NEWMARK GROUP, INC.

Investor Presentation–November 2018

DISCLAIMER

Discussion of Forward-Looking Statements

Statements in this document regarding Newmark Group, Inc. (“Newmark” or the “Company”) (NASDAQ: NMRK) or BGC Partners, Inc. (“BGC Partners” or “BGC”) 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. Except as may be required by law, Newmark and BGC undertake 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 and BGC’s Securities and Exchange Commission filings, including, but not limited to, the risk factors set forth in these filings and any updates to such risk factors contained in subsequent Forms 10-K, Forms 10-Q or Forms 8-K.

Non-GAAP Financial Measures

This presentation should be read in conjunction with Newmark’s Securities and Exchange Commission filings, including the consolidated financial statements and other financial information contained therein, as well as Newmark’s most recent financial results press releases. Throughout this presentation, Newmark may refer to certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Earnings and Adjusted EBITDA Margin. For a description of Adjusted EBITDA, Adjusted Earnings and Adjusted EBITDA Margin, and how, when, and why management uses these non-GAAP measures, as well as reconciliations of these measures to the comparable GAAP measures, see Newmark’s most recent financial results press releases and the “Appendix” section of this presentation.

Other Items

Newmark Group generally operates as “Newmark Knight Frank”, “NKF”, or derivations of these names. The discussion of financial results reflects only those businesses owned by the Company and does not include the results for Knight Frank or for the independently-owned offices that use some variation of the Newmark Knight Frank name in their branding or marketing. For the purposes of this presentation, the terms “producer” and “front office employee” are synonymous. The average revenue per producer figures are based only on “leasing and other commissions”, “capital markets”, and “Gains from mortgage banking activities/origination, net” revenues and corresponding producers. The productivity figures exclude both revenues and staff in “management services, servicing fees and other.” Headcount numbers used in this calculation are based on a period average. Throughout this document, certain percentage changes are described as “NMF” or “not meaningful figure”.

On June 28, 2013, BGC sold eSpeed to Nasdaq, Inc. (“Nasdaq”). The purchase consideration consisted of $750 million in cash paid upon closing, plus an expected payment of up to 14.9 million shares of Nasdaq common stock to be paid ratably over 15 years beginning in 2013, assuming that Nasdaq, as a whole, generates at least $25 million in gross revenues each of these years. In connection with the separation and prior to the completion of Newmark’s IPO, BGC transferred to Newmark the right to receive the remainder of the Nasdaq payments. Newmark recognized the receipt of the first of these payments in the quarter ended September 30, 2017, and expects to recognize the receipt of shares ratably in the third quarter of each fiscal year through 2027. Nasdaq “Payments” may be used interchangeably with the Nasdaq share “earn-out”. The future value of Nasdaq shares discussed in this document are based on the closing price as of October 24, 2018. On June 20, 2018, and again on September 26, 2018, Newmark announced two separate monetizations each of approximately two million Nasdaq shares. For further information, see the press release titled “Newmark And BGC Partners Announce Monetization of Approximately Two Million Nasdaq Shares and Update Their Outlooks”, the press release titled “Newmark and BGC Partners Announce Monetization of an Additional Approximately 2 Million Nasdaq Shares and Update Their Outlooks”, and the related filings made on Form 8-K.

On September 8, 2017, BGC acquired Berkeley Point Financial LLC, including its wholly owned subsidiary Berkeley Point Capital LLC, which may together be referred to as “Berkeley Point” or “BPF”. Berkeley Point is now a subsidiary of Newmark. Newmark’s financial results have been recast to include the results of BPF for all periods discussed in this document because this transaction involved reorganizations of entities under common control. Unless otherwise noted, all year-on-year comparisons in this document reflect the recast results. As of October 15, 2018, ARA, Berkeley Point, NKF Capital Markets, and Newmark Cornish & Carey all operate under the name “Newmark Knight Frank.”

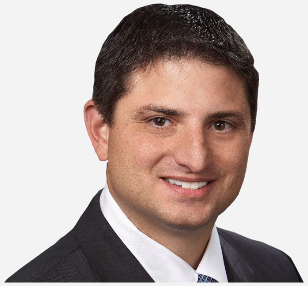
Throughout this document the term “GSE” may refer to a government-sponsored enterprise such as Fannie Mae or Freddie Mac, “FHA” is used to refer to the Federal Housing Administration. In addition “TTM” is used to describe certain “trailing twelve month” periods.

Certain 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. Any such changes would have had no impact on consolidated revenues or earnings for GAAP and would either leave essentially unchanged pre- and post-tax Adjusted Earnings for the prior periods, all else being equal. Certain numbers in the tables throughout this document may not sum due to rounding. Rounding may have also impacted the presentation of certain and year-on-year percentage changes.

TODAY’S PRESENTERS

BARRY GOSIN
Chief Executive Officer

- Chief Executive Officer of Newmark since 1979
- Guides the firm’s expansion initiatives and oversees all facets of its day-to-day operations
- Spearheaded Newmark’s merger with BGC Partners in 2011
- Received REBNY’s “Most Ingenious Deal of the Year” award on three separate occasions



MICHAEL RISPOLI
Chief Financial Officer

- Chief Financial Officer of Newmark since April 2012
- CFO of Grubb & Ellis from 2010 until 2012 when BGC Partners acquired the assets of Grubb & Ellis
- SVP of Strategic Planning and Investor Relations at Grubb & Ellis from 2007 - 2010
- Executive Director and Corporate Controller at Conexant Systems from 2000 to 2007

NEWMARK OFFERS A FULL SUITE OF CRE SERVICES

Cross Selling

INVESTORS/OWNERS

Capital Markets	• Investment sales • Mortgage brokerage
Agency Leasing	• Owner representation
Property Management	• Recurring revenue to manage owner's assets, minimizing cost and maximizing returns
GSE Lending & Loan Servicing	• Top five Freddie Mac and Fannie Mae lender in 2017 • $8.9 billion originations for FY 2017
Valuation & Advisory	• Rapidly growing business driven by recent key hires • Provide owners with appraisals and other Advisory Services
Diligence & Underwriting	• Clients include commercial loan originators, investment banks and equity investors

OCCUPIERS

Tenant Representation	• Represent large corporation in their global leasing transactions
Workplace & Occupancy Strategy	• Multi-faceted consulting service underpinned by data and technology
Property Management	• Coordinates clients' real estate portfolio, with services including design management and relocation management
GCS[1] / Consulting	• $3+ billion in savings achieved for clients
Lease Administration	• Assist large corporations in understanding their global real estate portfolio
Facilities Management	• Recurring revenues for global on-site portfolio management and procurement • Assist owners in maximizing returns on investment in real estate

TECHNOLOGY

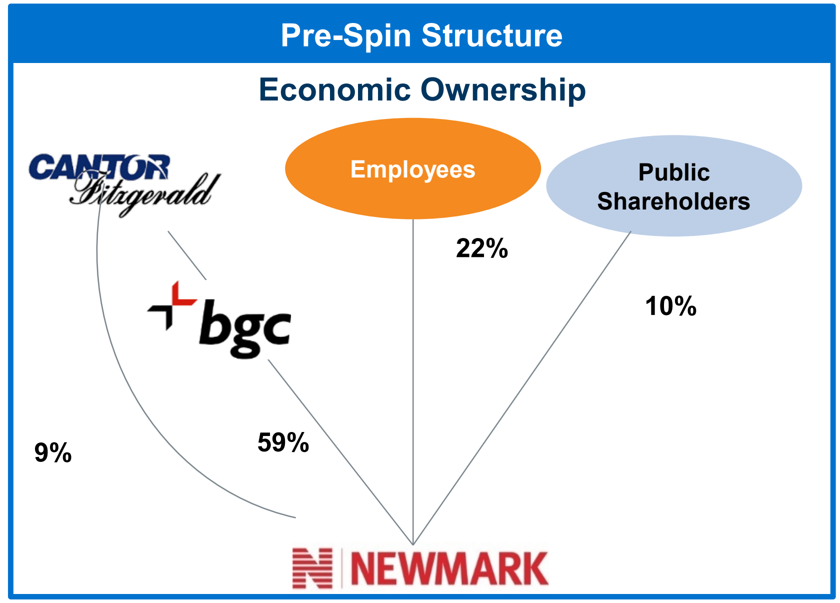
Vision/Client Technology	• Newmark's client-facing technology providing clients access to their CRE data and analytics
N360	• Consolidated data warehouse with internal and external market information • Will be the foundation for future digital apps
Cloud	• Future proof technology able to integrate the latest in tech and Artificial Intelligence advancements
CRM	• Proprietary in-house developed CRM built for CRE
NGAGE	• Purpose-built to be best-in-class Valuation and Advisory Management and Execution Platform
Workframe	• Client and broker communication integration platform to enhance efficiencies and save costs for clients across business lines

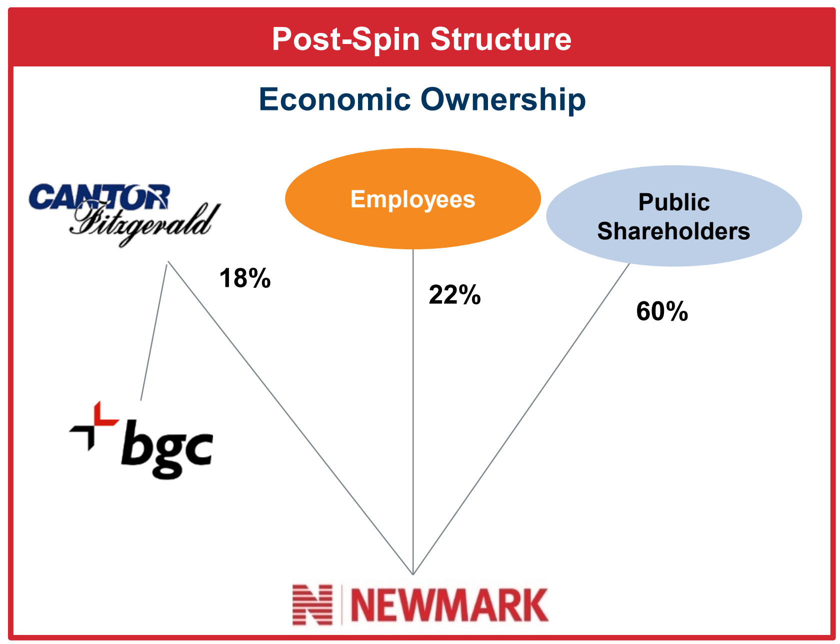
1. Global Corporate Services represents multi-market corporations by providing integrated real estate services

RATIONALE FOR & BENEFITS OF THE SPIN-OFF

Newmark public float will increase from ~23mm shares to ~150mm shares[1]

- ✓ **Finalize Separation of Newmark and BGC Partners**
- ✓ **Enhance Newmark's Ability to Invest and Grow Its Business**
- ✓ **More Flexibility to Return Capital to Existing Shareholders**
- ✓ **Increase Liquidity of Newmark Stock**
- ✓ **Can be Effectuated in a Tax-Efficient Manner to both Newmark and Newmark's Shareholders**
- ✓ **No Material Impact to Financial or Credit Profile of Newmark**



