

Third Quarter Financial Results Presentation

Newmark Group, Inc. (NMRK)

October 28, 2022



Disclaimer and Other Useful Information

Forward-Looking Statements

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 effects of the COVID-19 pandemic on 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.

Note About Outlook and 2025 Targets

Any outlook discussed in this document is valid only as of October 28, 2022. Such expectations are subject to change based on various macroeconomic, social, political, and other factors, including the COVID-19 pandemic. While our 2025 financial and operational targets do assume acquisitions, they are also subject to change for these same reasons. None of our targets or goals through 2025 should be considered formal guidance.

The Impact of Nasdaq

The receipt of shares from Nasdaq may also be referred to as the "Earn-out". For additional information about the Earn-out and related monetization transactions (the "Nasdaq Forwards"), which were a component of GAAP other income for periods before the second quarter of 2022, see the sections of the Company's most recent SEC filings on Form 10-Q or Form 10-K titled "Nasdaq Monetization Transactions" and "Exchangeable Preferred Partnership Units and Forward Contract", as well as any updates regarding these topics in subsequent SEC filings. For the definition of the "Impact of Nasdaq", see the section of this document called "Calculation of Other (income) losses for Adjusted Earnings and Adjusted EBITDA (Beginning in Third Quarter 2021, as Updated)" under "Non-GAAP Financial Measures".

The 2021 Equity Event

The "Impact the 2021 Equity Event" is defined in the section of this document called "Excluded Compensation-Related Items with Respect to the 2021 Equity Event under Adjusted Earnings and Adjusted EBITDA (Beginning in Third Quarter 2021, as Updated)" under "Non-GAAP Financial Measures". For additional details on how the 2021 Equity Event impacted share count and GAAP expenses, see the section of the Company's second quarter 2021 financial results press release titled "Additional Details About the Impact of Nasdaq and the 2021 Equity Event" and the related SEC filing on Form 8-K, as well as any subsequent disclosures in filings on Forms 10-Q and/or 10-K.

Non-GAAP Measures

This presentation should be read in conjunction with Newmark's most recent financial results press releases and/or SEC filings on Forms 10-Q and/or 10-K. "U.S. Generally Accepted Accounting Principles" are also known as "GAAP". Unless otherwise stated, throughout this document Newmark refers to its results only on a Non-GAAP basis. See the sections of this document including "Non-GAAP Financial Measures", "Adjusted Earnings Defined", "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", "Fully diluted weighted-average share count for GAAP and Adjusted Earnings", "Adjusted EBITDA Defined", and "Reconciliation of GAAP Net Income (Loss) Available to Common Stockholders to Adjusted EBITDA", including any footnotes to these sections, for the complete and/or updated definitions of these 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. Please also see the table towards the end of this document for a reconciliation of GAAP pre-tax income to GAAP pre-tax income excluding the Impact of Nasdaq and the 2021 Equity Event.

Online Availability Of Investor Presentation And Additional Financial Tables

Newmark's quarterly supplemental Excel tables show revenues, earnings, and other metrics for periods from 2018 through the third quarter of 2022. The Excel tables and the Company's quarterly financial results press releases and presentations for previous periods are available for download at ir.nmrk.com. These materials include other useful information that may not be contained herein.

Revenue and Non-GAAP Earnings Recast

Beginning with the first quarter of 2022, the Company adjusted its line items under "Revenue Detail". "Gains from mortgage banking activities/origination, net" has been combined with commercial mortgage brokerage revenues as "Commercial mortgage origination, net", while "Investment sales" is a stand-alone line-item. This change in presentation had no impact on any period's consolidated revenues or earnings. Since the second quarter of 2021, Newmark has reported Adjusted Earnings and Adjusted EBITDA excluding the Impact of Nasdaq and the 2021 Equity Event. Figures for these items in prior periods under their current and former presentations are contained in both the fourth quarter 2021 and first quarter 2022 Excel supplements on Newmark's [investor relations website](http://investorrelationswebsite). Beginning with the first quarter of 2022, the Company has reclassified an immaterial amount of revenues related to its flexible workspace business as fee revenues from non-fee revenues for all periods from April 1, 2021, onwards, as shown in the same supplemental Excel tables.

Disclaimer and Other Useful Information (Continued)

Industry Volumes

Newmark's investment sales figures include investment sales and equity advisory transactions, while mortgage brokerage figures include the Company's non-originated debt placement transactions, all measured in notional terms. Investment sales and mortgage brokerage may together be referred to as "capital markets". Fannie Mae and Freddie Mac together are also called the "GSEs", while the Federal Housing Administration is also called the "FHA." Newmark's mortgage brokerage and GSE/FHA originations together are "total debt". The Company may also disclose the notional volume for leasing transactions, and/or the estimated value of all properties appraised by our Valuation & Advisory (V&A) business. This estimate is based on the average appraised value of a subset of Newmark valuations performed in the relevant period multiplied by the total number of properties appraised by us in that same timeframe.

Any overall industry investment sales market share and volume data discussed herein are preliminary and from MSCI Real Capital Analytics ("RCA") and Newmark Research, while any GSE data is from Fannie Mae, Freddie Mac, the MBA, and/or Newmark Research. Any other U.S. industry debt volumes are based on the MBA commercial/multifamily origination index, unless otherwise noted. RCA's preliminary third quarter 2022 U.S. investment sales figures indicate that industry volumes were down by approximately 21% year-on-year, or by 24% for single assets. For the nine months ended September 30, 2022, RCA states that U.S. investment sales volumes increased by approximately 16% year-on-year, or by 15% for single assets. RCA also reports that U.S. investment sales notional volumes increased by 120% year-over-year to record amounts in the fourth quarter of 2021. According to the MBA, the notional dollar volume of all commercial and multifamily lending is expected to decrease in the U.S. by 14% year-over-year in 2022. Because the MBA index was up by 39% year-on-year in the first half of 2022, this implies that U.S. industry lending volumes could decline by approximately 35-40% year-over-year in the second half of 2022.¹

The Company calculates its notional 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. 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 calculates its GSE market share based on delivery for enhanced comparability.

Other Items

Recurring businesses refers to "Management services, servicing fees, and other." Unless otherwise stated, any figures for trailing twelve months ("TTM") are for the twelve months ending September 30, 2022, and any year to date ("YTD") figures are for the 9 months ending the same date. Compounded annual growth rate may be abbreviated as "CAGR".

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. Rounding may have also impacted the presentation of certain year-on-year percentage changes. Decreases in losses may be shown as positive percentage changes in the financial tables. Changes from negative figures to positive figures may be calculated using absolute values, resulting in positive percentage changes in the tables. Throughout this document, certain percentage changes are described as "NMF" or "not meaningful figure".

Newmark Group, Inc. (NASDAQ: NMRK) ("Newmark" or "the Company") generally operates as "Newmark", or derivations of this name. The discussion of financial results reflects only those businesses owned by the Company and does not include the results for the independently-owned offices that use some variation of the Newmark name in their branding or marketing.

Newmark, Grubb & Ellis, ARA, Computerized Facility Integration, Excess Space Retail Services, Inc., Knotel, Deskeo, and Berkeley Point are trademarks/service marks, and/or registered trademarks/service marks and/or service marks of Newmark Group, Inc. and/or its affiliates.

1. Newmark Research calculations based on MBA data.

Highlights of Recent Consolidated Results

HIGHLIGHTS OF CONSOLIDATED RESULTS (\$ IN MILLIONS)	3Q22	3Q21	Change	YTD 22	YTD 21	Change
Revenues	\$664.6	\$788.1	(15.7)%	\$2,098.2	\$1,922.0	9.2%
GAAP income before income taxes and noncontrolling interests ("GAAP pre-tax income")	51.2	217.1	(76.4)%	136.1	999.6	(86.4)%
GAAP pre-tax income excluding the Impact of Nasdaq and the 2021 Equity Event	51.3	130.3	(60.6)%	237.6	256.8	(7.5)%
GAAP net income per fully diluted share	\$0.15	\$0.63	(76.2)%	\$0.41	\$3.06	(86.6)%
Adjusted Earnings before noncontrolling interests and taxes ("Pre-tax Adjusted Earnings")	105.8	160.6	(34.2)%	356.9	327.8	8.9%
Adjusted EBITDA ("AEBITDA")	122.5	174.5	(29.8)%	408.5	372.1	9.8%
Post-tax Adjusted Earnings per share ("AEPS")	\$0.35	\$0.50	(30.0)%	\$1.16	\$1.00	16.0%

Newmark's "Other income (loss), net" under GAAP includes gains and losses related to the Nasdaq shares the Company received in 2021, equity method investments that represent Newmark's pro rata share of the net gains (losses) on investments, and mark-to-market gains or losses on non-marketable investments. "Other income (loss), net for Pre-tax Adjusted Earnings and Adjusted EBITDA" excludes these items. The main difference between the two measures of "other income (loss)" relate to GAAP realized and unrealized gains with respect to Nasdaq shares, as discussed later under "Other Useful Information." In addition, the Company recorded a net total of \$(13.9) million of mark-to-market gains (losses) on non-marketable investments in the first nine months of 2022 compared with \$2.5 million a year earlier. Newmark also recorded a \$27.8 million GAAP non-cash gain related to the acquisition of Deskeo in the third quarter of 2021.

Note: A discussion of GAAP results, Adjusted Earnings, Adjusted EBITDA, and reconciliations of these items, as well as liquidity, to GAAP results are found later in this document, incorporated by reference, and in our most recent financial results press release and/or are available the Company's [investor relations website](#). Please also see the table towards the end of this document for a reconciliation of GAAP pre-tax income to GAAP pre-tax income excluding other income and the 2021 Equity Event.

Leading Global Commercial Real Estate (CRE) Services Provider

Large Scale Player



TTM Revenues

\$3.1B



TTM AEBITDA

\$633.9MM



TTM Transaction Volume

~\$1T



Professionals

~6,700



Global Client Service Locations

~180

Top 5 Global Public CRE Services Company

CBRE

JLL

CUSHMAN & WAKEFIELD

Colliers

NEWMARK

Acclaimed Industry Leader

REAL CAPITAL ANALYTICS

#2 U.S. Brokers by Investment Volume 1H 2022

#2 U.S. Brokers – 1H 2022

#4 Global Brokers - 1H 2022

#1 U.S. Senior Housing – 1H 2022

#2 U.S. Apartment – 1H 2022

Freddie Mac

Top 5 Multifamily Optigo® Lender - conventional - 2021

Fannie Mae®

Top 5 Multifamily Delegated Underwriting & Servicing Lender - 2021

IAOP

Global Outsourcing 100® for 13th consecutive year in 2022

55+ Companies acquired since 2011; recent acquisitions include:

DESKEO
a KNOTEL company

Leading flexible workspace platforms

BH2

a top-ten London-based real estate advisory firm

McCALL/ALMY

a multi-market tenant representation and advisory firm

OPEN
REALTY ADVISORS

a retail real estate advisory firm with well-known global clients

Notes: Headcount and client service locations include business partners. Excluding business partners, we had 6,300 employees in over 150 offices in 116 cities as of September 30, 2022. Our revenues and volumes are for Newmark company-owned offices only, for the trailing twelve months ending September 30, 2022. Volume figure is the notional value of all 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 business for the TTM. Top 5 firms is based on the most recently reported TTM reported GAAP revenues. BH2 rank is based on MSCI-RCA UK data for 2021. RCA rankings as of 9/15/2022 or earlier and based on U.S. properties and portfolios \$2.5 MM and greater, and rank is based on our reported total volumes and/or volumes reported to RCA by us or other brokerage firms.

3Q 2022 Highlights

\$664.6MM
REVENUES

\$122.5MM
ADJUSTED EBITDA

\$0.35
POST-TAX
ADJUSTED
EPS

18.4%
ADJUSTED
EBITDA
MARGIN

- 10.8% increase in recurring fee revenues from management services, servicing fees, and other.
- Gained further market share in U.S. investment sales, ranking number three year-to-date by MSCI Real Capital Analytics, up from number four in 2021.
- Repurchased 10.1 million shares during the quarter, reducing fully diluted weighted-average share count by 5.6% year-on-year to 243.5 million.
- Maintained low net leverage at 0.5x times and have access to an undrawn \$600 million revolving credit facility

Notes: Including no margin pass-through revenues, management services, servicing fees, and other declined by 9.0%.

