing operations. Therefore, beginning with the third quarter of 2021, other income (loss) for Adjusted Earnings and Adjusted EBITDA also excludes the impact of the below items from relevant periods. These items may collectively be referred to as the "Impact of Nasdaq".

– Realized gains related to the accelerated receipt on June 25, 2021, of Nasdaq shares.

– Realized gains or losses and unrealized mark-to-market gains or losses with respect to Nasdaq shares received prior to the Earn-out acceleration.

– The impact of any unrealized non-cash mark-to-market gains or losses on “Other income (loss)” related to the Nasdaq Forwards. This item was historically excluded under the previous non-GAAP definitions.

– Other items related to the Earn-out.

Newmark's calculations of non-GAAP “Other income (loss)” for certain prior periods includes dividend income on its Nasdaq shares, as these dividends contributed to cash flow and were generally correlated to Newmark's interest expense on short term borrowing against such shares. As Newmark sold 100% of these shares between the third quarter of 2021 and the first quarter of 2022, both its interest expense and dividend income declined accordingly.

Non-GAAP Financial Measures (continued)

METHODOLOGY FOR CALCULATING ADJUSTED EARNINGS TAXES

Although Adjusted Earnings are calculated on a pre-tax basis, Newmark also reports post-tax Adjusted Earnings to fully diluted shareholders. The Company defines post-tax Adjusted Earnings to fully diluted shareholders as pre-tax Adjusted Earnings reduced by the non-GAAP tax provision described below and net income (loss) attributable to noncontrolling interest for Adjusted Earnings.

The Company calculates its tax provision for post-tax Adjusted Earnings using an annual estimate similar to how it accounts for its income tax provision under GAAP. To calculate the quarterly tax provision under GAAP, Newmark estimates its full fiscal year GAAP income before noncontrolling interests and taxes and the expected inclusions and deductions for income tax purposes, including expected equity-based compensation during the annual period. The resulting annualized tax rate is applied to Newmark's quarterly GAAP income before income taxes and noncontrolling interests. At the end of the annual period, the Company updates its estimate to reflect the actual tax amounts owed for the period.

To determine the non-GAAP tax provision, Newmark first adjusts pre-tax Adjusted Earnings by recognizing any, and only, amounts for which a tax deduction applies under applicable law. The amounts include charges with respect to equity-based compensation, certain charges related to employee loan forgiveness, certain net operating loss carryforwards when taken for statutory purposes, and certain charges related to tax goodwill amortization. These adjustments may also reflect timing and measurement differences, including treatment of employee loans, changes in the value of units between the dates of grants of exchangeability and the date of actual unit exchange, variations in the value of certain deferred tax assets and liabilities, and the different timing of permitted deductions for tax under GAAP and statutory tax requirements.

After application of these adjustments, the result is the Company's taxable income for its pre-tax Adjusted Earnings, to which Newmark then applies the statutory tax rates to determine its non-GAAP tax provision. Newmark views the effective tax rate on pre-tax Adjusted Earnings as equal to the amount of its non-GAAP tax provision divided by the amount of pre-tax Adjusted Earnings.

Generally, the most significant factor affecting this non-GAAP tax provision is the amount of charges relating to equity-based compensation. Because the charges relating to equity-based compensation are deductible in accordance with applicable tax laws, increases in such charges have the effect of lowering the Company's non-GAAP effective tax rate and thereby increasing its post-tax Adjusted Earnings.

Newmark incurs income tax expenses based on the location, legal structure, and jurisdictional taxing authorities of each of its subsidiaries. Certain of the Company's entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax ("UBT") in New York City. Any U.S. federal and state income tax liability or benefit related to the partnership income or loss, with the exception of UBT, rests with the unit holders rather than with the partnership entity. The Company's consolidated financial statements include U.S. federal, state, and local income taxes on the Company's allocable share of the U.S. results of operations. Outside of the U.S., Newmark is expected to operate principally through subsidiary corporations subject to local income taxes. For these reasons, taxes for Adjusted Earnings are expected to be presented to show the tax provision the consolidated Company would expect to pay if 100% of earnings were taxed at global corporate rates.

CALCULATIONS OF PRE- AND POST-TAX ADJUSTED EARNINGS PER SHARE

Newmark's pre-tax Adjusted Earnings and post-tax Adjusted Earnings per share calculations assume either that:

- The fully diluted share count includes the shares related to any dilutive instruments, but excludes the associated expense, net of tax, when the impact would be dilutive; or

- The fully diluted share count excludes the shares related to these instruments, but includes the associated expense, net of tax, when the impact would be anti-dilutive.