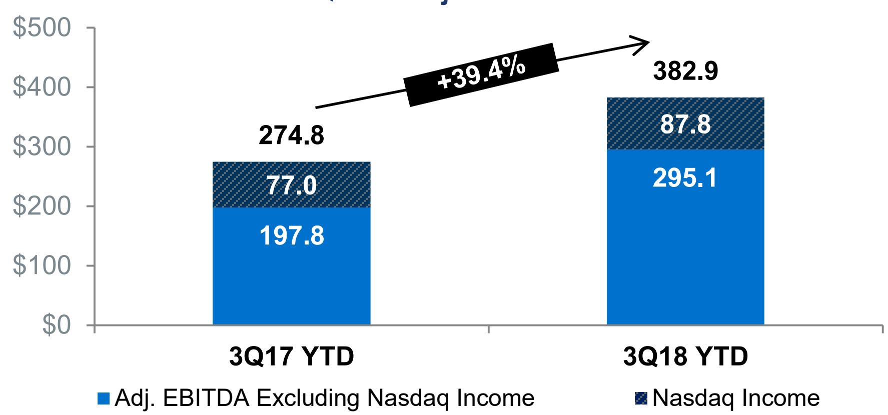


1. *Pre spin public shares are ~23mm, post spin Class A shares issued are ~160mm, with ~22mm in treasury and ~150mm held by public. Estimates will be updated with actuals when the spin is complete. The float is defined as Class A common shares not owned by Cantor Fitzgerald, L.P. or its affiliates or by the executive officers and directors of Newmark. BGC's stockholders will receive cash in lieu of any fraction of a share of Newmark common stock that they otherwise would have received.*

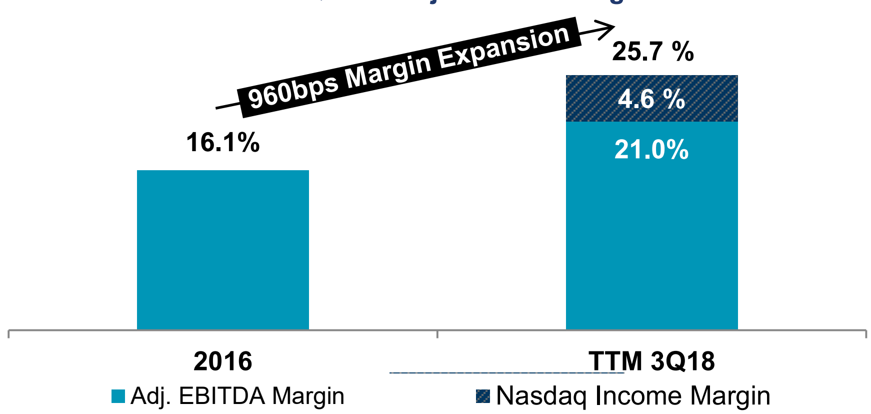
SINCE NEWMARK'S IPO, NEWMARK HAS CONSISTENTLY DEMONSTRATED STRONG EBITDA GROWTH AND MARGIN EXPANSION ($ IN MILLIONS)

Newmark continues to grow organically and through acquisitions, while still driving healthy margin expansion

Newmark has exceptional Adj. EBITDA growth…



… and strong Adj. EBITDA margin improvement



Newmark has continued its track record of accretive acquisitions…

Target	Date	Commentary
RKF	Sept 6, 2018	Closes acquisition on RKF Retail Holdings, LLC, a leading retail real estate firm in New York. 77 brokers added in conjunction.
Jackson Cooksey	July 25, 2018	Closes acquisition of Jackson Cooksey, a leading corporate tenant advisory company. 45 brokers were added in conjunction.
irr. Integra Realty Resources	July 18, 2018	Acquires six office space assets in Denver and Pasadena from Integra Realty Resources (IRR), a commercial real estate services firm

… and has taken advantage of market conditions to execute on the Nasdaq trades

- Newmark has monetized the 2019 - 2022 tranches of Nasdaq for ~74% of the notional value of the shares
  - Resulted in generating net proceeds of $266mm and increased balance sheet equity by $325mm
- Newmark has an additional ~$404mm[1] in cumulative Nasdaq pre-tax earnings available to fund future growth

Subsequent to Q3 2018, Newmark raised $550mm of public, third party debt and received ratings of BBB- from Fitch and Kroll and BB+ from S&P as part of Newmark's inaugural debt offering

Sources: Company filings, management projections

1. Based on Nasdaq share price on October 24, 2018.

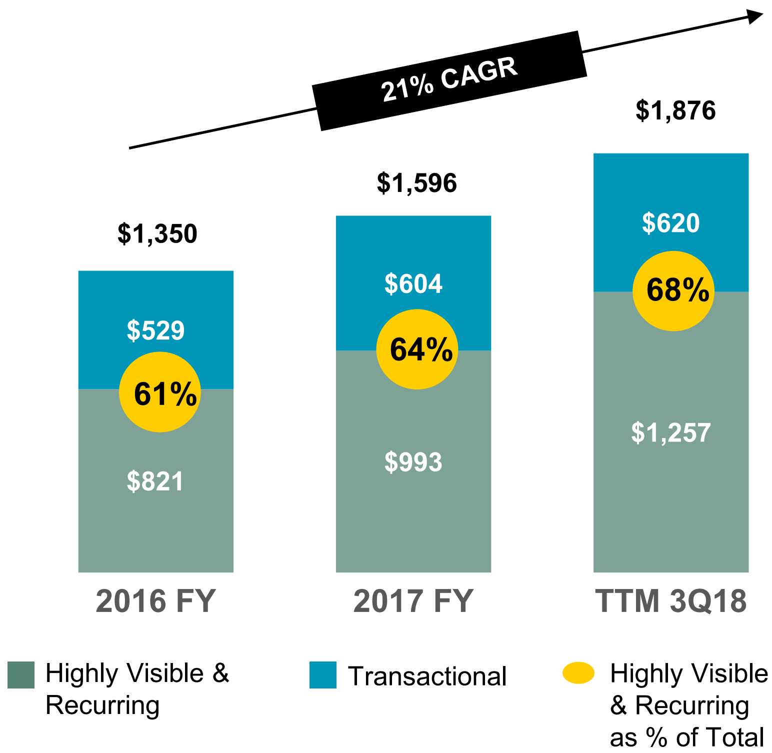
Note: TTM 3Q18, 3Q18 YTD, and 3Q17 YTD include other income related to the Nasdaq shares of $87.1 million, $87.8 million, and $77.0 million, respectively. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP.

NEWMARK

NEWMARK HAS A HISTORY OF STABLE AND GROWING OPERATING PERFORMANCE THAT HAS CONTINUED IN 2018

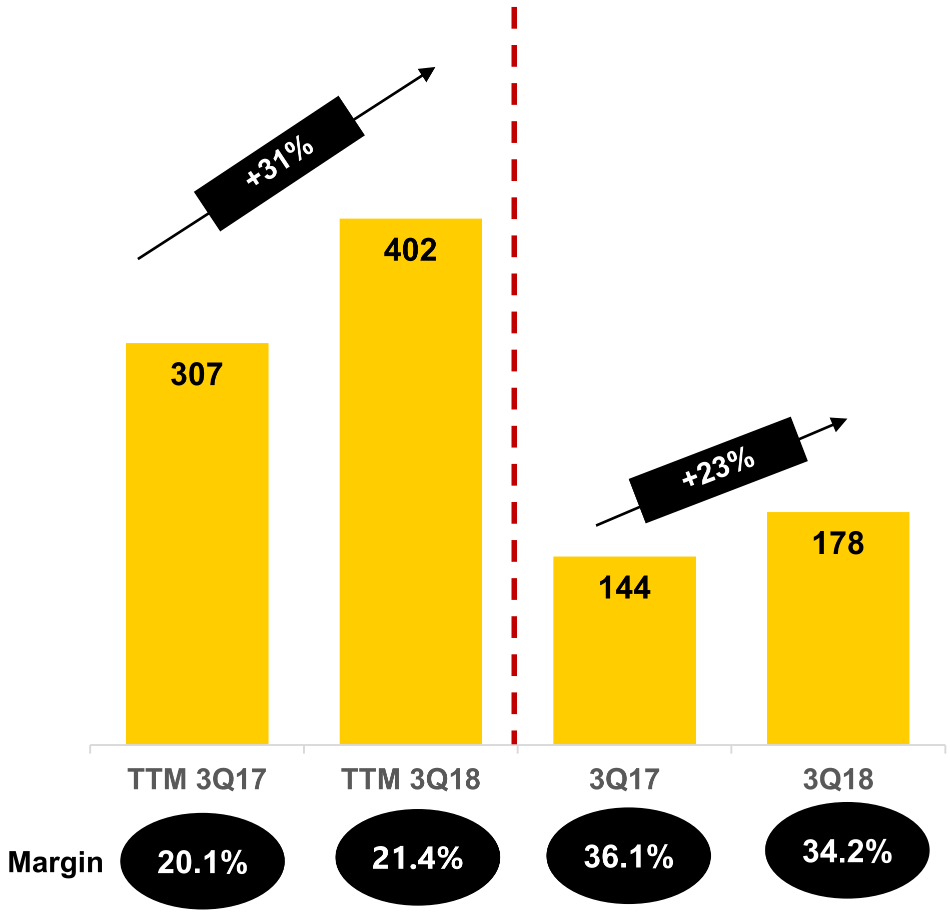
Highly Visible and Recurring Revenue Streams Show Strong Growth[1]

(US$ millions)



Pre-Tax Adjusted Earnings[2]

(US$ millions)



1. Excluding Nasdaq other income
2. TTM 3Q18 and TTM 3Q17 include other income related to the Nasdaq shares of $87.1 million and $77.0 million, respectively. 3Q18 and 3Q17 include other income related to the Nasdaq shares of $84.9 million and $77.0 million, respectively.

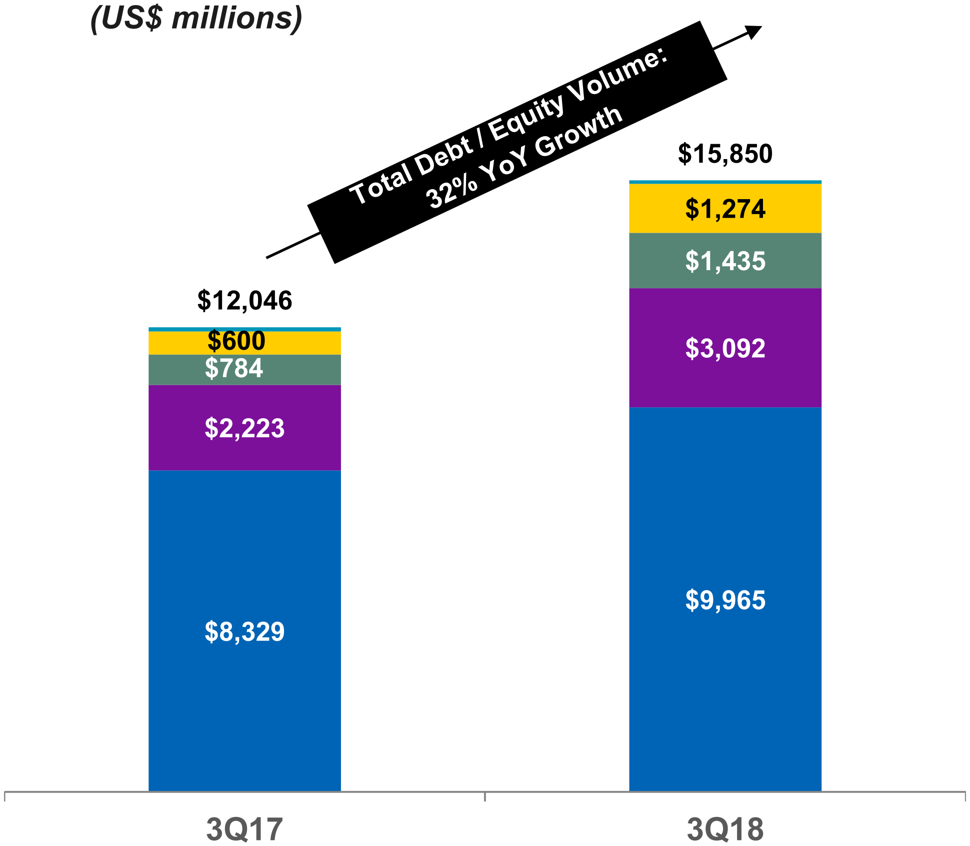
Note: Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP.