Management Commentary on Business Trends



Management Services, Servicing Fees and other

- Structural review of office design and utilization creates significant opportunities for our flexible workspace business and for Global Corporate Services (“GCS”)
- Strong YTD growth in fee revenues from our outsourcing businesses, including GCS and Property Management as they continue to benefit from long-term secular trends
- Mortgage servicing income expected to continue to grow over time and credit quality remains strong; multifamily servicing revenue is stable in part because it has greater call protection compared with single-family
- Escrow interest will continue to benefit from rising interest rates



Leasing & Other Commissions

- The U.S. office market has been tempered as companies continue to assess the impact of remote work, periodic increases in COVID-19 cases, and a slowing US economy
- Office leasing remains more active in the sunbelt regions compared to the traditional core metro areas. In nearly all markets, Class A office space commands a growing premium to Class B and C space
- Industrial and retail leasing activity have been comparatively stronger than office for Newmark
- For the overall industry, leasing activity may hold up comparatively better than capital markets volumes due partly to an unusually large number of leases coming due this year and next



Investment Sales

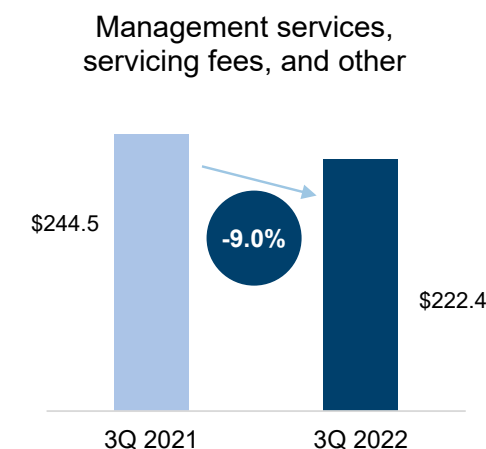
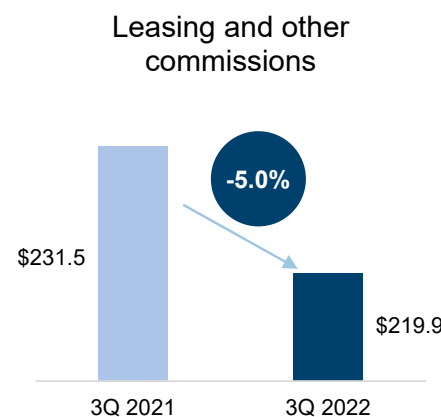
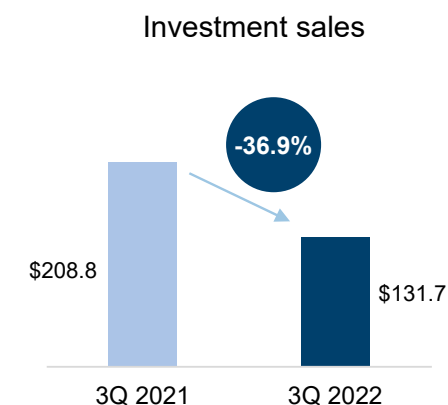
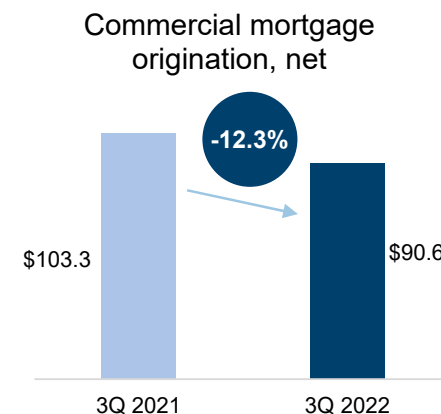
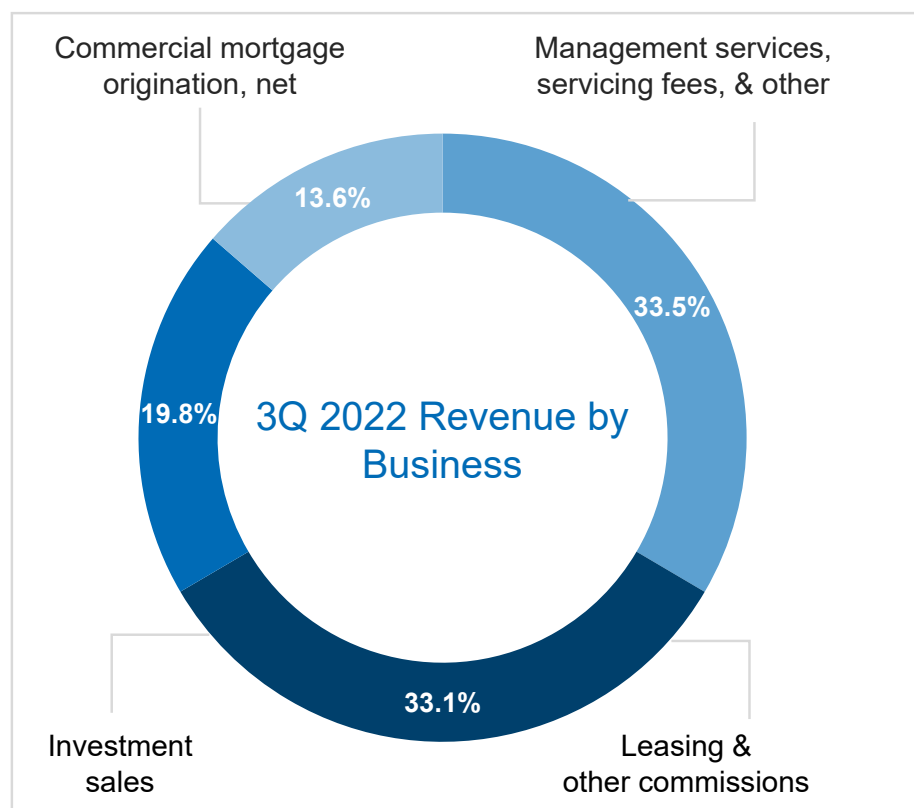
- Approximately \$413 billion of global dry powder and increased institutional allocations to real estate will continue to serve as a long-term tailwind for investment sales activity
- Gained further market share in U.S. investment sales, ranking number three year-to-date by RCA, up from number four in 2021
- Multifamily made up over 50% of our investment sales volumes in 2021 and YTD, and we expect activity for this property type to perform better compared with overall industry volumes over time
- Newmark is strong in cross-border capital advisory



Commercial Mortgage Origination, net

- Approximately \$2.5 trillion of debt matures between 2023 & 2027 and is expected to provide a significant demand for CRE debt origination
- For Newmark and the industry, GSE volumes decreased year-on-year in the quarter
- FHFA increased the 2022 multifamily GSE loan purchase caps by 11% to a combined total of \$156 billion, which would normally suggest a strong increase in industry volumes for 4Q2022. However, the GSEs have indicated that the caps will likely not be reached this year
- Multifamily made up over 50% of our total debt volumes in 2021 and YTD, and we expect activity for this property type to hold up relatively better compared with overall industry volumes over time

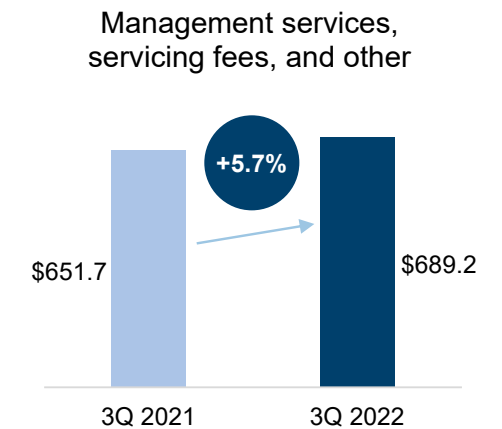
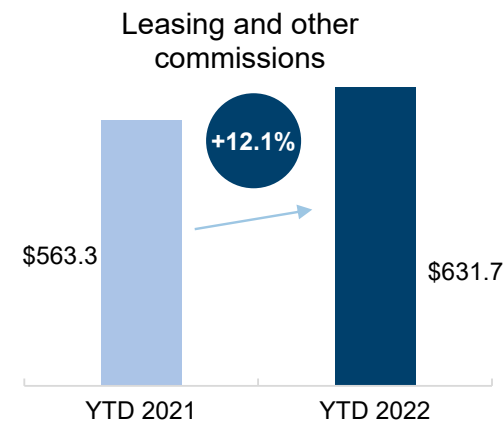
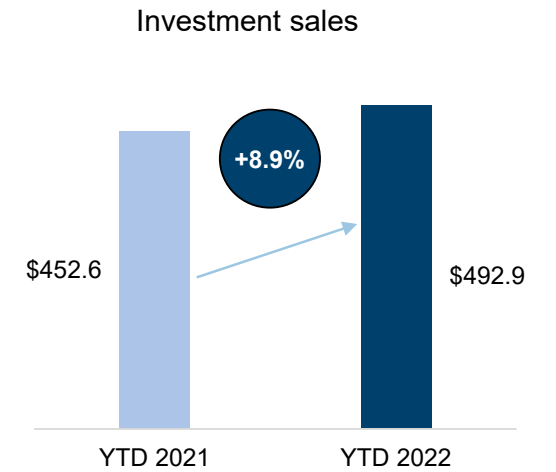
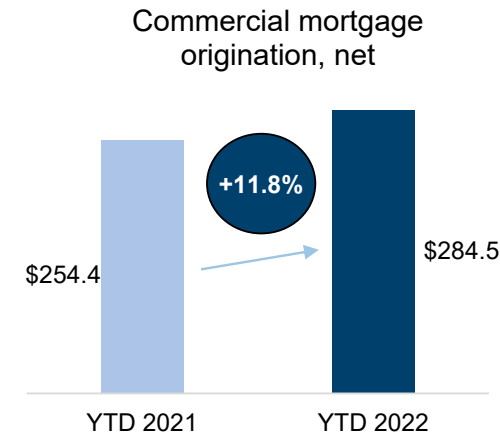
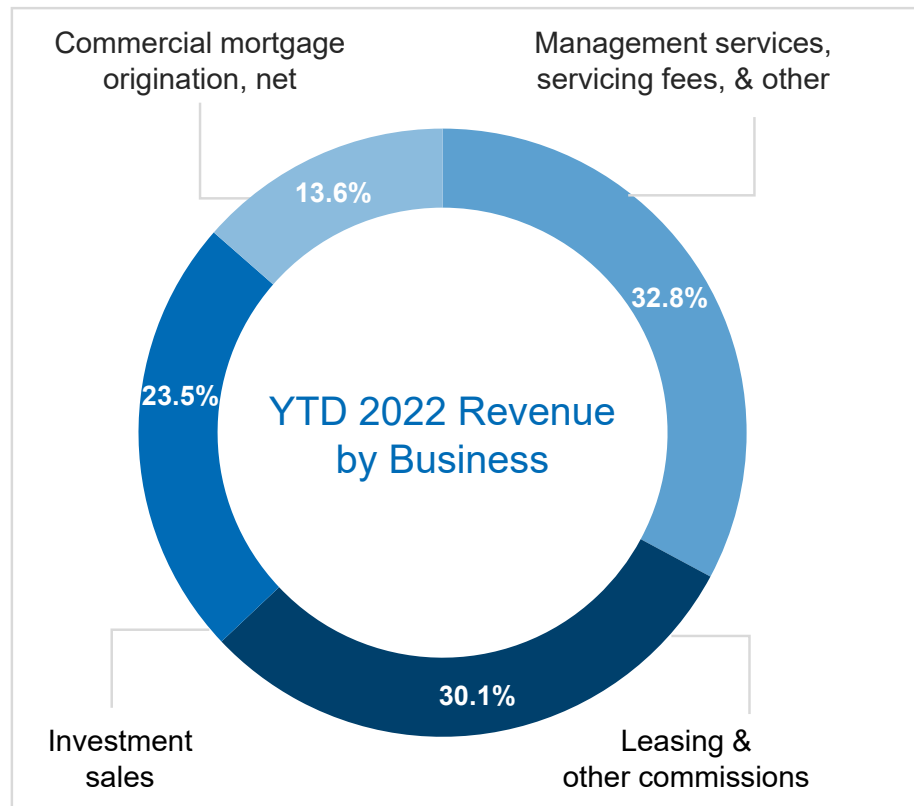
3Q 2022 Revenue Detail¹



- Revenues from Management services, servicing fees, and other increased by 10.8% on a fee-revenue basis, while total revenues for these businesses decreased by 9.0%, due to a decline in no margin, pass-through revenues.
- Excluding non-cash OMSR revenues, fee revenues for commercial mortgage origination, net, declined by 9.3%. This change reflected improved year-on-year volumes for Fannie Mae originations and mortgage brokerage in office, industrial, and hotel/lodging, offset by reduced activity in other areas.
- In particular, the high-margin servicing and other revenue generated by our origination business increased by 27.4 percent in the quarter due to increased yield maintenance fees and growth in the primary servicing portfolio.