Non-GAAP Financial Measures (continued)

The share count for Adjusted Earnings excludes certain shares and share equivalents expected to be issued in future periods but not yet eligible to receive dividends and/or distributions. Each quarter, the dividend payable to Newmark's stockholders, if any, is expected to be determined by the Company's Board of Directors with reference to a number of factors. Newmark may also pay a pro-rata distribution of net income to limited partnership units, as well as to Cantor for its noncontrolling interest.

The declaration, payment, timing, and amount of any future dividends payable by the Company will be at the discretion of its Board of Directors using the fully diluted share count. For more information on any share count adjustments, see the table of this document and/or the Company's most recent financial results press release titled "Fully Diluted Weighted-Average Share Count for GAAP and Adjusted Earnings."

MANAGEMENT RATIONALE FOR USING ADJUSTED EARNINGS

Newmark's calculation of Adjusted Earnings excludes the items discussed above because they are either non-cash in nature, because the anticipated benefits from the expenditures are not expected to be fully realized until future periods, or because the Company views results excluding these items as a better reflection of the underlying performance of Newmark's ongoing operations.

Management uses Adjusted Earnings in part to help it evaluate, among other things, the overall performance of the Company's business and to make decisions with respect to the Company's operations. The term "Adjusted Earnings" should not be considered in isolation or as an alternative to GAAP net income (loss). The Company views Adjusted Earnings as a metric that is not indicative of liquidity, or the cash available to fund its operations, but rather as a performance measure. Pre- and post-tax Adjusted Earnings, as well as related measures, are not intended to replace the Company's presentation of its GAAP financial results. However, management believes that these measures help provide investors with a clearer understanding of Newmark's financial performance and offer useful information to both management and investors regarding certain financial and business trends related to the Company's financial condition and results of operations. Management believes that the GAAP and Adjusted Earnings measures of financial performance should be considered together.

For more information regarding Adjusted Earnings, see the sections of this document and/or the Company's most recent financial results press release titled "Reconciliation of GAAP Net Income to Common Stockholders to Adjusted Earnings Before Noncontrolling Interests and Taxes and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS", including the related footnotes, for details about how Newmark's non-GAAP results are reconciled to those under GAAP.

Non-GAAP Financial Measures (continued)

ADJUSTED EBITDA DEFINED

Newmark also provides an additional non-GAAP financial performance measure, “Adjusted EBITDA”, which it defines as GAAP “Net income (loss) available to common stockholders”, adjusted for the following items:

- Net income (loss) attributable to noncontrolling interest.
- Provision (benefit) for income taxes.
- OMSR revenue.
- MSR amortization.
- Compensation charges related to OMSRs.
- Fixed asset depreciation and intangible asset amortization.
- Equity-based compensation and allocations of net income to limited partnership units and FPUs.
- Various other GAAP items that management views as not reflective of the Company’s underlying performance for the given period. These may include compensation-related items with respect to cost-saving initiatives, such as severance charges incurred in connection with headcount reductions as part of broad restructuring and/or cost savings plans; charges for exiting leases and/or other long-term contracts as part of cost-saving initiatives; and non-cash impairment charges related to assets, goodwill and/or intangibles created from acquisitions.
- Other non-cash, non-dilutive, and/or non-economic items, which may, in certain periods, include the impact of any unrealized non-cash mark-to-market gains or losses on “other income (loss)” related to the Nasdaq Forwards, as well as mark-to-market adjustments for non-marketable investments.
- Interest expense.
- The Impact of Nasdaq and the Impact of the 2021 Equity Event, (together, the "Impact of Nasdaq and the 2021 Equity Event"), which are defined above.

Non-GAAP Financial Measures (continued)

MANAGEMENT RATIONALE FOR USING ADJUSTED EBITDA

Newmark's calculation of Adjusted EBITDA excludes certain items discussed above because they are either non-cash in nature, because the anticipated benefits from the expenditures are not expected to be fully realized until future periods, or because the Company views excluding these items as a better reflection of the underlying performance Newmark's ongoing operations. The Company's management believes that its Adjusted EBITDA measure is useful in evaluating Newmark's operating performance, because the calculation of this measure generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, the Company's management uses this measure to evaluate operating performance and for other discretionary purposes. Newmark believes that Adjusted EBITDA is useful to investors to assist them in getting a more complete picture of the Company's financial results and operations.