NEWMARK

NEWMARK IS OUTPERFORMING THE BROADER COMMERCIAL REAL ESTATE INDUSTRY SO FAR FOR 2018

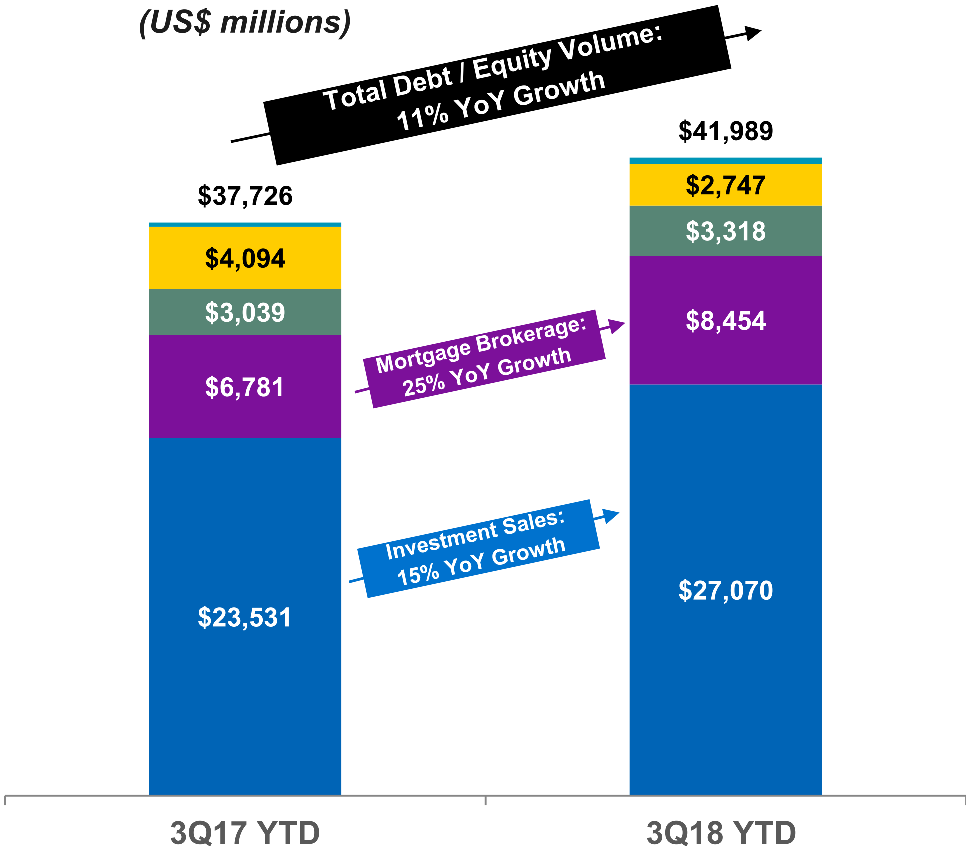
Quarterly Transactional Volumes

(US$ millions)



YTD Transactional Volumes

(US$ millions)



Investment Sales | Mortgage Brokerage | Fannie Mae | Freddie Mac | FHA/Other[1]

- Total Investment Sales and Mortgage Brokerage volume has increased 24% YoY from 3Q17 to 3Q18, and 17% from 3Q17 YTD to 3Q18 YTD
- Investment Sales volume is up ~15% from 3Q17 YTD to 3Q18 YTD, while the industry-wide commercial real estate transaction volume is up 11% during the same period
- Mortgage brokerage volume is up ~25% from 3Q17 YTD to 3Q18 YTD, versus the industry expectation of mortgage originations to be flat for FY 2018[2]
- Freddie Mac volumes for 3Q17 YTD are higher compared to 3Q18 YTD due to the inclusion of a non-recurring, large transaction of $2.2bn in 2Q17

Source: Real Capital Analytics | Note: Certain 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

1. FHA/Other transaction volumes for 3Q17, 3Q18, 3Q17 YTD, and 3Q18 YTD were $110mm, $85mm, $281mm, and $401mm, respectively
2. As of November 2018 based on the latest MBA Commercial/Multifamily Real Estate Finance Forecast for 2018 commercial mortgage origination volume

NEWMARK

INVESTMENT HIGHLIGHTS

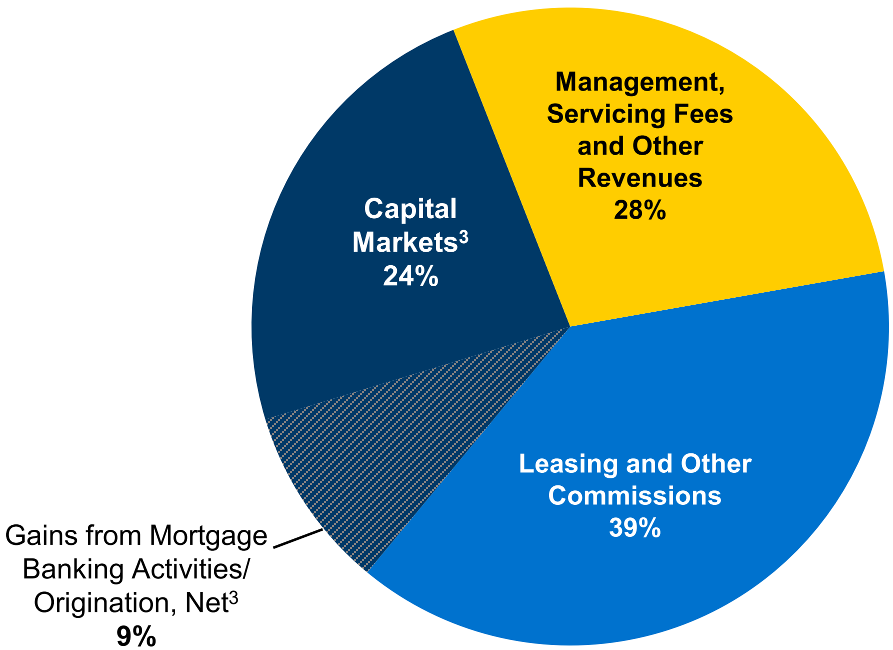
NEWMARK OVERVIEW

Newmark provides a full suite of services to occupiers, investors and owners of CRE

NEWMARK AT A GLANCE

- Founded in **1929**
- **$1.9 billion** revenue[1]
- **$482 million** Adjusted EBITDA[1]
- Newmark has more than **5,250 employees**, including over **1,725 revenue-generating producers** in over **134 offices** and **108 cities**

STABLE AND DIVERSIFIED REVENUE BASE[3]



1. Trailing twelve months ("TTM") ended 9/30/18
2. From full-year 2011 through the 12 months ended 9/30/18
3. Revenue composition as of 12 months ended 9/30/18. Real estate capital markets consists of investment sales and mortgage brokerage. Gains from mortgage banking activities/origination, net is also referred to as "agency lending"

Note: Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP. TTM 3Q18 includes other income related to the Nasdaq shares of $87.1 million

NEWMARK

INVESTMENT HIGHLIGHTS

1. Full Service, CRE Services Business with Diverse Revenue Streams
2. Low Risk, Intermediary-Based Business Model
3. Robust Cash Flow Generation to Invest for Growth
4. Multiple Levers to Generate Growth and Market Share Outperformance
5. Strong Balance Sheet and Credit Metrics
6. Spin-Off from BGC Will Increase Public Float

1 FULL SERVICE, CRE SERVICES BUSINESS WITH DIVERSE REVENUE STREAMS

Newmark is a full service firm with the highest margins relative to its US CRE Peers. Newmark's Americas Revenue is up 25% from 2017 YTD to 2018 YTD, outperforming its public US CRE Peers to date.

Business Line	NEWMARK[1]	CBRE	JLL	C&W	CIGI
Leasing	✓	✓	✓	✓	✓
Investment Sales & Mortgage Brokerage	✓	✓	✓	✓	✓
Multifamily lending (GSE and FHA)	✓	✓	✓		
Servicing	✓	✓	✓		
Property & Facility Management	✓	✓	✓	✓	✓
Advisory & Consulting	✓	✓	✓	✓	✓
Appraisal	✓	✓	✓	✓	✓
Property & Development Services	✓	✓	✓	✓	✓
Non-Agency Lending	✓				
Investment Management		✓	✓		✓
TTM 3Q18 Americas Revenue ($bn)[2]	**$ 1.9**	**$ 5.9**	**$ 3.0**	**$ 3.9**	**$ 1.5**
YTD 3Q18 Americas Revenue YoY Growth[2]	**25 %**	**13 %**	**10 %**	**14%**	**13 %**
FY 2017 Adj. EBITDA Margin[3]	**23%**	**18%**	**13%**	**10%**	**11%**

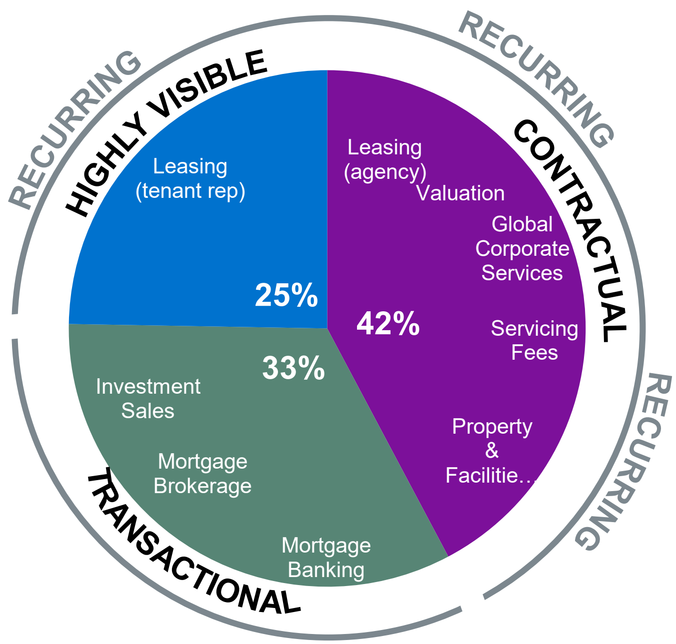
Source: Public filings

1. Includes Newmark's 27% interest in the commercial real estate-related limited partnership between the Company and Cantor
2. Newmark and CIGI reflect gross revenue, while CBRE, JLL, and C&W reflect fee revenue. CBRE, JLL, and C&W margin based on fee revenue as well. CBRE, CIGI, and JLL margins based on figures that have been recast following the implementation of ASC 606. However, CIGI TTM 3Q18 revenue includes as-reported 4Q17 revenues due to the fact that CIGI has not yet disclosed the recast 4Q17 results.
3. Newmark, C&W, and CIGI Adj. EBITDA Margin based on as-reported financials. CBRE and JLL Adj. EBITDA Margin reflect recast financials following the implementation of ASC 606.