1. The Company's total revenues under GAAP include no margin, pass-through management services revenues (which equal their related expenses) and revenues related to originated mortgage servicing rights ("OMSRs"). Newmark may refer to these two items together as "non-fee revenue", and the remainder of its top line as "fee revenues". In the third quarter of 2022, fee revenues declined by 12.2% to \$574.0 million versus \$653.6 million, while non-fee revenues were down by 32.6% to \$90.6 million compared with \$134.5 million. Additional details on current and historical amounts for fee and non-fee revenues and a comparison to total revenues are available in the Company's quarterly supplemental Excel tables.

YTD 2022 Revenue Detail¹



- We produced revenue growth led by transactions in multifamily, office, lodging, and retail.
- Revenues from management services, servicing fees, and other increased 29.4% on a fee-revenue basis, driven by strong improvements from flexible workspace, servicing and other related revenues, Valuation & Advisory, and outsourcing fee revenues.
- In particular, the high-margin servicing and other revenue generated by our origination business increased by 24.9% percent year to date due to increased yield maintenance fees and growth in the primary servicing portfolio.

1. Year to date, fee revenues increased by 15.9% to \$1,796.3 million versus \$1,549.7 million, while non-fee revenues were down by 18.9% to \$302.0 million compared with \$372.3 million.

Newmark Quarterly Volumes

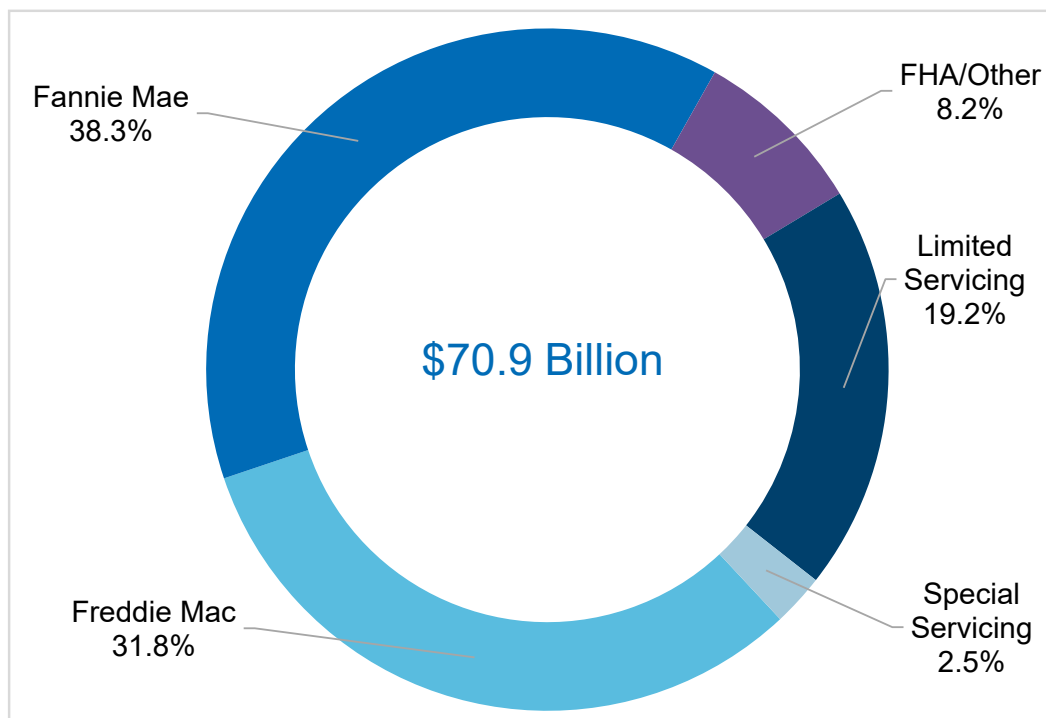
(\$ IN MILLIONS)

	3Q22	3Q21	% Change	YTD 22	YTD 21	% Change	TTM 3Q22	TTM 3Q21	% Change
Investment Sales	14,745	22,949	(35.7)%	59,769	51,060	17.1%	96,718	73,910	30.9%
Mortgage Brokerage	9,614	9,391	2.4%	31,366	23,356	34.3%	49,334	27,996	76.2%
Total Capital Markets	24,359	32,340	(24.7)%	91,135	74,416	22.5%	146,052	101,905	43.3%
Fannie Mae	1,261	1,034	22.0%	3,647	2,599	40.3%	5,215	4,490	16.1%
Freddie Mac	808	1,386	(41.7)%	2,151	3,396	(36.6)%	3,487	5,420	(35.7)%
FHA / Other	52	68	(24.3)%	100	109	(8.7)%	117	216	(45.9)%
Total Origination Volume	2,121	2,488	(14.8)%	5,898	6,104	(3.4)%	8,819	10,127	(12.9)%
Total Debt & Capital Markets Volume¹	26,480	34,828	(24.0)%	97,033	80,520	20.5%	154,871	112,032	38.2%

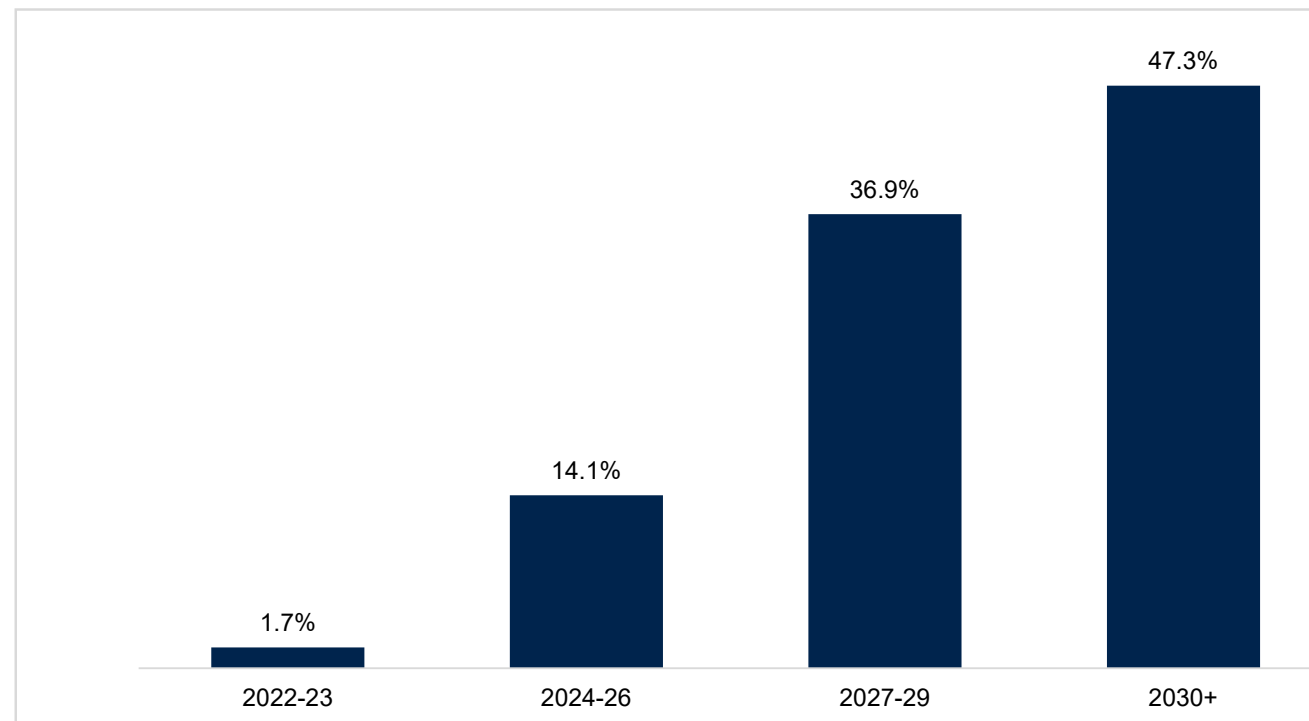
- Gained further market share in U.S. investment sales, ranking number three year-to-date by MSCI Real Capital Analytics, up from number four in 2021, and number five in 2017.
- Strong year-to-date overall volume growth from Newmark's multifamily total debt & investment sales, capital markets for office, and hotel/lodging.
- The Company expects overall U.S. investment sales and debt origination volumes to decline in the fourth quarter of 2022 compared with record industry-wide activity a year earlier.

Mortgage Servicing Provides Recurring, High-Margin Revenues

Servicing Portfolio Composition as of 9/30/2022



Newmark Fannie Mae/Freddie Mac Portfolio Maturities by Year



- Newmark's \$70.9 billion total mortgage servicing portfolio generated \$213.6 MM¹ (+ 25.3% Y/Y) of high-margin, recurring, and predictable income during the trailing twelve months ended 9/30/2022 due to increased yield maintenance fees and growth in the primary servicing portfolio
- As of 9/30/2022, Newmark's higher margin primary servicing portfolio² was up 3.9% Y/Y to \$55.5 billion, while its weighted average maturity was 7.2 years
- Of the Fannie Mae/Freddie Mac loans in Newmark's servicing portfolio, only ~ 5% will mature before 2025 and ~ 84% will mature in 2027 or later

1. Newmark earned \$149.5 mm in servicing fees during the twelve months ended 9/30/2022. In addition to servicing fees, the Company generated \$64.1 mm of other revenues, for a total of \$213.6 mm of non-origination revenues related to its GSE/FHA originations business. Other revenues include interest income on loans held for sale, escrow interest, 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. Approximately 99% of the Company's GSE loans include prepayment penalties.

2. We believe that for the industry, multifamily servicers earn 40-50 basis points (BP) on their Fannie servicing book, 8-10 BP on Freddie, and ~15 BP for FHA/Ginnie and 1-3 BP for special and/or primary limited servicing.

Note: Newmark's agency risk sharing portfolio was \$ 27.2 B at 9/30/2022. As of that same date, the OLTV of the portfolio was 62%.

Strong Balance Sheet & Credit Metrics

AS OF 9/30/2022 (\$ IN MILLIONS)

Cash and Cash Equivalents¹ \$229.7

	Interest Rate	Maturity	
Senior Notes	6.125%	11/15/2023	\$547.1
Credit Facility	N/A	3/10/2025	-
Total Long-term Debt²			\$547.1
Net Debt (after adjusting for cash and cash equivalents)			\$316.4
Total Equity			\$1,501.1

1. As Newmark sold its Nasdaq shares, this amount and liquidity are nearly the same this period.

2. Under GAAP, the carrying amounts of the senior notes is slightly lower than the notional amounts of \$550 mm.

3. Net Debt / TTM Adjusted EBITDA.

4. TTM Adjusted EBITDA / TTM Interest Expense.

Credit Metrics as of 9/30/2022

\$633.9 million
TTM Adjusted EBITDA

0.5x
Net Leverage Ratio³

16.3x
Interest Coverage Ratio⁴

Strong Financial Position & Cash Generation to Support Growth



Low Risk Intermediary

- Virtually no balance sheet risk¹
- GSE/FHA portfolio provides predictable and high margin revenues
- Capital-light model



Variable Cost Structure

- Over 70% of expenses are variable



\$450 MM+ of Annual Cash Generated by the Business²

- \$2.3 billion of AEBITDA and \$1.8 billion of cash generated by the business 2017-3Q22
- Approximately 80% AEBITDA conversion to cash generated by the business over same period

Cash & Cash Equivalents
\$229.7 MM



Undrawn Credit Facility
\$600.0 MM



Cash
Expected to be Generated
by the Business



Available Capital
\$1B+

1. Newmark shares credit losses on a pari passu basis with Fannie Mae. On average, Newmark and the industry has experienced very low net charge offs. For more detail, see the May 2020 COVID-19 Supplement on our investor relations website.