Since Newmark's Adjusted EBITDA is not a recognized measurement under GAAP, investors should use this measure in addition to GAAP measures of net income when analyzing Newmark's operating performance. Because not all companies use identical EBITDA calculations, the Company's presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA is not intended to be a measure of free cash flow or GAAP cash flow from operations, because the Company's Adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

For more information regarding Adjusted EBITDA, see the section of this document and/or the Company's most recent financial results press release titled "Reconciliation of GAAP Net Income to Adjusted EBITDA", including the related footnotes, for details about how Newmark's non-GAAP results are reconciled to those under GAAP.

LIQUIDITY DEFINED

Newmark may also use a non-GAAP measure called "liquidity". The Company considers liquidity to be comprised of the sum of cash and cash equivalents, marketable securities, and reverse repurchase agreements (if any), less securities lent out in securities loaned transactions and repurchase agreements. The Company considers liquidity to be an important metric for determining the amount of cash that is available or that could be readily available to the Company on short notice. For more information regarding liquidity, see the section of this document and/or the Company's most recent financial results press release titled "Liquidity Analysis", including any related footnotes, for details about how Newmark's non-GAAP results are reconciled to those under GAAP.

NET LEVERAGE DEFINED

Newmark may also use a non-GAAP measure called "net leverage.“ "Net debt", when used, is defined as total corporate debt (which excludes Warehouse facilities collateralized by U.S. Government Sponsored Enterprises), net of cash or, if applicable, total liquidity, while "net leverage", when used, equals net debt divided by trailing twelve month Adjusted EBITDA.

TIMING OF OUTLOOK FOR CERTAIN GAAP AND NON-GAAP ITEMS

Newmark anticipates providing forward-looking guidance for GAAP revenues and for certain non-GAAP measures from time to time.

However, the Company does not anticipate providing an outlook for other GAAP results. This is because certain GAAP items, which are excluded from Adjusted Earnings and/or Adjusted EBITDA, are difficult to forecast with precision before the end of each period. The Company therefore believes that it is not possible for it to have the required information necessary to forecast GAAP results or to quantitatively reconcile GAAP forecasts to non-GAAP forecasts with sufficient precision without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The relevant items that are difficult to predict on a quarterly and/or annual basis with precision and may materially impact the Company's GAAP results include, but are not limited, to the following:

Non-GAAP Financial Measures (continued)

– Certain equity-based compensation charges that may be determined at the discretion of management.

– Unusual, non-ordinary, or non-recurring items.

– The impact of gains or losses on certain marketable securities, as well as any gains or losses related to associated mark-to-market movements and/or hedging. These items are calculated using period-end closing prices.

– Non-cash asset impairment charges, which are calculated and analyzed based on the period-end values of the underlying assets. These amounts may not be known until after period-end.

– Acquisitions, dispositions, and/or resolutions of litigation, disputes, investigations, enforcement matters, or similar items, which are fluid and unpredictable in nature.

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– Certain equity-based compensation charges that may be determined at the discretion of management.

– Unusual, non-ordinary, or non-recurring items.

– The impact of gains or losses on certain marketable securities, as well as any gains or losses related to associated mark-to-market movements and/or hedging. These items are calculated using period-end closing prices.

– Non-cash asset impairment charges, which are calculated and analyzed based on the period-end values of the underlying assets. These amounts may not be known until after period-end.

– Acquisitions, dispositions, and/or resolutions of litigation, disputes, investigations, enforcement matters, or similar items, which are fluid and unpredictable in nature.

Reconciliation of GAAP Net Income Available to Common Stockholders to Adjusted Earnings Before Noncontrolling Interests And Taxes And GAAP Fully Diluted EPS to Post-Tax Adjusted EPS

(in Thousands, Except per Share Data) (Unaudited)

	Three Months Ended March 31,	
	2024	2023
GAAP net loss available to common stockholders	$ (16,254)	$ (10,350)
Benefit for income taxes (1)	(3,516)	(3,056)
Net income attributable to noncontrolling interests (2)	(10,062)	(5,999)
GAAP loss before income taxes and noncontrolling interests	$ (29,832)	$ (19,405)
Pre-tax adjustments:		
Compensation adjustments:		
Equity-based compensation and allocations of net income to limited partnership units and FPU's (3)	51,443	35,648
Other compensation adjustments (4)	930	872
Total Compensation adjustments	52,373	36,520
Non-Compensation expense adjustments:		
Amortization of intangibles (5)	4,439	3,448
MSR amortization(6)	28,147	26,204
Other non-compensation adjustments (7)	3,911	1,525
Total Non-Compensation expense adjustments	36,497	31,177
Non-cash adjustment for OMSR revenues (8)	(16,144)	(14,099)
Other (income) loss, net:		
Other non-cash, non-dilutive, and /or non-economic items and Nasdaq (9)	13	6,638
Total Other (income) loss, net	13	6,638
Total pre-tax adjustments	72,739	60,236
Adjusted Earnings before noncontrolling interests and taxes ("Pre-tax Adjusted Earnings")	$ 42,907	$ 40,831

See the following page for a continuation of the table.