Note: Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP.

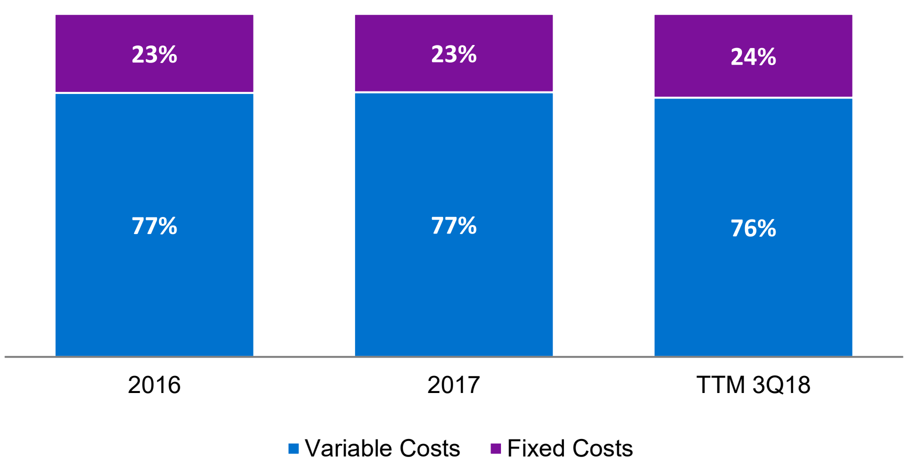
2 LOW RISK, INTERMEDIARY-BASED BUSINESS MODEL

Diverse and Recurring Revenue Streams[1]



Agile Cost Structure Protects Margins[2]

(% Fixed vs Variable Costs)



Newmark at a Glance

- Newmark's business model features a high concentration of recurring revenues
  - Operates as a strategic intermediary
- Newmark's variable cost structure ensures it can be responsive to changes in economic cycles

1. Excluding Nasdaq income
2. Variable costs are total compensation, fixed costs are total non-compensation expenses

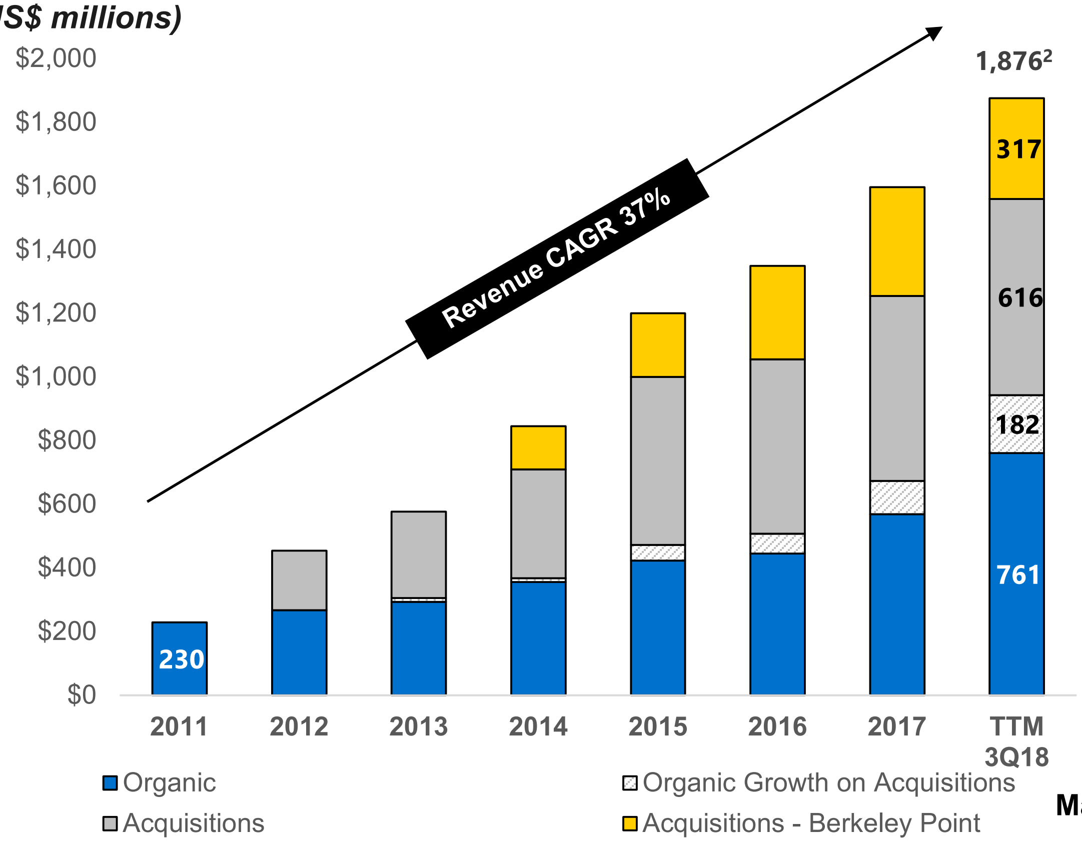
Note: Newmark also refers to Contractual income as Recurring income

3 ROBUST CASH FLOW GENERATION TO INVEST FOR GROWTH

- 50% of Newmark's revenue growth since 2011 has been organic, excluding Berkeley Point
  - Companies acquired by Newmark have organically grown their revenues 30% since acquisition
- Newmark has demonstrated ability to successfully integrate acquisitions, proven by revenue growth and expanding margins

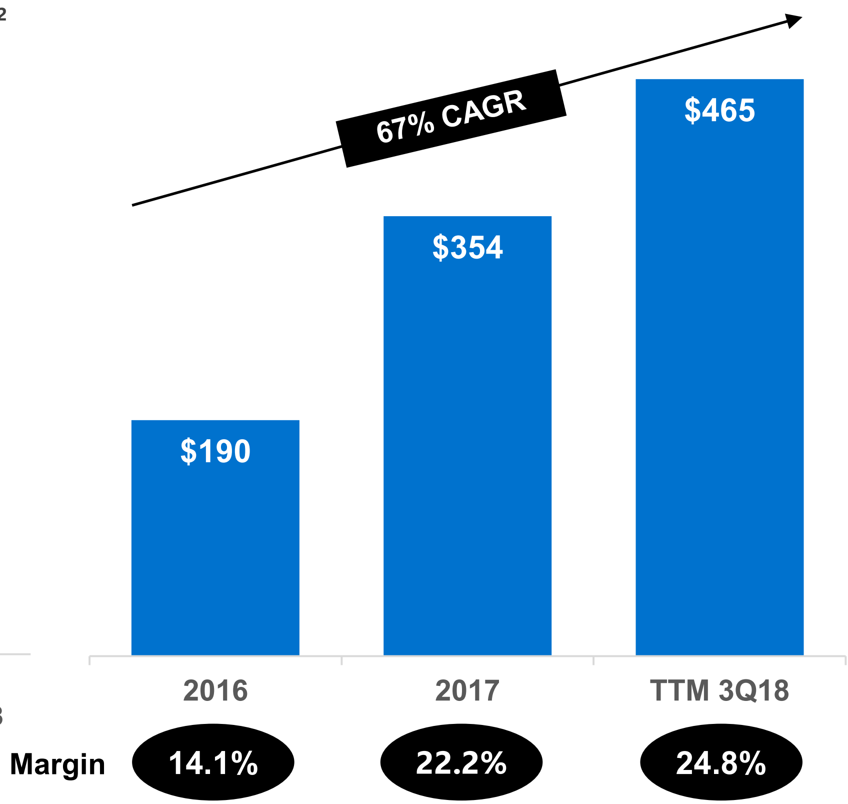
Newmark Revenues[1]

(US$ millions)



Adjusted EBITDA Less CapEx[3]

(US$ millions)



1. Based on revenues reported for BGC's Real Estate Services segment for FY 2012, FY 2013, and FY 2014. FY 2011 revenues are based on unaudited full year 2011 revenues for Newmark & Co. Includes Berkeley Point revenues for FY 2014 onwards.
2. For 2018 YTD, the impact of FASB topic ASC 606 increased both NMRK's revenues and non-compensation expenses related to its management services business by approximately $64million. There was no corresponding additional amount of expense or revenue recorded for the prior year period, as Newmark adopted the modified retrospective approach to ASC 606
3. TTM 3Q18 and FY 2017 includes other income related to the Nasdaq shares of $87.1 million and $76.3 million, respectively. Capital Expenditures is the purchase of fixed assets

Note: Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP

4 MULTIPLE LEVERS TO GENERATE GROWTH AND MARKET SHARE OUTPERFORMANCE

- Global CRE services market opportunity
- Evolving demographics favorable for multifamily outlook
- Drive cross-selling across service offerings
- Demonstrated ability to increase market share
- Leverage technology to drive internal and client efficiency

MULTIPLE LEVERS TO GENERATE GROWTH AND MARKET SHARE OUTPERFORMANCE (CONT'D)

Massive potential global market for brokerage and services

Large and Highly Fragmented Market

The Top 6 CRE Brokerage & Services Firms 2017 Market Share <15%

1. Represents actual revenues earned by global commercial real estate services firms as well as potential revenues from outsourcing opportunities

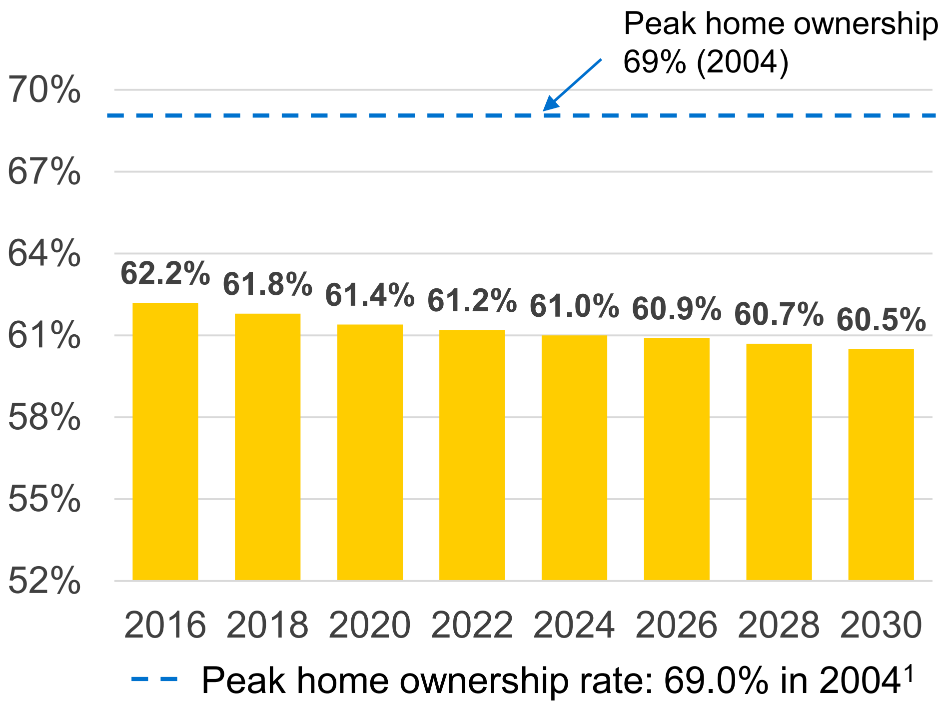
Sources: IBIS World, Bloomberg, public filings, CoStar and Newmark Knight Frank research. Top 6 CRE Brokerage and Services Companies as measured by FY17 global revenue prior to any restatements related to ASC 606: Newmark, CBRE (fee-revenue), JLL (fee-revenue), Colliers, Savills, Cushman & Wakefield (fee-revenue)