2. For the trailing twelve months and FY2021, the Company generated over \$450 million of "Net cash provided by operating activities excluding activity from loan originations and sales", before the impact of cash used with respect to the 2021 Equity Event and excluding cash used with respect to employee loans for new hires and producers. See "Analysis of Adjusted EBITDA Relative to Cash Flow" in the appendix for historical cash generated by the business under this methodology.

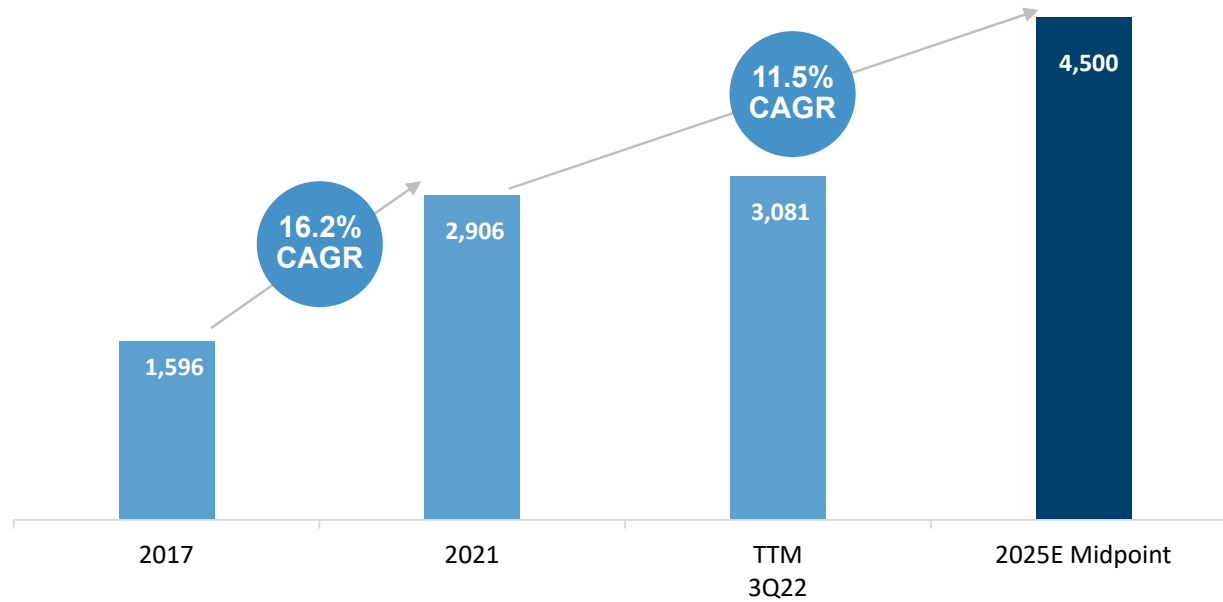
Updated Outlook for 2022

Metric (in millions, except tax rate)	Year-earlier Actual	Guidance	Change YoY	Prior Outlook
FY22 Total Revenues	\$2,906.4	\$2,700 - \$2,800	(7% - 4%)	3% - 7%
FY22 Adjusted EBITDA	\$597.5	\$500 - \$550	(16% - 8%)	4% - 9%
FY22 Adjusted Earnings Tax Rate	18.9%	~19%	N/A	17% - 19%
FY22 Fully Diluted Weighted Average Share Count for Adjusted Earnings	264.0		(6% - 7%)	(4% - 5%)

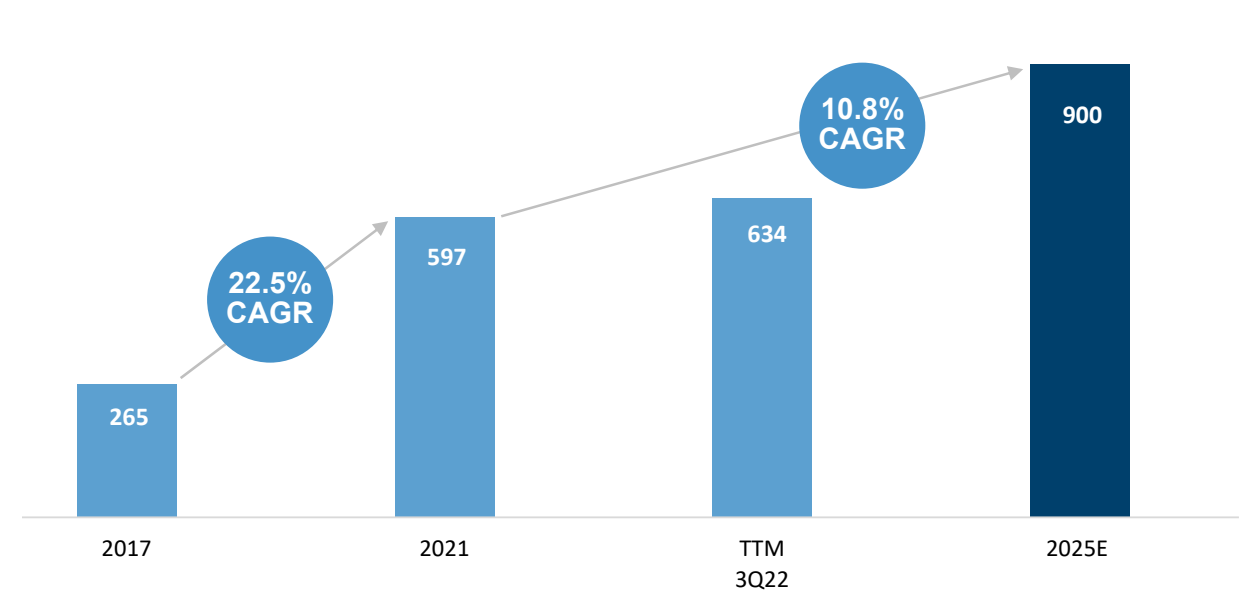
- The Company updated its full-year guidance for total revenues and Adjusted EBITDA, as shown above. This update primarily reflects the expected significant year-on-year decline in industry-wide transactions volumes.
- The Company's outlook excludes the potential impact of additional share repurchases, as well as any material future acquisitions, and is subject to change based on various macroeconomic, social, political, and other factors.
- For full year 2022, we anticipate equity-based compensation charges to be at or below the low end of our previous guidance of between 7% and 9% of commission-based revenues.

Newmark is on Track to Meet Its 2025 Targets

Total Revenue (in \$MM)



Adjusted EBITDA (in \$MM)



- Newmark remains on track to continue industry-leading growth, with Adjusted EBITDA margins same or better than current levels on a fee revenue basis.¹
- Based on either Street consensus or targets set by our full-service peers, Newmark expects to continue to grow as fast or faster than our competitors from 2021 through 2025.²
- As we stated in the past, our target net share count issuance is expected to be an average of 2 percent a year or less.

1. Our targets assume that non-fee revenues grow faster than fee or total revenues over the time period. See the excel supplements that accompany our most recent financial results press release for more information on fee revenues.

2. Based on CIGI's "Enterprise 2025" targets and the FactSet 2025 consensus for CBRE, CWK, and JLL, these companies are expected to increase revenues and adjusted AEBITDA by simple average CAGRs of 7% and 6%, respectively, from 2021 through 2025 (all as of 10/26/2022). Newmark's 2025 targets should not be considered guidance.

Illustrative Financial Model

This is a hypothetical scenario intended to demonstrate the strength of earnings should current transaction activity continue. The demonstrated change in revenue should not be considered guidance.

(\$ in millions)	2022 Mid Point of Guidance Range		Hypothetical Scenario 1		Hypothetical Scenario 2	
				%		%
Revenues	Commission-Based Revenues ⁽¹⁾	\$ 1,886	\$ 1,690	-10%	\$ 1,575	-17%
	Management Services, Servicing Fees and Other	473	550	16%	540	14%
	Non-Fee Revenues ⁽²⁾	391	360	-8%	360	-8%
	Total Revenue	\$ 2,750	\$ 2,600	-5%	\$ 2,475	-10%
Expenses	Commission-Based Compensation ⁽³⁾	971	870	-10%	810	-17%
	Support and Operational Expenses ⁽⁴⁾	900	930	3%	930	3%
	Costs Related to Non-Fee Revenues ⁽²⁾	391	360	-8%	360	-8%
	Total Expenses for Adjusted Earnings	2,262	2,160	-4%	2,100	-7%
	Adjusted EBITDA⁽⁵⁾	\$ 525	\$ 475	-10%	\$ 410	-22%

We are targeting a \$50 million reduction in the annualized run-rate for fixed costs by the end of 2023.

\$25 million of these reductions are reflected in this model.

1. Scenarios 1 & 2 assume the following declines in revenues versus the TTM ended 9/30/2022: Investment Sales by 40-45%, Origination by 20-25%, Leasing by 10-15%, and V&A by 5-15%.

2. Includes all pass-through revenues related to our management services businesses and OMSR revenue.

3. Represents 51% of Commission-based Revenue and excludes equity-based compensation, which is consistent with Company's Adjusted Earnings methodology.

4. Support and Operational expenses are based on 3Q 2022 annual run rate and incremental costs related to the Management Services, Servicing Fees, and Other revenue growth noted above. Support and Operational Costs also includes \$25M reductions.

5. Adjusted EBITDA excludes certain expenses such as depreciation, amortization, and interest expense as detailed in the reconciliation tables in this document.

GAAP Financial Results



Newmark Group, Inc. Condensed Consolidated Statements of Operations

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Management services, servicing fees and other	\$ 222,379	\$ 244,469	\$ 689,183	\$ 651,729
Leasing and other commissions	219,903	231,532	631,681	563,311
Investment sales	131,731	208,786	492,898	452,565
Commercial mortgage origination, net	90,633	103,338	284,483	254,372
Total revenues	664,646	788,125	2,098,245	1,921,977
Expenses:				
Compensation and employee benefits	388,903	444,408	1,198,104	1,274,879
Equity-based compensation and allocations of net income to limited partnership units and FPU's	44,088	33,963	102,974	315,743
Total compensation and employee benefits	432,991	478,371	1,301,078	1,590,622
Operating, administrative and other	121,382	152,363	395,882	394,546
Fees to related parties	7,301	5,664	20,878	17,696
Depreciation and amortization	44,359	28,883	118,758	80,804
Total non-compensation expenses	173,042	186,910	535,518	493,046
Total operating expenses	606,033	665,281	1,836,596	2,083,668
Other income, net:				
Other income (loss), net	(128)	102,720	(101,432)	1,187,322
Total other income (loss), net	(128)	102,720	(101,432)	1,187,322
Income from operations	58,485	225,564	160,217	1,025,631
Interest expense, net	(7,281)	(8,498)	(24,074)	(26,034)
Income before income taxes and noncontrolling interests	51,204	217,066	136,143	999,597
Provision for income taxes	13,294	53,811	35,723	206,572
Consolidated net income	37,910	163,255	100,420	793,025
Less: Net income attributable to noncontrolling interests	9,946	34,707	23,572	191,627
Net income available to common stockholders	\$ 27,964	\$ 128,548	\$ 76,848	\$ 601,398

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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Per share data:				
<i>Basic earnings per share</i>				
Net income available to common stockholders (1)	\$ 27,964	\$ 128,549	\$ 76,848	\$ 595,198
Basic earnings per share	\$ 0.16	\$ 0.64	\$ 0.42	\$ 3.14
Basic weighted-average shares of common stock outstanding	177,231	199,413	183,311	189,317
<i>Fully diluted earnings per share</i>				
Net income for fully diluted shares (1)	\$ 37,674	\$ 128,549	\$ 100,483	\$ 595,198
Fully diluted earnings per share	\$ 0.15	\$ 0.63	\$ 0.41	\$ 3.06
Fully diluted weighted-average shares of common stock outstanding	243,469	205,281	248,067	194,320
Dividends declared per share of common stock	\$ 0.03	\$ 0.01	\$ 0.09	\$ 0.03
Dividends paid per share of common stock	\$ 0.03	\$ 0.01	\$ 0.07	\$ 0.03

(1) Includes a reduction for dividends on preferred stock or EPU's in the amount of \$0.0 million and \$6.2 million for the three and nine months ended September 30, 2021, respectively. (see Note 1 - "Organization and Basis of Presentation" in the Company's most recently filed Form 10-Q and Form 10-K)

Newmark Group, Inc. Condensed Consolidated Balance Sheets

(IN THOUSANDS) (UNAUDITED) (UNDER GAAP)