Reconciliation of GAAP Net Income Available to Common Stockholders to Adjusted Earnings Before Noncontrolling Interests And Taxes And GAAP Fully Diluted EPS to Post-Tax Adjusted EPS (continued)

(in Thousands, Except per Share Data) (Unaudited) (Continued)

	Three Months Ended March 31,	
	2024	2023
GAAP Net loss available to common stockholders:	$ (16,254)	$ (10,350)
Allocation of net loss to noncontrolling interests (10)	(9,113)	(5,310)
Total pre-tax adjustments (from above)	72,739	60,236
Income tax adjustment to reflect adjusted earnings taxes (1)	(9,953)	(9,223)
Post-tax Adjusted Earnings to fully diluted shareholders ("Post-tax Adjusted Earnings")	$ 37,420	$ 35,353
Per Share Data:		
GAAP fully diluted earnings per share	$ (0.09)	$ (0.06)
Allocation of net income to noncontrolling interests	0.00	0.00
Total pre-tax adjustments (from above)	0.28	0.25
Income tax adjustment to reflect adjusted earnings taxes	(0.04)	(0.04)
Other	(0.00)	(0.00)
Post-tax Adjusted Earnings per share ("Adjusted Earnings EPS")	$ 0.15	$ 0.15
Pre-tax adjusted earnings per share	$ 0.17	$ 0.17
Fully diluted weighted-average shares of common stock outstanding	255,424	239,886

(1) Newmark's GAAP provision (benefit) for income taxes is calculated based on an annualized methodology. Newmark includes additional tax-deductible items when calculating the provision (benefit) for taxes with respect to Adjusted Earnings using an annualized methodology. These include tax-deductions related to equity-based compensation, and certain net-operating loss carryforwards. The adjustment in the tax provision to reflect Adjusted Earnings is shown below (in millions):

See the following page for a continuation of the table.

Reconciliation of GAAP Net Income Available to Common Stockholders to Adjusted Earnings Before Noncontrolling Interests And Taxes And GAAP Fully Diluted EPS to Post-Tax Adjusted EPS (continued)

(in Thousands, Except per Share Data) (Unaudited) (Continued)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
GAAP provision (benefit) for income taxes	$ (3.5)	$ (3.1)
Income tax adjustment to reflect Adjusted Earnings	10.0	9.2
Provision for income taxes for Adjusted Earnings	$ 6.5	$ 6.1

(2) Primarily represents portion of Newmark's net income pro-rated for Cantor and BGC's employees ownership percentage and the noncontrolling portion of Newmark's net income in subsidiaries.

(3) The components of equity-based compensation and allocations of net income to limited partnership units and FPUs are as follows (in millions):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Issuance of common stock and exchangeability expenses	$ 40.2	$ 24.6
Limited partnership units amortization	3.3	4.9
RSU amortization Expense	7.7	6.0
Total equity-based compensation	$ 51.2	$ 35.5
Allocations of net income	0.2	0.2
Equity-based compensation and allocations of net income to limited partnership units and FPUs	$ 51.4	$ 35.7

(4) Includes compensation expenses related to severance charges as a result of the cost savings initiatives of $1.4 million and $1.1 million for the three months ended March 31, 2024 and 2023, respectively. Also includes commission charges related to non-cash GAAP gains attributable to OMSR revenues of $(0.4) million and $(0.3) million for the three months ended March 31, 2024 and 2023, respectively.

(5) Includes Non-cash GAAP charges related to the amortization of intangibles with respect to acquisitions.

(6) Adjusted Earnings calculations exclude non-cash GAAP amortization of mortgage servicing rights (which Newmark refers to as “MSRs”). Subsequent to the initial recognition at fair value, MSRs are carried at the lower of amortized cost or fair value and amortized in proportion to the net servicing revenues expected to be earned. However, it is expected that any cash received with respect to these servicing rights, net of associated expenses, will increase Adjusted Earnings in future periods.