Note: Chart has not been shown to scale

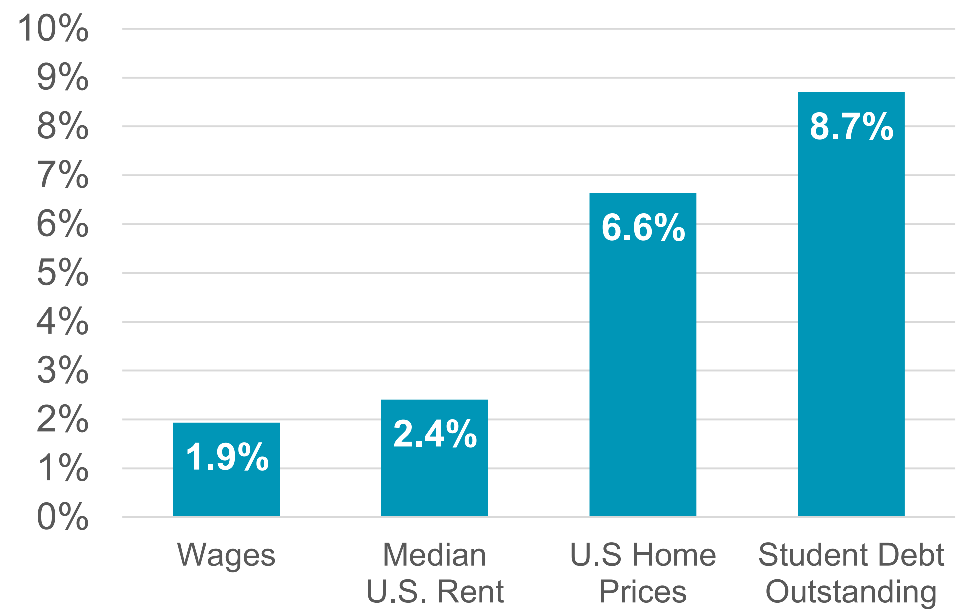
4 MULTIPLE LEVERS TO GENERATE GROWTH AND MARKET SHARE OUTPERFORMANCE (CONT'D)

Evolving demographics favorable for multifamily outlook

Projected Home Ownership Rate



2011 – 2016 CAGR Of Wages, Rent, Home Prices, And Student Debt Outstanding



- Further decline projected for home ownership rate
- In many of the major metros Newmark operates in, the home ownership rate is significantly lower
  - 22% in New York County, 43% in San Francisco County, 52% in Denver County
- New entrants into the workforce are more and more likely to rent as student debt becomes a larger economic burden
- Home prices have risen much faster than rents, making it more favorable to rent than own a home – translates into increased demand for multifamily housing

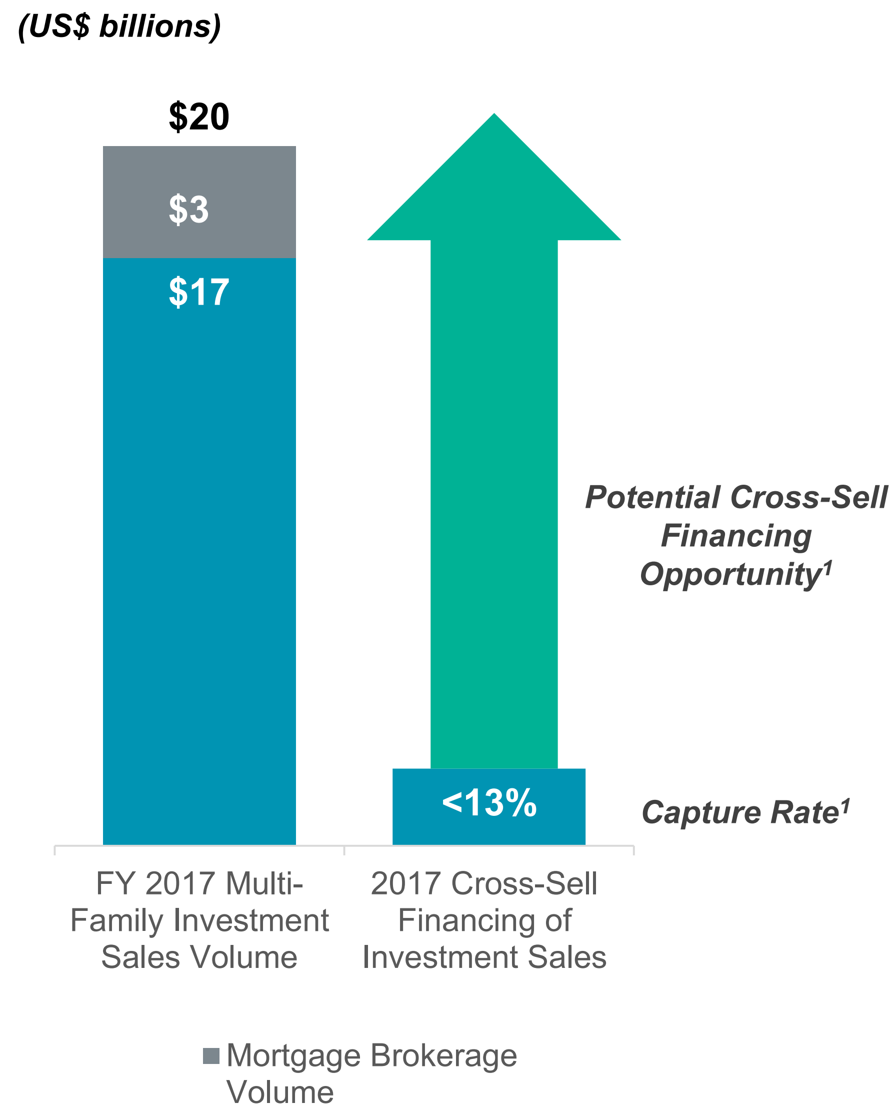
1. Home ownership rate data available from 1984 - 2017

Source: Federal Reserve Bank of St. Louis, US Census Bureau, BLS, Federal Reserve Bank of New York, Newmark Knight Frank Research, and the National Apartment Association

4 MULTIPLE LEVERS TO GENERATE GROWTH AND MARKET SHARE OUTPERFORMANCE (CONT'D)

Newmark Can Drive Cross Selling Across Service Offerings – YTD 2018 Capture Rate equates to 18%

- Synergy between Newmark's multi-family investment sales and multi-family loan originations business result in multiple avenues for growth
  - Additional origination and servicing opportunities for the Newmark platform
  - More investment sales and mortgage brokerage opportunities for the Newmark platform
  - Increased cross-sell of Newmark's other services, such as Valuation & Appraisal
- Long-term capture rate target of investment sales to financing is 40%, which would put Newmark in line with the conversion achieved by peers

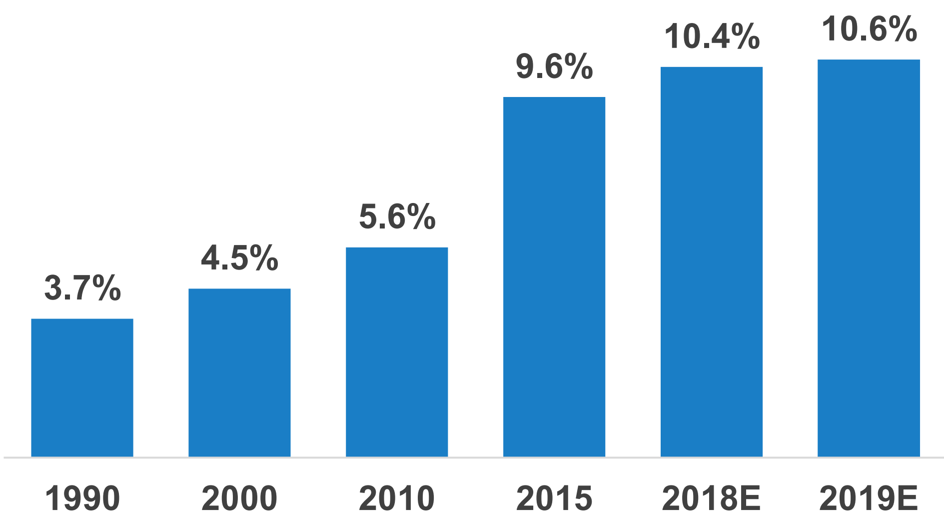


1. The capture rate represents the proportion of trailing twelve months multi-family investment sales volume financed through Newmark's multi-family origination business. Only a portion of investment sales volume is typically debt financed

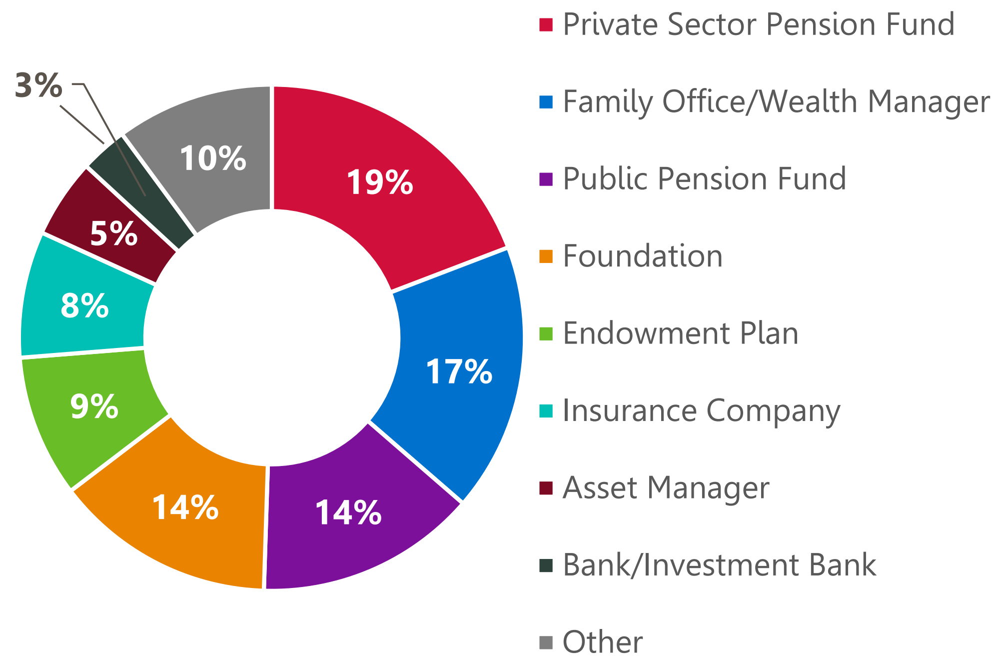
4 MULTIPLE LEVERS TO GENERATE GROWTH AND MARKET SHARE OUTPERFORMANCE (CONT'D)