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 229,673	\$ 191,332
Restricted cash	77,865	75,168
Marketable securities	1,031	524,569
Loans held for sale, at fair value	980,859	1,072,479
Receivables, net	507,776	569,206
Other current assets	235,581	83,337
Total current assets	<u>2,032,785</u>	<u>2,524,353</u>
Goodwill	698,682	657,131
Mortgage servicing rights, net	565,960	550,302
Loans, forgivable loans and other receivables from employees and partners, net	492,962	453,345
Right-of-use assets	612,693	606,634
Fixed assets, net	148,544	135,756
Other intangible assets, net	83,328	76,199
Other assets	105,747	212,481
Total assets	<u>\$ 4,740,701</u>	<u>\$ 5,216,201</u>
Liabilities, Redeemable Partnership Interest, and Equity:		
Current Liabilities:		
Warehouse facilities collateralized by U.S. Government Sponsored Enterprises	\$ 1,016,352	\$ 1,050,693
Accrued compensation	379,011	462,533
Accounts payable, accrued expenses and other liabilities	469,987	528,746
Repurchase agreements and securities loaned	-	140,007
Payables to related parties	11,970	10,762
Total current liabilities	<u>1,877,320</u>	<u>2,192,741</u>
Long-term debt	547,141	545,239
Right-of-use liabilities	597,107	586,069
Other long-term liabilities	218,065	207,012
Total liabilities	<u>3,239,633</u>	<u>3,531,061</u>
Total equity (1)	1,501,068	1,685,140
Total liabilities, redeemable partnership interest, and equity	<u>\$ 4,740,701</u>	<u>\$ 5,216,201</u>

(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)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ (74,299)	\$ (1,111,699)	\$ 264,735	\$ (326,557)
Net cash provided by (used in) investing activities	(22,518)	438,208	330,803	423,988
Net cash provided by (used in) financing activities	49,193	681,049	(554,500)	(110,625)
Net increase (decrease) in cash and cash equivalents and restricted cash	(47,624)	7,558	41,038	(13,194)
Cash and cash equivalents and restricted cash at beginning of period	355,162	237,647	266,500	258,399
Cash and cash equivalents and restricted cash at end of period	\$ 307,538	\$ 245,205	\$ 307,538	\$ 245,205
Net cash provided by operating activity excluding loan originations and sales (1)	\$ 105,465	\$ (327,498)	\$ 209,386	\$ (213,170)

(1) For the three and nine months ended September 30, 2021, Net cash provided by (used in) operating activities reflected \$484.4 million of cash used with respect to the 2021 Equity Event. Of this amount, \$203.4 million related to the 16.3 million reduction in fully diluted shares, and \$280.9 million related to amounts paid on behalf of, or to partners for withholding taxes related to unit exchanges and/or redemptions, cash paid for redemption of HDUs, and other items. But for these uses of cash, net cash provided by operating activities excluding loan originations and sales would have been \$156.9 million and \$271.2 million, in these respective periods.

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 Annual Report on Form 10-Q for the three and nine months ended September 30, 2022, to be filed with the Securities and Exchange Commission in the near future.

Appendix 1:

Additional Information Newmark



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

AS OF SEPTMEBER 30, 2022

	Fully-Diluted Shares (millions)	Ownership (%)
Class A owned by Public	126.9	53%
Limited partnership units owned by employees ¹	37.3	16%
Class A owned by employees	23.7	10%
Other owned by employees	3.6	2%
Partnership Units owned by Cantor	24.6	10%
Class B owned by Cantor	21.3	9%
Total	237.3	100%
	Fully-Diluted Shares (millions)	Ownership (%)
Public	126.9	53%
Employees	64.5	27%
Cantor	45.9	19%
Total	237.3	100%

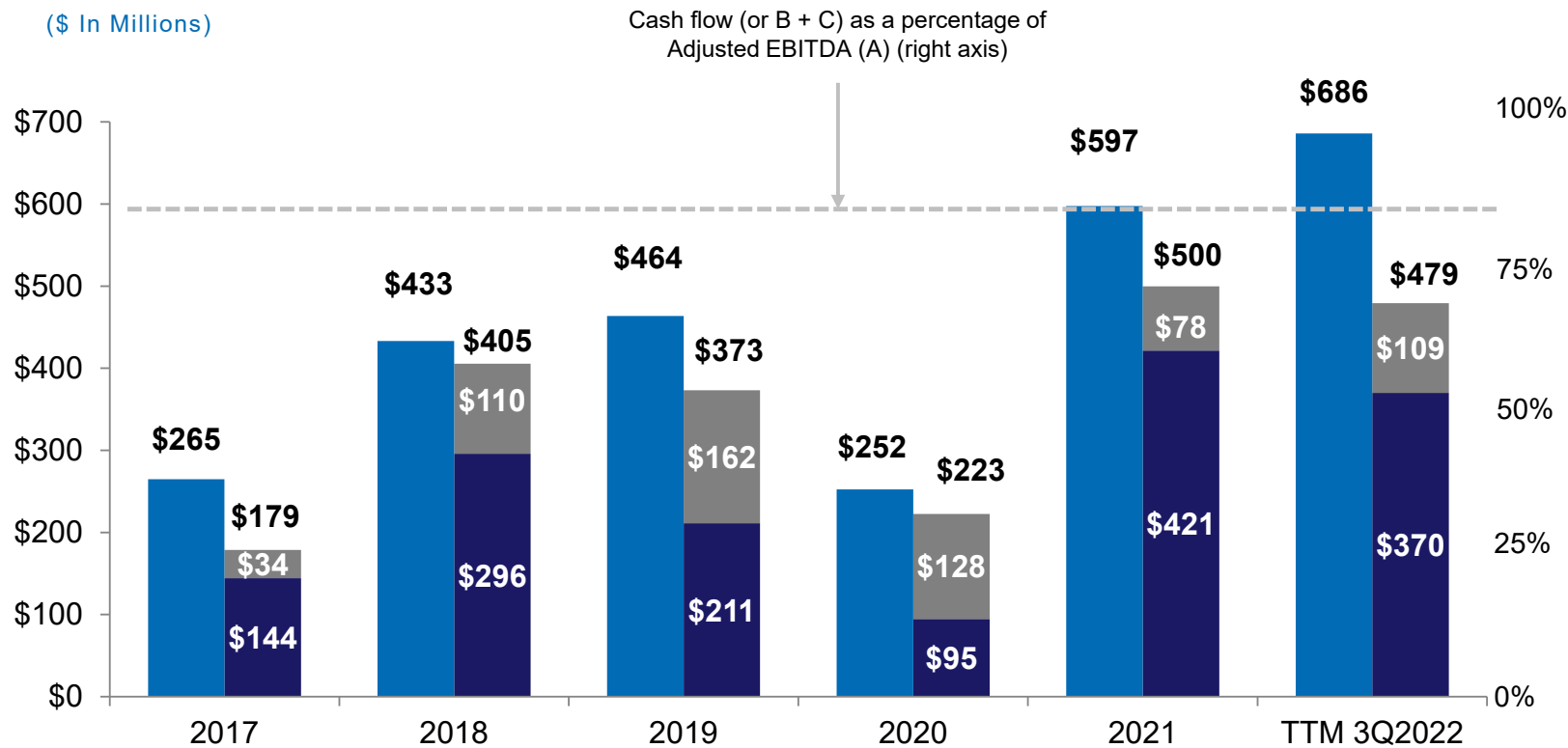
1. In conjunction with the spin-off of Newmark, certain limited partnership units were distributed to employees of both Newmark and BGC. Over time, virtually all of the partners of Newmark are expected to only own units and/or shares of Newmark and virtually all of the partners of BGC are expected to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

Analysis of Adjusted EBITDA Relative to Cash Generated by the Business

Adjusted EBITDA vs Cash Generated Analysis

■ Adjusted EBITDA (Left Axis, "A")
 ■ Employee loans for new hires and producers (Left Axis, "B")
 ■ Net cash provided by operating activities excluding activity from loan originations and sales, before the impact of cash used with respect to the 2021 Equity Event (left axis, "C")

(\$ In Millions)

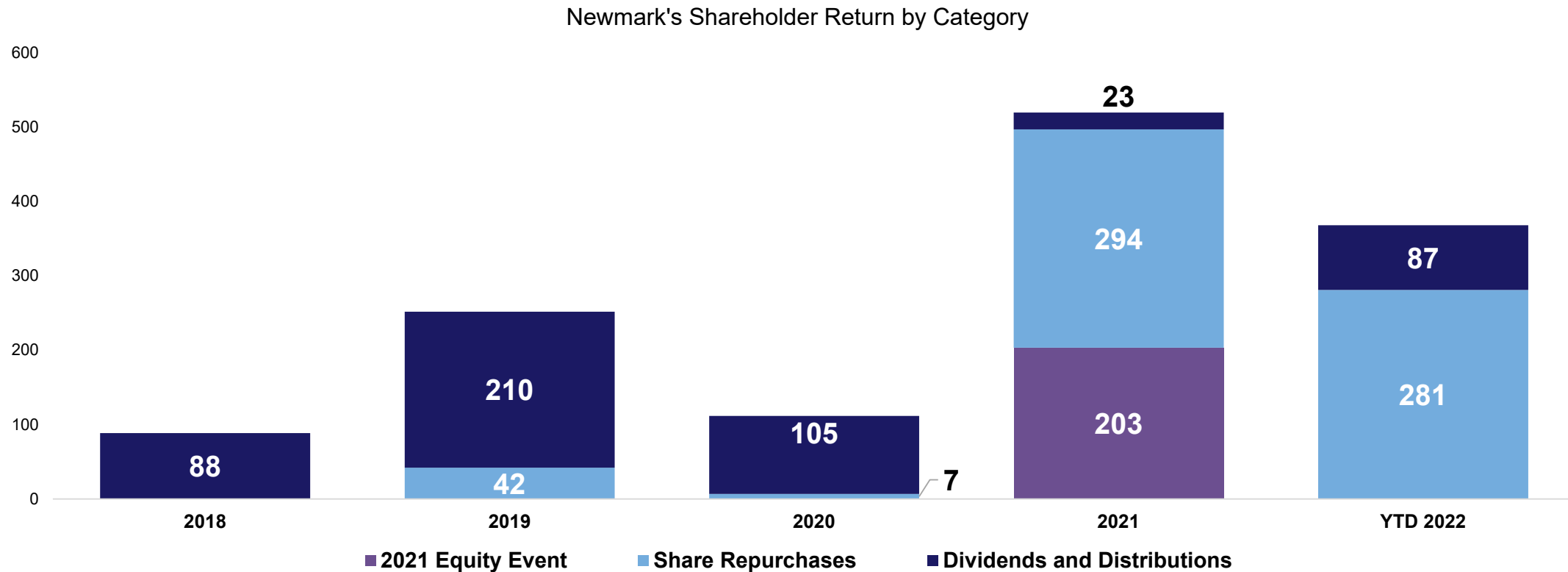


Strong EBITDA conversion to Cash Generated by the Business

1. Primarily includes employee loans and advances for new hires, therefore amounts may differ from "Loans, forgivable loans and other receivables from employees and partners" in the consolidated statements of cash flows.

Notes: The Company recorded "net cash (used in) operating activities excluding activity from loan originations and sales" of \$(63.0) million for the year ended December 31, 2021. This reflected \$484.4 million of cash used with respect to the 2021 Equity Event. But for this use of cash, net cash provided by operating activities excluding loan originations and sales would have been \$421.4 million in the same period. The figures shown for 2021 and the trailing twelve months ended 9/30/2022 exclude the impact of the 2021 Equity Event. "Employee loans for new hires and producers" is from the line item "Loans, forgivable loans and other receivables from employees and partners" in the "Consolidated Statements of Cash Flows" and represents the amount of loans issued in the period to both new hires and with respect to renewals of existing employees and partners. Separately from what is shown on this chart, "Purchases of fixed assets", or capital expenditures, ranged from approximately \$19 million to \$48 million over the various twelve-month periods shown, and totaled \$168 million for the entire 5.75 years depicted. "Other income" related to Nasdaq earn-outs is reflected in cash flows from investing activities. Furthermore, this chart is for discussion purposes only. Neither Adjusted EBITDA or the modified version of cash flow shown above are intended to be measures of free cash flow or GAAP cash flow from operations, because these measures do not consider certain cash requirements, such as capital expenditures, tax payments, and/or debt service payments.