(7) The components of other non-compensation adjustments are as follows (in millions):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Lease expense (credits) related to liquidating entities	$ (3.5)	$ 2.9
Asset impairments	3.3	0.9
Unaffiliated third party professional fees and expenses related to legal matters	1.3	-
Proceeds from legal settlements	(0.1)	(4.5)
Acceleration of debt issuance costs	2.6	-
Acquisition costs	-	1.8
Fair value adjustments related to acquisition earnouts	0.3	0.4
	$ 3.9	$ 1.5

(8) Adjusted Earnings calculations exclude non-cash GAAP gains attributable to originated mortgage servicing rights (which Newmark refers to as "OMSRs"). Under GAAP, Newmark recognizes OMSRs equal to the fair value of servicing rights retained on mortgage loans originated and sold.

(9) The components of non-cash, non-dilutive, non-economic items are as follows (in millions):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Loss from the disposition of assets	-	6.4
Unrealized (gain)/loss on marketable securities (i)	-	-
(Gains)/losses on non-marketable securities	-	0.3
	$ -	$ 6.7

(i) Includes $13 thousand of unrealized loss on marketable securities for the three months ended March 31, 2024.

(10) Excludes the noncontrolling portion of Newmark's net income in subsidiaries which are not wholly owned.

Reconciliation of GAAP Income to Adjusted EBITDA

(in Thousands) (Unaudited)

NEWMARK GROUP, INC.
Reconciliation of GAAP Income to Adjusted EBITDA
(in thousands)
(unaudited)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
GAAP net loss available to common stockholders	$ (16,254)	$ (10,350)
Adjustments:		
Net loss attributable to noncontrolling interests[1]	(10,062)	(5,999)
Benefit for income taxes	(3,516)	(3,056)
OMSR revenue[2]	(16,144)	(14,099)
MSR amortization[3]	28,147	26,204
Other depreciation and amortization[4]	15,819	12,626
Equity-based compensation and allocations of net income to limited partnership units and FPUs	51,443	35,648
Other adjustments [6]	1,799	4,186
Other non-cash, non-dilutive, non-economic items and Nasdaq for Adjusted EBITDA [7]	13	6,638
Interest expense	12,238	11,124
Adjusted EBITDA ("AEBITDA")	$ 63,483	$ 62,922

(1) Primarily represents portion of Newmark's net income (loss) pro-rated for Cantor and BGC employees ownership percentage and the noncontrolling portion of Newmark's net income in subsidiaries.

(2) Non-cash gains attributable to originated mortgage servicing rights.

(3) Non-cash amortization of mortgage servicing rights in proportion to the net servicing revenues expected to be earned.

(4) Includes fixed asset depreciation and impairment of $11.4 million and $9.2 million for the three months ended March 31, 2024 and 2023, respectively. Also, includes intangible asset amortization related to acquisitions of $4.4 million and $3.4 million for the three months ended March 31, 2024 and 2023, respectively.

(5) Please refer to Footnote 3 under Reconciliation of GAAP Net Income (Loss) Available to Common Stockholders to Adjusted Earnings Before Noncontrolling Interests and GAAP Fully Diluted EPS to Post-tax Adjusted EPS for additional information about the components of "Equity-based compensation and allocations of net income to limited partnership units and FPUs".

(6) The components of other adjustments are as follows (in millions):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Severance charges	$ 1.4	$ 1.1
Assets impairment not considered a part of ongoing operations	1.5	-
Commission charges related to non-GAAP gains attributable to OMSR revenues and others	(0.4)	(0.3)
Fair value adjustments related to acquisition earnouts	0.3	0.4
Lease expense (credits) related to liquidating entries	(3.5)	2.9
Acceleration of debt issuance costs	2.6	-
	$ 1.8	$ 4.2

(7) Please refer to Footnote 9 under Reconciliation of GAAP Net Income (Loss) Available to Common Stockholders to Adjusted Earnings Before Noncontrolling Interests and Taxes and GAAP Fully Diluted EPS to Post-tax Adjusted EPS for additional information about the components of Other non-cash, non-dilutive, non-economic items.

Other Income
(in Millions) (Unaudited)

NEWMARK GROUP, INC.
Other income (loss)
(in millions)
(unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Other income (loss), net under GAAP	**-**	**(3.0)**
To reconcile from GAAP other income (loss), exclude:		
Other items, net	-	6.6
Other income (loss), net for Pre-tax Adjusted Earnings and Adjusted EBITDA	-	3.6

Newmark's Other income (loss), net under GAAP includes equity method investments that represent Newmark's pro rata share of net gains or losses and mark-to-market gains or losses on investments. For the three months ended March 31, 2024, the difference between GAAP and non-GAAP other income included $13 thousand of unrealized losses on marketable securities. For the three months ended March 31, 2023, the difference included equity method investments that represent Newmark's pro rata share of net gains or losses on investments and mark-to-market gains or losses on non-marketable investments.

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