Increasing institutional investment in CRE

Target Allocation to Real Estate by All Institutional Investors



Institutional Investors in Real Estate by Type (2017)



› As institutional investors increase their ownership of commercial real estate, Newmark benefits from increased transaction velocity and outsourcing opportunities

Sources: Preqin Real Estate Online, National Association of Industrial and Office Properties, Cornell University's Baker Program in Real Estate, and Hodes Weill & Associates
Note: Due to rounding, the percentages in the second chart may not add up to 100%

4 MULTIPLE LEVERS TO GENERATE GROWTH AND MARKET SHARE OUTPERFORMANCE (CONT'D)

Newmark is a leader in integrating technology within its business lines, providing clients with value-adding products and improving internal capabilities through proprietary software

VISION

Integrated business intelligence, reporting and analytics

Audience

Real estate occupier clients

Value

Reduces occupier costs; improves speed and accuracy of decision making through advanced data and analytics

N360

3D mobile dashboard with comprehensive CRE data

Audience

Real estate occupiers, investors, and owners; internal (brokers)

Value

One-stop, instant access; increases speed and accuracy of decision making

Internal TECHNOLOGIES

Proprietary CRM and listings software

Audience

Internal (brokers)

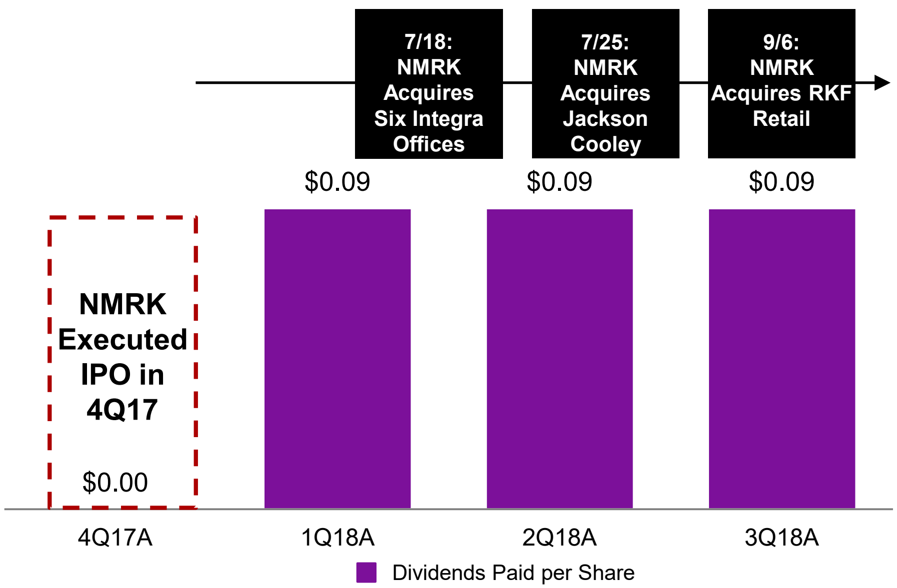
Value

Improve broker productivity; increase cost savings

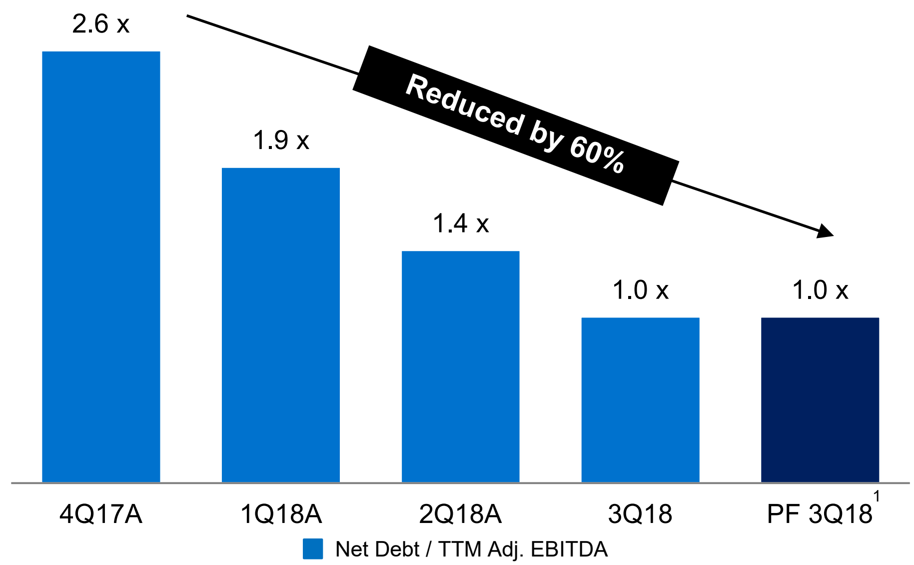
5 STRONG BALANCE SHEET AND CREDIT METRICS

- Newmark has historically maintained a strong credit profile with conservative leverage tolerances and healthy interest coverage ratios
  - Subsequent to Q3 2018, Newmark raised $550mm of public, third party debt and received ratings of BBB-/BBB-/BB+ from Fitch, Kroll, and S&P as part of their inaugural debt offering
  - Leverage has decreased by ~51% since year end 2017 with current Net debt / Adj EBITDA at 1.0x. Target leverage is less than 1.5x AEBITDA
  - Ample liquidity and access to capital markets
  - Historically acquisitive and track record of returning capital to shareholders through dividends

Consistent Dividend Payer & Acquirer



Continued Reduction in Debt



1. Pro Forma for Newmark's recent $550 million bond issuance

Note: The leverage and coverage ratios presented above are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP. TTM 3Q18 includes other income related to the Nasdaq shares of $87.1 million

NEWMARK

5 STRONG BALANCE SHEET AND CREDIT METRICS (CONT'D)

- In June 2013, BGC Partners sold its eSpeed business to Nasdaq
  - Consideration included a deferred payment of approximately 14.9 million Nasdaq common shares to be paid ratably over 15 years
- BGC transferred the right to receive the remaining 10.9 million shares to Newmark
  - Newmark recognized $76 million and $88 million in other income during FY 2017 and 2018 related to the first and second Nasdaq payments
- Newmark monetized the 2019 - 2022 tranches of Nasdaq for **~74%** of the notional value of the shares, retaining all upside and generating net proceeds of $266 million and increased balance sheet equity by $325mm
- Use of proceeds from monetization was to pay-down Company debt
- Future Nasdaq payments starting in 2023 provide significant financial flexibility for Newmark

~1mm	**Nasdaq common shares to be received each year (2018 through 2027)**
✖	
$81.49	**Nasdaq share price[1]**
=	
~$81mm	**Recurring Pre-Tax Annual Earnings[1]**
✖	
5	**Number of payments available for future monetization (2023 – 2027)[2]**
=	
~$404mm	**Cumulative Pre-Tax Earnings Available for Growth**

1. Nasdaq share price as of October 24, 2018
2. Excludes 2018 tranche which is expected to be received in November 2018. Excludes 2019 and 2020 tranches previously monetized for ~$153MM; Newmark retained the right to appreciation of those shares above $94.21. Excludes 2021 and 2022 tranches previously monetized for ~$113MM; Newmark retained the right to appreciation of those shares above $87.68

Note: The only condition for the Nasdaq payments is that Nasdaq (all of Nasdaq) produces $25 million in gross revenue for the applicable year (Nasdaq's annual gross revenue was $4.0 billion in FY 2017). The right to receive these shares is not included on Newmark's balance sheet because of this condition

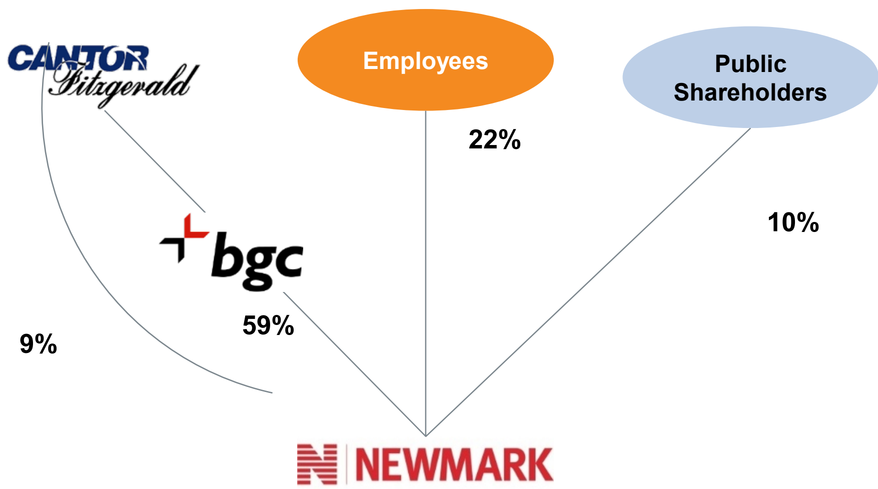
NEWMARK

6 SPIN-OFF FROM BGC WILL INCREASE PUBLIC FLOAT

- BGC intends to spin-off the 59% of Newmark's fully diluted shares it currently owns to BGC's shareholders
- Newmark's public float will increase from ~23mm shares to ~150mm shares as a result of this transaction

Pre-Spin Structure

Economic Ownership

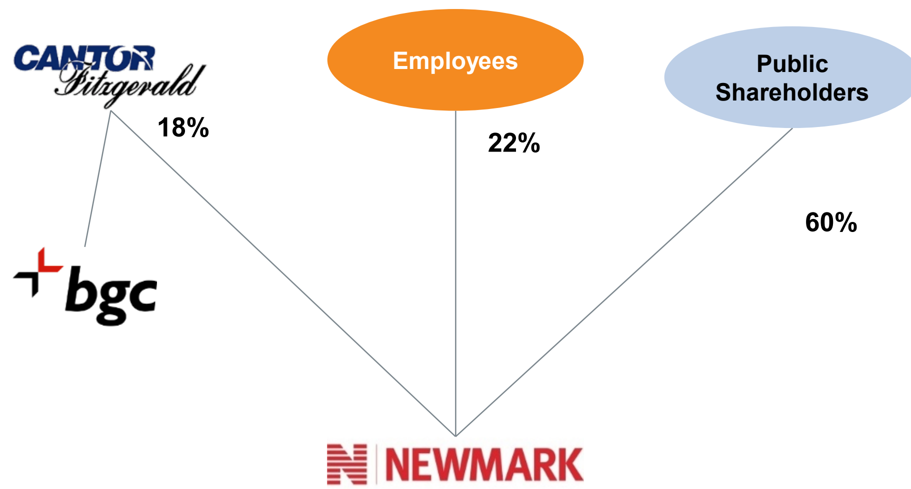


Voting Ownership

Entity	%
Cantor	-
BGC	92%
Employees	-
Public	8%
Total	**100%**

Post-Spin Structure

Economic Ownership



Voting Ownership[1]

Entity	%
Cantor	52%
BGC	-
Employees[2]	3%
Public	45%
Total	**100%**

1. Pre spin public shares are ~23mm, post spin Class A shares issued are ~160mm, with ~22mm in treasury and ~150mm held by public. Estimates will be updated with actuals when the spin is complete. The float is defined as Class A common shares not owned by Cantor Fitzgerald, L.P. or its affiliates or by the executive officers and directors of Newmark. BGC's stockholders will receive cash in lieu of any fraction of a share of Newmark common stock that they otherwise would have received.
2. "Employees" includes direct ownership of Class A shares by Newmark Group, Inc. executives and employee owned restricted shares.