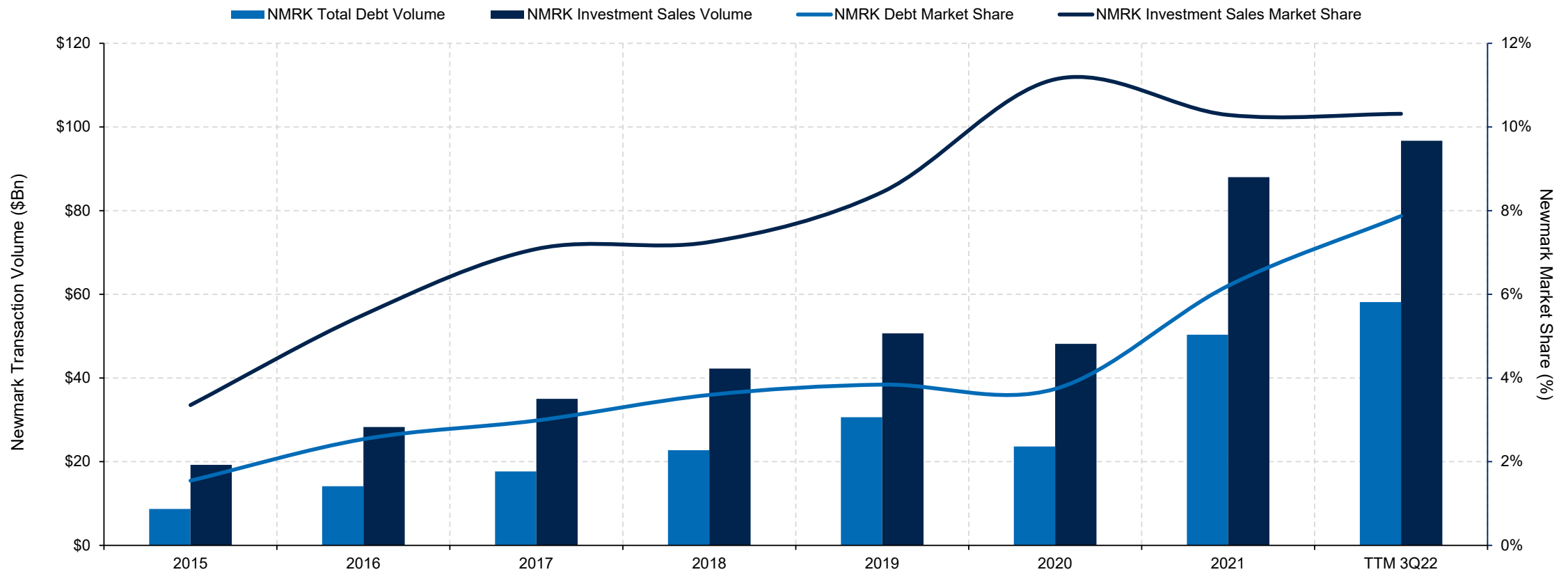
Newmark Has Used its Significant Cash Generation to Fuel Returns of Capital to Shareholders



- Since our IPO, Newmark has doubled its revenues and more than doubled Adjusted EBITDA, while generating 1.4 billion dollars of cash flow from operations and 1.5 billion dollars from Nasdaq.
- From 2018 to YTD 2022, Newmark has returned nearly \$1.3 billion to fully diluted shareholders
 - \$447 million of dividends and distributions
 - \$624 million of ordinary course repurchases
 - \$203 million of share/unit repurchases as part of the 2021 Equity Event
- We also reduced our net leverage by nearly 90 percent, all while investing in our business.

Note: Share repurchases include repurchases and/or redemptions of shares and/or units. Dividends and distributions include dividends to common stockholders and earnings distributions to limited partnership interests and other noncontrolling interests. Cash flow from operations is defined as "C" on the preceding slide.

Newmark Has A Proven Track Record of Gaining Market Share



- Comparing 2015 to the trailing twelve months ended September 30, 2022:

- RCA Industry U.S. debt originations have grown 31%, while Newmark has expanded its total debt volumes by 570%
- RCA U.S. investment sales volumes have increased 67%, while Newmark grew its investment sales volumes by 446%

- Newmark continued to gain market share year-to-date in 2022 as it grew investment sales volumes by approximately 17%, compared to the industry, which saw U.S. investment sales volumes increase by 16%

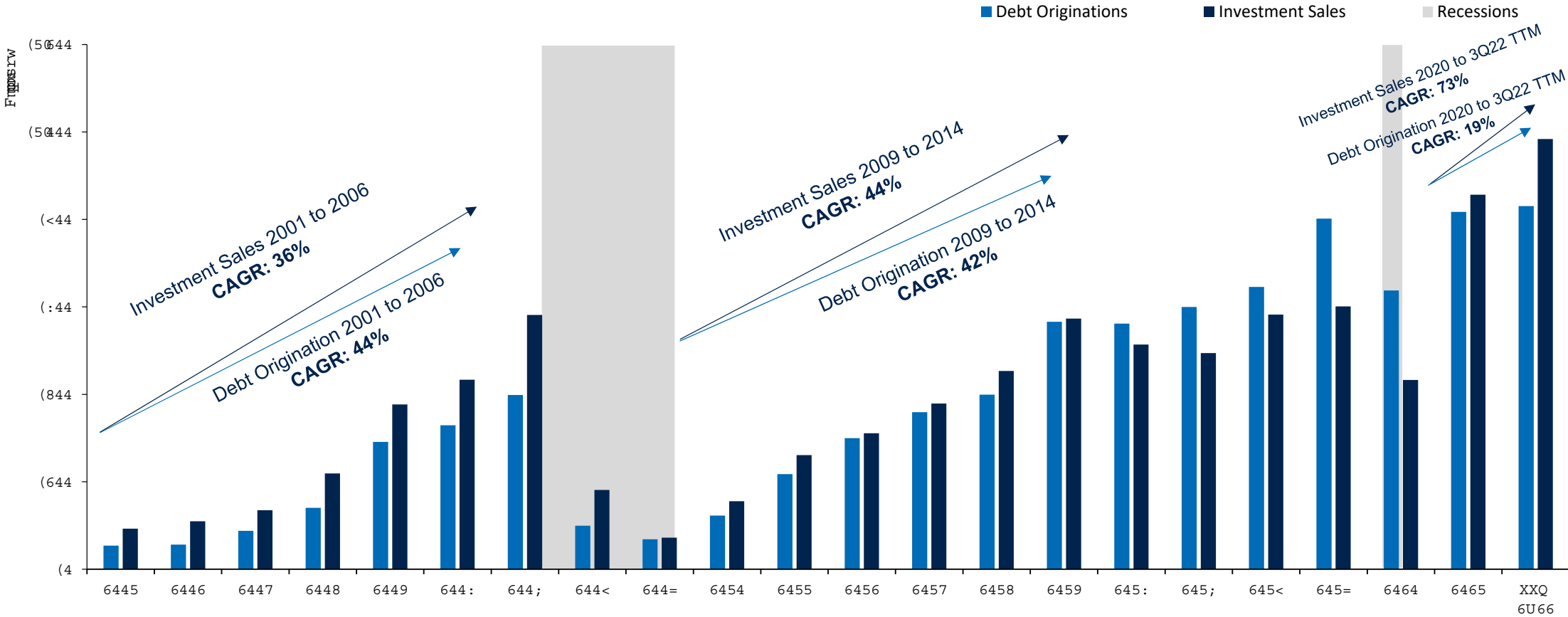
Note: Investment sales market share is calculated by dividing NMRK's volumes by RCA US investment sales volumes. "Debt originations" includes Newmark's non-originated mortgage brokerage volume plus GSE/FHA origination volumes and debt market share are those volumes divided by RCA's U.S. financing volumes. The MBA and RCA have different methodologies for estimating total industry debt originations. RCA data may be revised upwards at a later date.
Sources: Newmark Research, RCA, as of 10/19/2022.

Appendix 2:

Additional Industry Information



Capital Markets Volumes Grew Significantly Following Previous Recessions

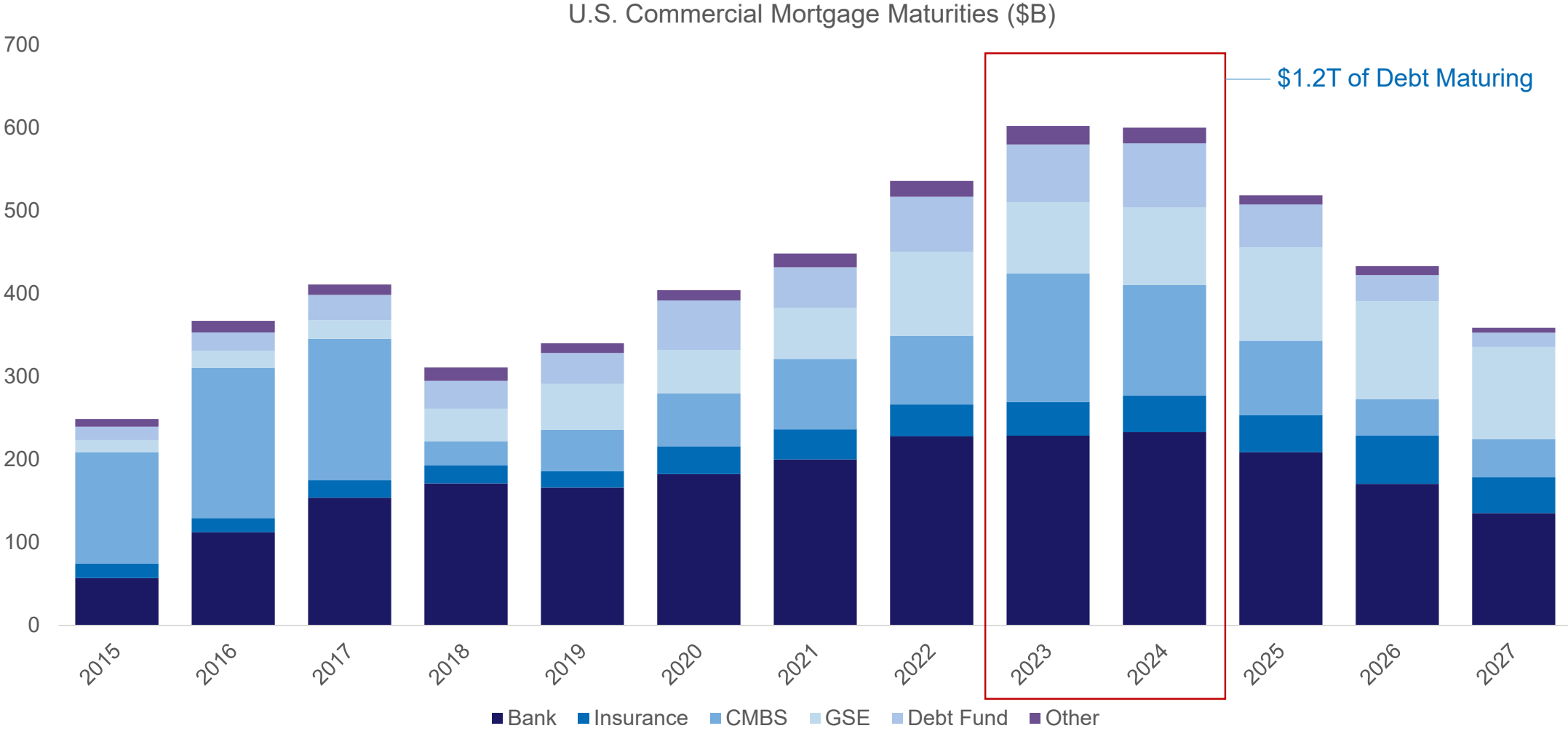


- Post-recession recoveries in CRE have historically been driven by increased demand due to favorable relative returns, underinvestment in CRE, and inflation hedging strategies
- Volumes for multifamily and industrial have grown as a proportion of industry volumes over the past several years.

Source: RCA, FRED. More recent RCA volumes are preliminary and are historically revised upwards in subsequent disclosures.

Record Quantities of Debt Maturing in 2023-2024

Commercial Mortgage Maturities by Original Loan Term

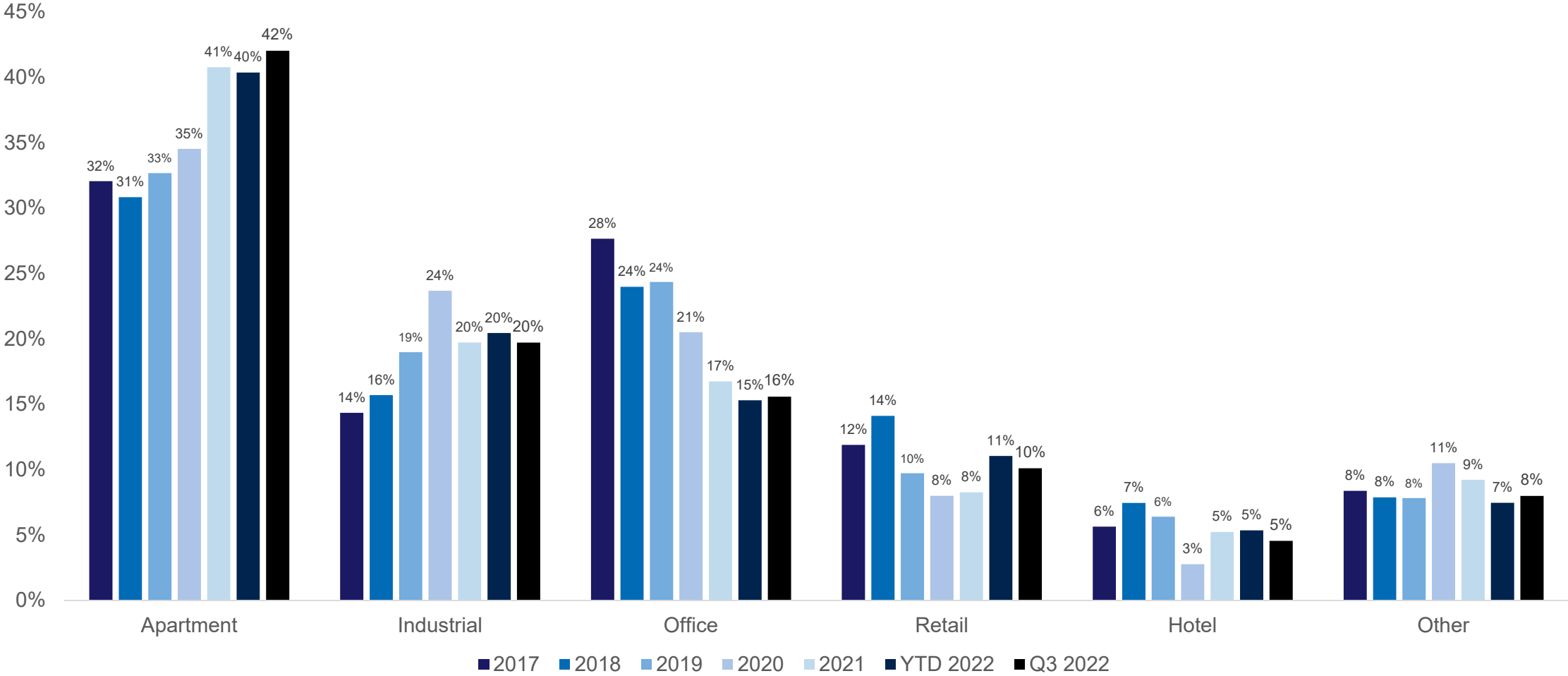


- More than \$2.5 trillion in commercial mortgage maturities from 2023-2027 should support strong levels of refinancing activity

Source: RCA, Newmark Research
 Note: Assumes that loans for which the maturity is unknown have the same maturity distribution as loans with known maturities.

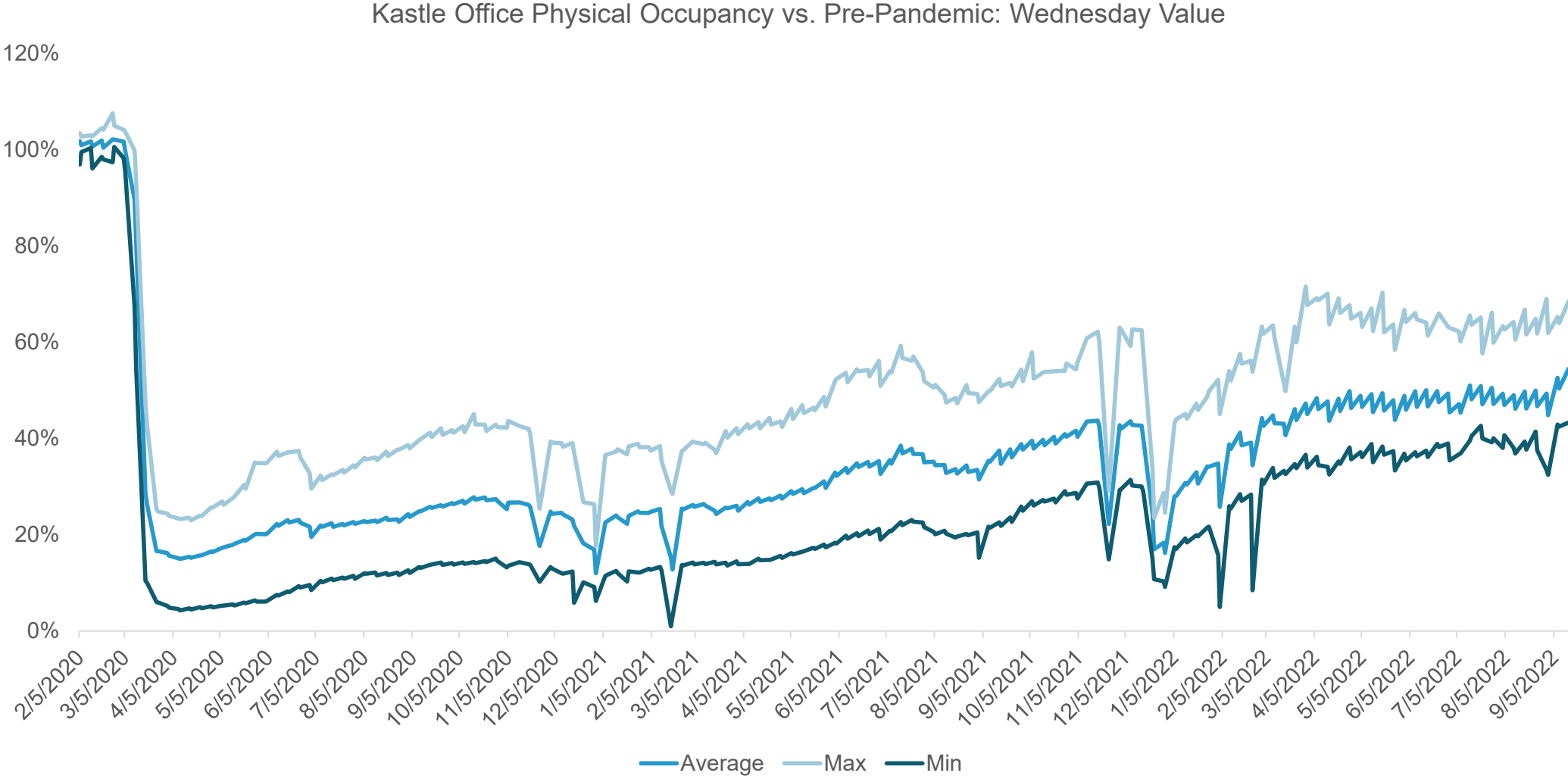
Industry Activity Continues to Concentrate In The Apartment and Industrial Sectors, Though Retail Investment Has Also Outperformed—Office Share Continues to Decline

Share of U.S. Industry Investment Sales Volume



Source: RCA, Newmark Research.

A Robust Return to Office Could Change Expectations



Source: Kastle, Newmark Research.

Appendix 3:

Financial Tables & Reconciliations



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 terms are below.

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. In addition, Adjusted Earnings calculations exclude certain gains and charges that management believes do not best reflect the ordinary results 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 FPU" (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 shares or units with a capital account may be funded by the redemption of preferred units such as PPSUs.
- 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. 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.
- Charges related to amortization of RSUs and limited partnership units.
- Charges related to grants of equity awards, including common stock or partnership units with capital accounts.
- Allocations of net income to limited partnership units and FPU. Such allocations represent the pro-rata portion of post-tax GAAP earnings available to such unit holders.

Non-GAAP Financial Measures (continued)

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 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 (which Newmark refers to as "OMSRs") because these gains are also excluded from Adjusted Earnings and Adjusted EBITDA.

Excluded Compensation-Related Items to Related to the 2021 Equity Event under Adjusted Earnings and Adjusted EBITDA (Beginning in Third Quarter 2021, as updated)

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

- Amortization of intangibles with respect to acquisitions.
- 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 intangibles created from acquisitions.

Non-GAAP Financial Measures (continued)

Non-Cash Adjustment Related to Originated Mortgage Servicing Rights for Adjusted Earnings

Newmark's calculation of pre-tax Adjusted Earnings excludes non-cash GAAP gains attributable to OMSRs. Beginning in the fourth quarter of 2020, OMSRs are no longer included in non-compensation adjustments for Adjusted Earnings but instead shown as a separate line item in the Company's "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". This presentation has no impact on previously reported Adjusted Earnings.

Calculation of Other (income) losses for Adjusted Earnings and Adjusted EBITDA (Beginning in Third Quarter 2021, as Updated)

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

- Unusual, one-time, non-ordinary or non-recurring gains or losses.
- Non-cash GAAP asset impairment charges.
- 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 Nasdaq payments 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 the sale of Nasdaq's 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) losses for Adjusted Earnings and Adjusted EBITDA also excludes the impact of the below items. 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 variable share forward agreements with respect to Newmark's receipt of the Nasdaq payments in 2021 and 2022 and the 2020 Nasdaq payment (the "Nasdaq Forwards"). This item was historically excluded under the previous non-GAAP definitions.
- Other items related to the Earn-out.

Upon further consideration, Newmark's calculations of non-GAAP "Other income (loss)" will continue to include dividend income on Nasdaq shares, as these dividends contribute to cash flow and are generally correlated to Newmark's interest expense on short term borrowing against such shares. All other things being equal, as Newmark sells Nasdaq shares, both its interest expense and dividend income will decline.

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.

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, including post-tax Adjusted Earnings per share. 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 amount of this net income, and therefore of these payments per unit, would be determined using the above definition of Adjusted Earnings per share on a pre-tax basis.

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."

Non-GAAP Financial Measures (continued)

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, to make decisions with respect to the Company's operations, and to determine the amount of dividends payable to common stockholders and distributions payable to holders of limited partnership units. Dividends payable to common stockholders and distributions payable to holders of limited partnership units are included within "Distributions to stockholders" and "Earnings distributions to limited partnership interests and noncontrolling interests," respectively, in our unaudited condensed consolidated statements of cash flows.

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 Income to Adjusted Earnings 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.
- Other depreciation and amortization.
- Equity-based compensation and allocations of net income to limited partnership units and FPU.
- 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 variable share forward agreements with respect to Newmark’s receipt of the Nasdaq payments in 2021 and 2022 and the 2020 Nasdaq payment (the “Nasdaq Forwards”), as well as mark-to-market adjustments for non-marketable investments.
- Interest expense.

Beginning with the third quarter of 2021, calculation of Adjusted EBITDA excludes 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.

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 Income to Adjusted EBITDA”, including the related footnotes, for details about how Newmark’s non-GAAP results are reconciled to those under GAAP EPS.

Non-GAAP Financial Measures (continued)

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:

- Certain equity-based compensation charges that may be determined at the discretion of management throughout and up to the period-end.
- Unusual, one-time, 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, which are fluid and unpredictable in nature.

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.

NOTE ON RECONCILIATION TABLES

Newmark's quarterly supplemental Excel tables and/or financial results press releases include reconciliations between GAAP and non-GAAP measures for additional periods. These Excel tables and quarterly financial results releases are available for download at ir.nmrk.com. These materials may include other useful information not be contained herein. See the following pages for the reconciliations for the most recent period(s).