INVESTMENT HIGHLIGHTS

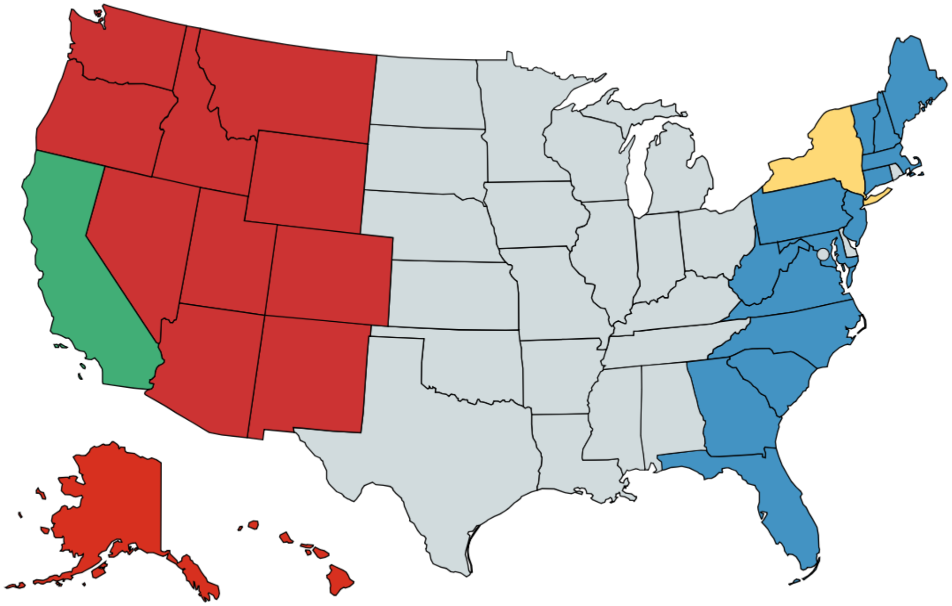
1. Full Service, CRE Services Business with Diverse Revenue Streams
2. Low Risk, Intermediary-Based Business Model
3. Robust Cash Flow Generation to Invest for Growth
4. Multiple Levers to Generate Growth & Market Share Outperformance
5. Strong Balance Sheet and Credit Metrics
6. Spin-Off from BGC Will Increase Public Float

APPENDIX A: BUSINESS OVERVIEW & FUTURE GROWTH

FULL SERVICE CRE SERVICES BUSINESS WITH DIVERSE REVENUE STREAMS

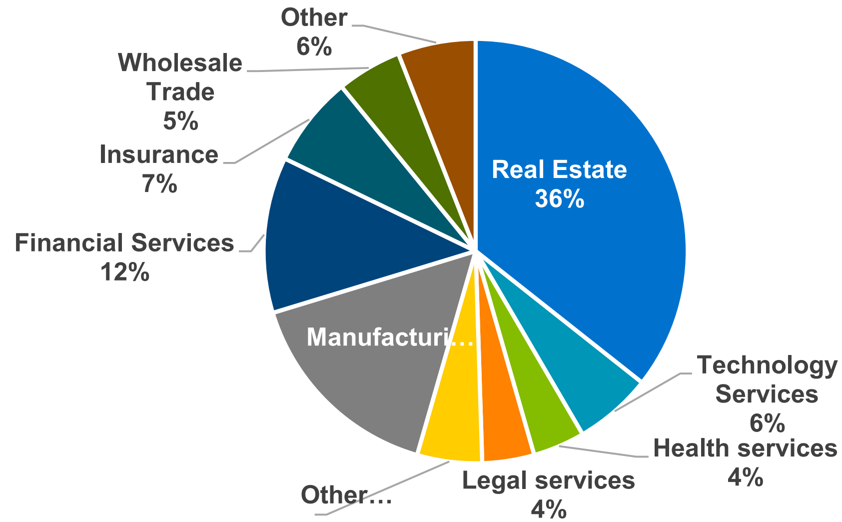
Leading customer base lends itself to diversified revenue mix.

Balanced Mix of Geographic Revenue Streams[2]



Region	% of NMRK[2]
Central	29%
East	25%
California	24%
New York	17%
West	4%
International	1%

Distribution of Revenue for Top 100 Clients[1]



Diversity of Clients[1]

- **Newmark's 10 LARGEST CLIENTS** accounted for less than 6% of total revenue[1]

1. Customer base for the TTM ended June 30, 2018 and Newmark's Top 100 clients represent 20% of revenues. "Other" Includes Transportation & Public Utilities, Construction, and Public Administration industries. "Other Services" includes Business Services and Engineering & Management Services industries
2. Excludes revenues from Berkeley Point. Based on revenues for the TTM ended September 30, 2018

NEWMARK

ROBUST CASH FLOW GENERATION TO INVEST FOR GROWTH

- Newmark has a successful track record of accretive acquisitions
- In addition to growth through acquisition, nearly 50% of Newmark's growth since 2011 has been organic

2011 – Newmark Knight Frank

2012 – 2 Acquisitions
- Frederick Ross
- Smith Mack

2012 – Grubb & Ellis

2014 – 18 Acquisitions
- Cornish & Carey Commercial
- Apartment Realty Advisors (ARA)[1]

2015 – 4 Acquisitions
- Excess Space
- Computerized Facility Integration
- Cincinnati Commercial Real Estate
- Steffner Commercial Real Estate d/b/a Newmark Grubb Memphis

2016 – 5 Acquisitions
- The CRE Group
- Rudesill-Pera Multifamily
- Continental Realty
- Newmark Grubb Mexico City
- Walchle Lear

2017 – 9 Acquisitions
- Berkeley Point Financial
- Regency Capital Partners
- Spring11
- 6 former Integra Realty Resources offices

2018 – 6 Acquisitions
- 4 former Integra Realty Resources offices
- RKF
- Jackson Cooksey

2011 2012 2013 2014 2015 2016 2017 2018

1. Included 17 transactions some of which were completed after 2014

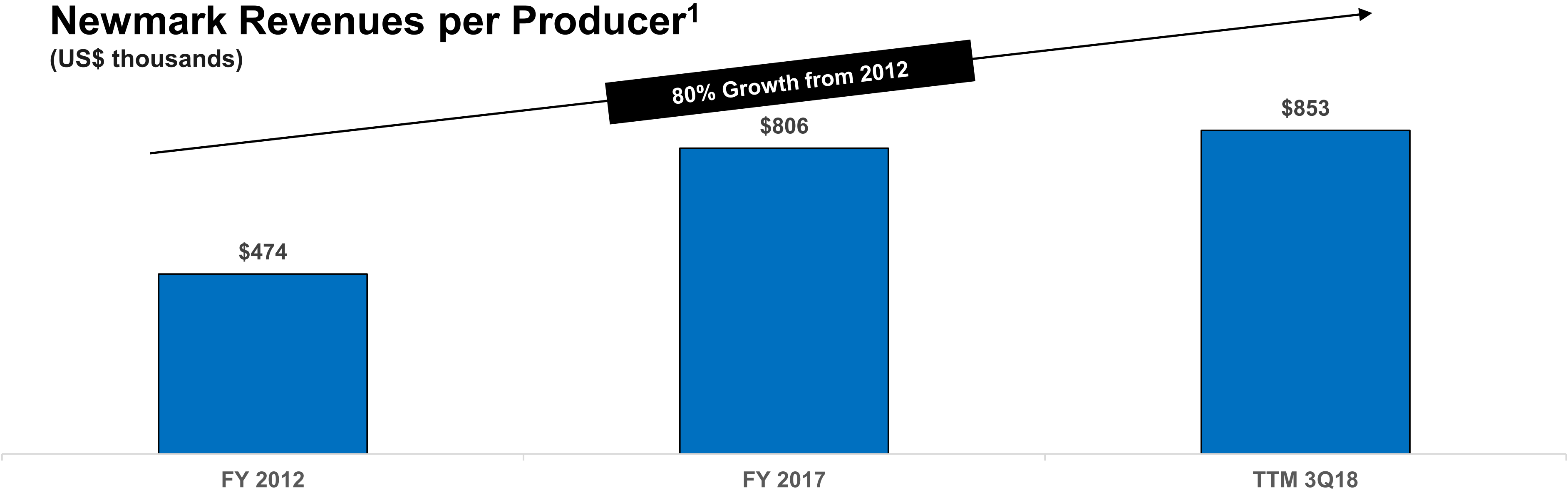
Note: Certain of these acquisitions involved only the purchase of assets

PROVEN ABILITY TO ATTRACT AND RETAIN HIGH-PRODUCING TALENT

Over time, Newmark expects revenues per producer to improve as the company increases cross selling and profitably hires top producers

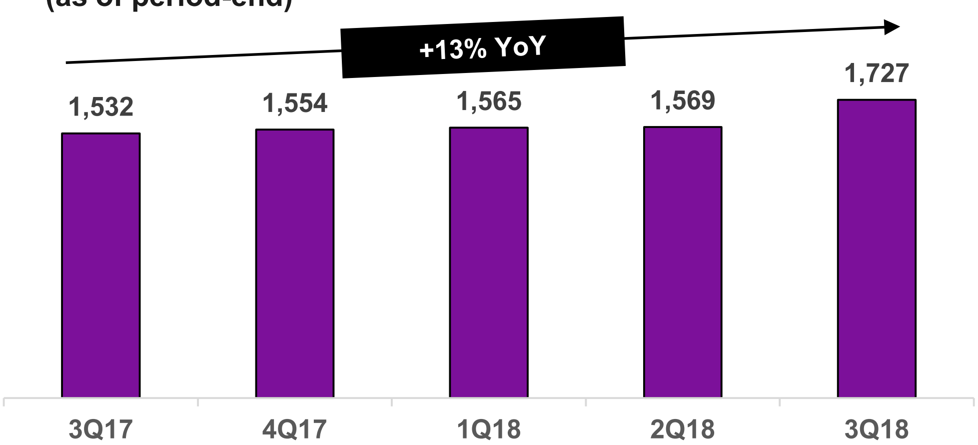
Newmark Revenues per Producer[1]

(US$ thousands)