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
GAAP net income available to common stockholders	\$ 27,964	\$ 128,548	\$ 76,848	\$ 601,398
Provision for income taxes ⁽¹⁾	13,294	53,811	35,723	206,572
Net income attributable to noncontrolling interests ⁽²⁾	9,946	34,707	23,572	191,627
GAAP income before income taxes and noncontrolling interests	\$ 51,204	\$ 217,066	\$ 136,143	\$ 999,597
Pre-tax adjustments:				
Compensation adjustments:				
Equity-based compensation and allocations of net income to limited partnership units and FPU's ⁽³⁾	44,088	33,963	102,974	315,743
Other compensation adjustments ⁽⁴⁾	469	16,491	2,492	207,141
Total Compensation adjustments	44,557	50,454	105,466	522,884
Non-Compensation expense adjustments:				
Amortization of intangibles ⁽⁵⁾	3,471	2,416	10,911	6,503
MSR amortization ⁽⁶⁾	28,703	20,103	80,499	57,854
Other non-compensation adjustments ⁽⁷⁾	4,929	5,461	10,425	15,014
Total Non-Compensation expense adjustments	37,103	27,980	101,835	79,371
Non-cash adjustment for OMSR revenue ⁽⁸⁾	(27,386)	(33,644)	(88,357)	(88,175)
Other (income) loss, net:				
Other non-cash, non-dilutive, and /or non-economic items and Nasdaq ⁽⁹⁾	284	(101,245)	101,779	(1,185,835)
Total Other (income) loss, net	284	(101,245)	101,779	(1,185,835)
Total pre-tax adjustments	54,558	(56,455)	220,723	(671,755)
Adjusted Earnings before noncontrolling interests and taxes ("Pre-tax Adjusted Earnings")	\$ 105,762	\$ 160,611	\$ 356,866	\$ 327,842

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
GAAP net income available to common stockholders:	\$ 27,964	\$ 128,548	\$ 76,848	\$ 601,398
Allocation of net income to noncontrolling interests ⁽¹⁰⁾	9,308	33,748	23,011	189,261
Total pre-tax adjustments (from above)	54,558	(56,455)	220,723	(671,755)
Income tax adjustment to reflect adjusted earnings taxes ⁽¹⁾	(6,815)	23,331	(32,095)	147,546
Post-tax Adjusted Earnings to fully diluted shareholders ("Post-tax Adjusted Earnings")	\$ 85,015	\$ 129,172	\$ 288,486	\$ 266,450
GAAP fully diluted earnings per share ⁽¹¹⁾	\$0.15	\$ 0.63	\$ 0.41	\$ 3.06
Allocation of net income to noncontrolling interests	0.00	0.00	-	(0.01)
Exchangeable preferred limited partnership units non-cash preferred dividends	0.00	0.00	0.00	0.02
Total pre-tax adjustments (from above)	0.22	(0.22)	0.89	(2.51)
Income tax adjustment to reflect adjusted earnings taxes	(0.03)	0.09	(0.13)	0.55
Other	0.01	(0.00)	(0.01)	(0.12)
Post-tax Adjusted Earnings per share ("Adjusted Earnings EPS")	\$ 0.35	\$ 0.50	\$ 1.16	\$ 1.00
Pre-tax adjusted earnings per share	\$ 0.43	\$ 0.62	\$ 1.44	\$ 1.23
Fully diluted weighted-average shares of common stock outstanding	243,469	257,791	248,067	267,268

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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
GAAP provision for (benefit from) income taxes	\$ 13.3	\$ 53.8	\$ 35.7	\$ 206.6
Income tax adjustment to reflect Adjusted Earnings	6.8	(23.3)	32.1	(147.5)
Provision for income taxes for Adjusted Earnings	\$ 20.1	\$ 30.5	\$ 67.8	\$ 59.1

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)

(2) Primarily represents Cantor's pro-rata portion of Newmark's net income and the noncontrolling portion of Newmark's net income in subsidiaries which are not wholly owned.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Issuance of common stock and exchangeability expenses	\$ 33.3	\$ 14.4	\$ 69.2	\$ 298.2
Allocations of net income (loss)	5.3	13.2	12.8	38.1
Limited partnership units amortization	0.2	2.3	5.2	(32.1)
RSU Amortization Expense	5.7	4.1	15.8	11.6
Equity-based compensation and allocations of net income to limited partnership units and FPU's	\$ 44.5	\$ 34.0	\$ 103.0	\$ 315.8

(4) Includes compensation expenses related the impact of the 2021 Equity Event of \$16.0 million and \$203.8 million for the three and nine months ended September 30, 2021, respectively. Also includes compensation expenses related to severance charges as a result of the cost savings initiatives of \$0.0 million and \$0.2 million for the three months ended September 30, 2022 and 2021, respectively, and \$0.0 million and \$2.0 million for the nine months ended September 30, 2022 and 2021, respectively. Also includes commission charges related to non-cash GAAP gains attributable to OMSR revenues of \$0.5 million and \$2.5 million for the three and nine months ended September 30, 2022, respectively, and \$0.4 million and \$1.3 million for the three and nine months ended September 30, 2021.

(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 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 in future periods.

(7) Primarily includes asset impairments and credits the Company does not consider a part of its ongoing operations of (\$0.3) million and \$2.5 million for the three months ended September 30, 2022 and 2021, respectively, and \$3.7 million and \$10.9 million for the nine months ended September 30, 2022 and 2021, respectively. Includes legal settlements of \$2.5 million and \$3.0 million for the three and nine months ended September 30, 2021, respectively. There were no legal settlements for the three and nine months ended September 30, 2022.

(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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Nasdaq Impact	-	(73.2)	87.5	(1,167.7)
Realized gain on investment	-	(27.8)	-	(27.8)
Unrealized (gain)/loss on marketable securities	0.3	-	0.3	-
Mark-to-market (gains)/losses on non-marketable investments, net	-	-	14.0	(2.5)
Asset impairment	-	(0.2)	-	12.2
	\$ 0.3	\$ (101.2)	\$ 101.8	\$ (1,185.8)

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

(11) Includes a reduction for dividends on preferred stock or exchangeable preferred partnership units of \$0.0 million and \$6.2 million for the three and nine months ended September 30, 2021. (see Note 1 - and Basis of Presentation" in the Company's most recently filed Form 10-Q or Form 10-K.)

Reconciliation of GAAP Income to Adjusted EBITDA

(in Thousands) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
GAAP net income available to common stockholders	\$ 27,964	\$ 128,548	\$ 76,848	\$ 601,398
Adjustments:				
Net income attributable to noncontrolling interests ⁽¹⁾	9,946	34,707	23,572	191,627
Provision for income taxes	13,294	53,811	35,723	206,572
OMSR revenue ⁽²⁾	(27,386)	(33,644)	(88,357)	(88,174)
MSR amortization ⁽³⁾	28,703	20,103	80,499	57,854
Other depreciation and amortization ⁽⁴⁾	15,655	8,780	38,259	22,950
Equity-based compensation and allocations of net income to limited partnership units	44,088	33,963	102,974	315,743
Other adjustments ⁽⁶⁾	81	3,262	7,492	15,264
Other non-cash, non-dilutive, non-economic items and Nasdaq ⁽⁷⁾	284	(85,271)	101,468	(982,049)
Interest expense	9,877	10,276	29,994	30,891
Adjusted EBITDA ("AEBITDA")	\$ 122,506	\$ 174,536	\$ 408,472	\$ 372,076

- (1) Primarily represents portion of Newmark's net income 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 revenue expected to be earned.
- (4) Includes fixed asset depreciation and impairment of \$12.2 million and \$6.4 million for the three months ended September 30, 2022 and 2021, respectively, and \$27.3 million and \$16.4 million for the nine months ended September 30, 2022 and 2021, respectively. Also includes intangible asset amortization and impairments related to acquisitions of \$3.5 million and \$2.4 million for the three months ended September 30, 2022 and 2021, respectively, and \$10.9 and \$6.5 for the nine months ended September 30, 2022 and 2021, 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 FPU's".
- (6) The components of other adjustments are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Severance charges	-	0.2	-	2.0
Assets impairment not considered a part of ongoing operations	(0.4)	2.7	5.0	11.9
Commission charges related to non-GAAP gains attributable to OMSR revenues and other	0.5	0.4	2.5	1.3
	\$ 0.1	\$ 3.3	\$ 7.5	\$ 15.3

- (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".

Reconciliation of “GAAP pre-tax income” to “GAAP pre-tax income excluding the Impact of Nasdaq” (in Thousands) (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
GAAP income before income taxes and noncontrolling interests ("GAAP pre-tax income")	51,204	217,066	136,143	999,597
Other income (including the Impact of Nasdaq)	128	(102,720)	101,432	(1,187,322)
2021 Equity Event	-	15,974	-	444,557
GAAP pre-tax income excluding other income and the 2021 Equity Event	51,332	130,320	237,575	256,832

Fully Diluted Weighted-Average Share Count for GAAP And Adjusted Earnings (in Thousands) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Common stock outstanding	177,231	199,412	183,311	189,316
Limited partnership units	33,742	-	30,947	-
Cantor units	24,663	-	24,648	-
Founding partner units	3,097	-	3,303	-
RSUs	2,604	4,697	3,809	3,816
Newmark exchange shares	2,132	1,172	2,048	1,188
Fully diluted weighted-average share count for GAAP	243,469	205,281	248,067	194,320
Adjusted Earnings Adjustments:				
Common stock outstanding	-	-	-	-
Limited partnership units	-	24,383	-	44,901
Cantor units	-	23,679	-	23,695
Founding partner units	-	4,448	-	4,352
RSUs	-	-	-	-
Newmark exchange shares	-	-	-	-
Fully diluted weighted-average share count for Adjusted Earnings	243,469	257,791	248,067	267,268

Liquidity Analysis Table (in Thousands) (Unaudited)

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Cash and cash equivalents	\$ 229,673	\$ 191,332
Marketable securities	1,031	524,569
Repurchase agreements and securities loaned	-	(140,007)
Total ⁽¹⁾	<u>\$ 230,704</u>	<u>\$ 575,894</u>

(1) Undrawn availability on the Credit Facility was \$600.0 million and \$465.0 million as of September 30, 2022 and December 31, 2021, respectively.

Reconciliation of Operating Cash Flow (Excluding Activity from Loan Originations And Sales) to Adjusted EBITDA (in Thousands) (Unaudited)

	<u>For the Three Months Ended September 30,</u>		<u>For the Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Adjusted EBITDA	\$ 122.5	\$ 174.5	\$ 408.5	\$ 372.1
Cash paid for interest	(3.7)	(0.5)	(20.6)	(19.2)
Employee loans for new hires and producers ⁽¹⁾	(21.6)	(0.9)	(63.3)	(11.9)
2021 Equity Event	-	(484.4)	-	(484.4)
Other working capital	26.3	(1.5)	(28.7)	(31.7)
Corporate Tax payments	(18.0)	(14.5)	(86.5)	(38.1)
Net cash provided by operations excluding activities from loan originations and sales	<u>\$ 105.5</u>	<u>\$ (327.3)</u>	<u>\$ 209.4</u>	<u>\$ (213.2)</u>

(1) Primarily includes employee loans and advances for new hires, therefore amounts may differ from “Loans, forgivable loans and other receivables from employees and partners” in the consolidated statements of cash flows.

Other Income

(\$ in Millions)

	3Q22	3Q21	Change	YTD 22	YTD 21	Change
Nasdaq Impact	-	\$74.9	(100.0)%	(\$87.4)	\$1,157.0	(107.6)%
Mark-to-market gains on non-marketable investments, net	-	-	NMF	(13.9)	2.5	(656.0)%
Other items, net	(0.1)	27.8	(100.4)%	(0.1)	27.8	(100)%
Other income (loss), net under GAAP	(0.1)	102.7	(100.1)%	(101.4)	1,187.3	(108.5)%
Exclude:						
Nasdaq Impact	-	(73.4)	(100.0)%	87.6	(1,155.5)	(107.6)%
Mark-to-market gains on non-marketable investments, net	-	-	NMF	13.9	(2.5)	656.0%
Other items, net	0.3	(27.8)	101%	0.3	(27.8)	101%
Other income, net for pre-tax Adjusted Earnings and Adjusted EBITDA	0.2	1.5	(86.7)%	0.3	1.5	(80.0)%

Newmark's "Other income (loss), net" under GAAP includes gains and losses related to the Nasdaq shares the Company received in 2021, equity method investments that represent Newmark's pro rata share of the net gains (losses) on investments over which it has significant influence but which it does not control, and mark-to-market gains or losses on non-marketable investments. "Other income (loss), net for Pre-tax Adjusted Earnings and Adjusted EBITDA" excludes these items

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