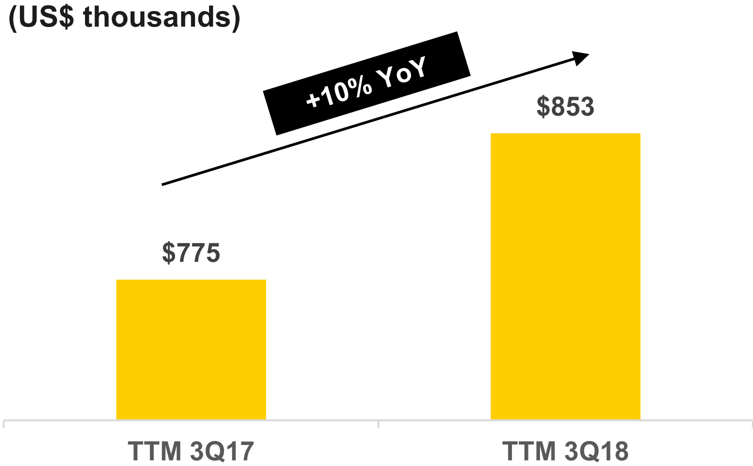
Front Office Headcount[2]

(as of period-end)



Newmark Revenues per Producer[2]

(US$ thousands)



1. Based on revenues reported for BGC's Real Estate Services segment for FY 2012, FY 2013, and FY 2014.
2. Newmark revenue per producer and headcount figures exclude both revenues and corresponding staff in "management services, servicing fees and other" so does not include valuation & advisory professionals. Revenue per producer figures are based on average headcount for the corresponding period

STRONG BALANCE SHEET AND CREDIT METRICS

($ in '000s)

Newmark Group, Inc.	Interest Rate	Maturity	9/30/2018	Adjustments	Pro Forma
Cash and cash equivalents			$70,607	$3,550	$74,157
Newmark Group, Inc.	**Interest Rate**		**9/30/2018**		**Pro Forma**
Current portion of debt payable to related parties[1]	6.500%		$112,500	($112,500)	$0
Newmark Group, Inc.	**Interest Rate**	**Maturity**	**9/30/2018**		**Pro Forma**
Converted Term Loan	4.307%	9/8/2019	$133,950	($133,950)	$0
Long-term debt payable to related parties	5.375%	12/9/2019	300,000	(300,000)	$0
6.125% Senior Notes[2]	6.125%	11/15/2023		550,000	550,000
Total Long-term Debt			**$433,950**		**$550,000**
Total Debt			**$546,450**		**$550,000**
Newmark Group, Inc.			**9/30/2018**		**Pro Forma**
Adjusted EBITDA TTM			**$ 481,677**		**$ 481,677**
Leverage Ratio: Total debt / Adjusted EBITDA			**1.1x**		**1.1x**
Net Leverage Ratio: Net Long-term Debt / Adjusted EBITDA			**1.0x**		**1.0x**
Adjusted EBITDA / Interest Expense[3]			**10.7x**		**14.3x**
Total equity[4]			**1,012,431**		**1,012,431**

- Newmark's balance sheet does not include the over $404mm of Nasdaq shares (at October 24, 2018) expected to be received in the future
- Subsequent to 3Q18, Newmark issued $550mm of 6.125% senior notes due 2023 and used the proceeds to redeem debt owed to or guaranteed by BGC

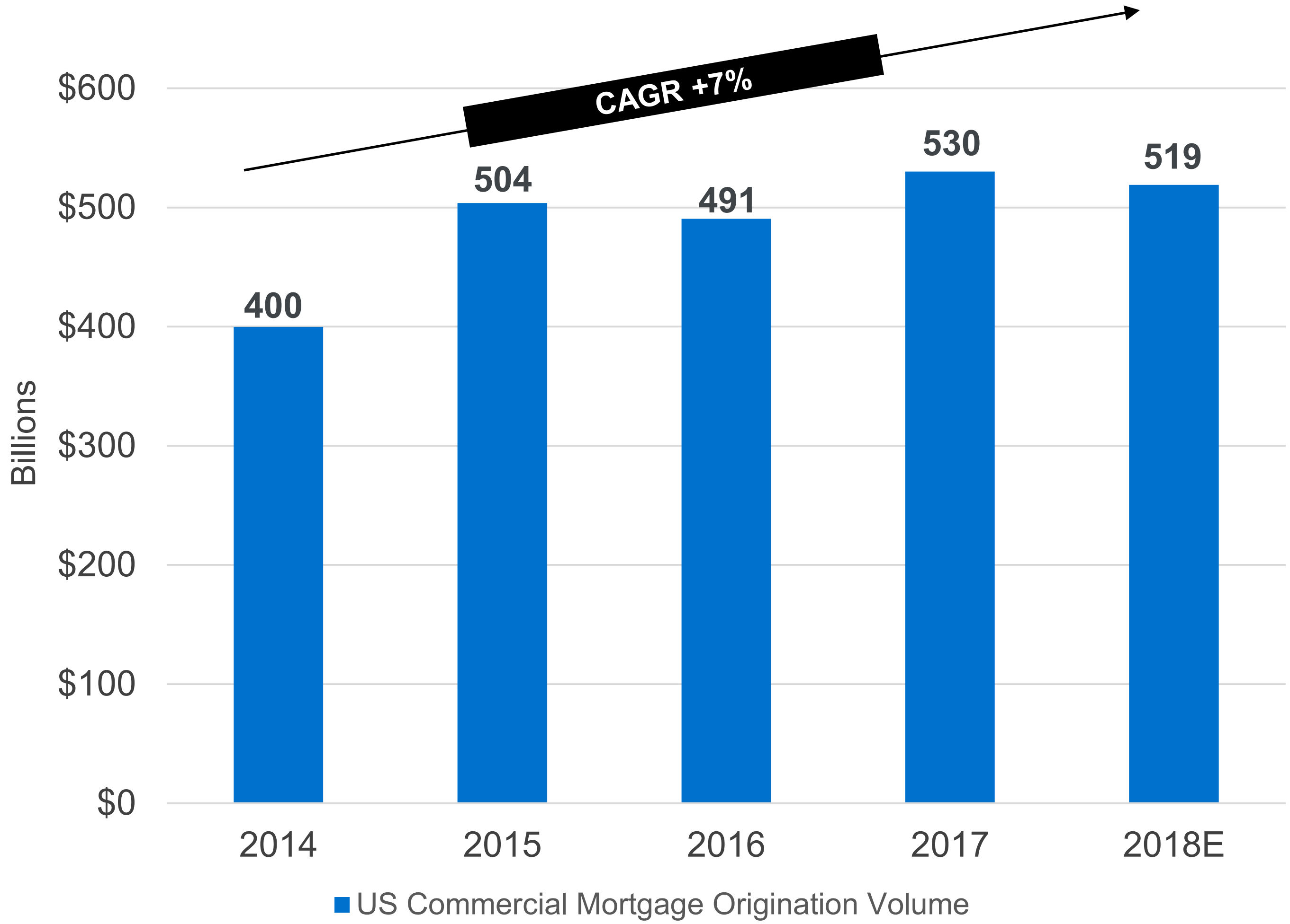
1. On September 4, 2018 Newmark borrowed $112.5 million at a 6.5% annual interest rate from BGC in order to redeem the $112.5 million, 8.125% Notes. As a result, long-term debt decreased by $112.5 million and there was a corresponding increase in "Current portion of debt payable to related parties". This $112.5 million is a subset of the total amount of "Current portion of debt payable to related parties" on Newmark's balance sheet, which was $398.0 million as of September 30, 2018. Subsequent to quarter end, the Company repaid $252.0 million of the $398.0 million from Restricted Cash. In addition, the company recently closed a $550 million debt offering, and plans to utilize the net proceeds to pay down intercompany debt.
2. Before deducting the initial purchasers discount and Newmark's estimated offering expenses
3. Pro Forma Interest Expense calculated based on the 6.125% coupon for the 5yr. Senior Notes issued November 2018
4. Includes "redeemable partnership interest", "noncontrolling interest" and "total stockholders' equity"

Note: This table does not include restricted cash or marketable securities. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP.

APPENDIX B: INDUSTRY OVERVIEW

DEBT VOLUME GROWTH

OVERALL US COMMERCIAL MORTGAGE VOLUME

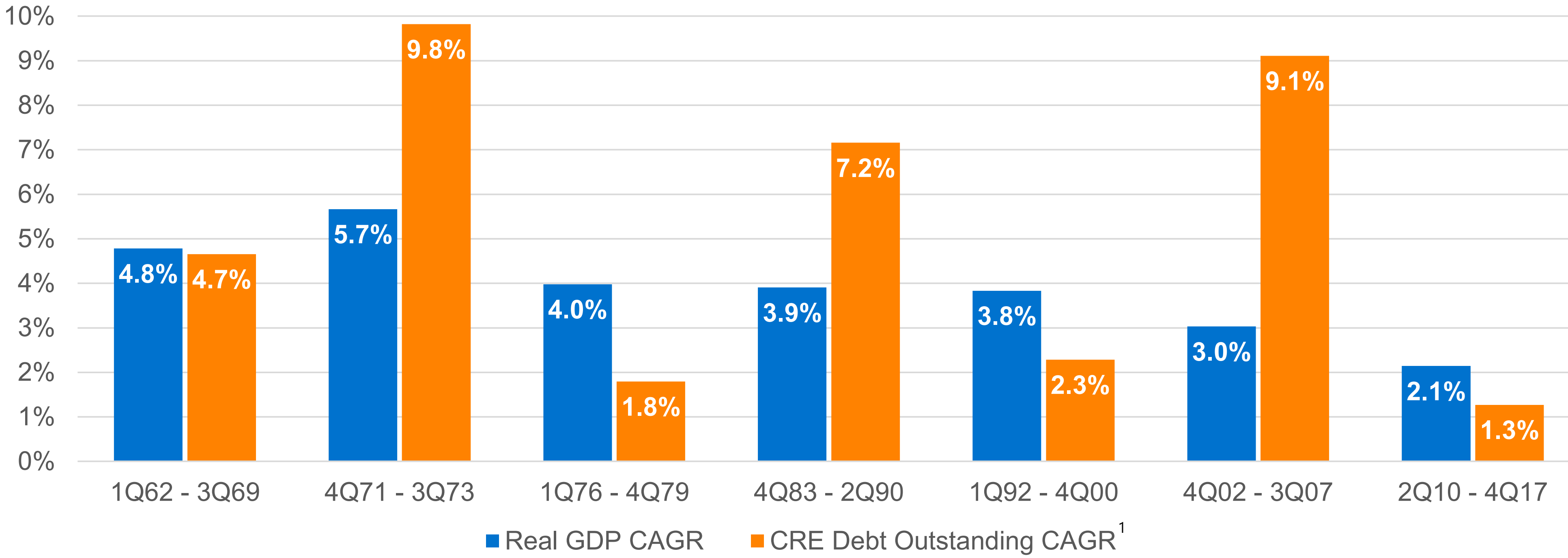


- Since FY 2014, US industry commercial mortgage volumes have increased at a CAGR of 7%
- This expanding market represents a significant growth opportunity for Newmark's Capital Markets business, while strong property fundamentals and values continue to support commercial real estate owners' ability to repay or refinance their mortgages

Source: Mortgage Bankers Association

COMMERCIAL REAL ESTATE DEBT GROWTH DURING PAST EXPANSIONS

REAL GDP GROWTH VS GROWTH IN CRE DEBT OUTSTANDING DURING PAST EXPANSIONS



› The current expansion has been at a much slower pace than past expansions

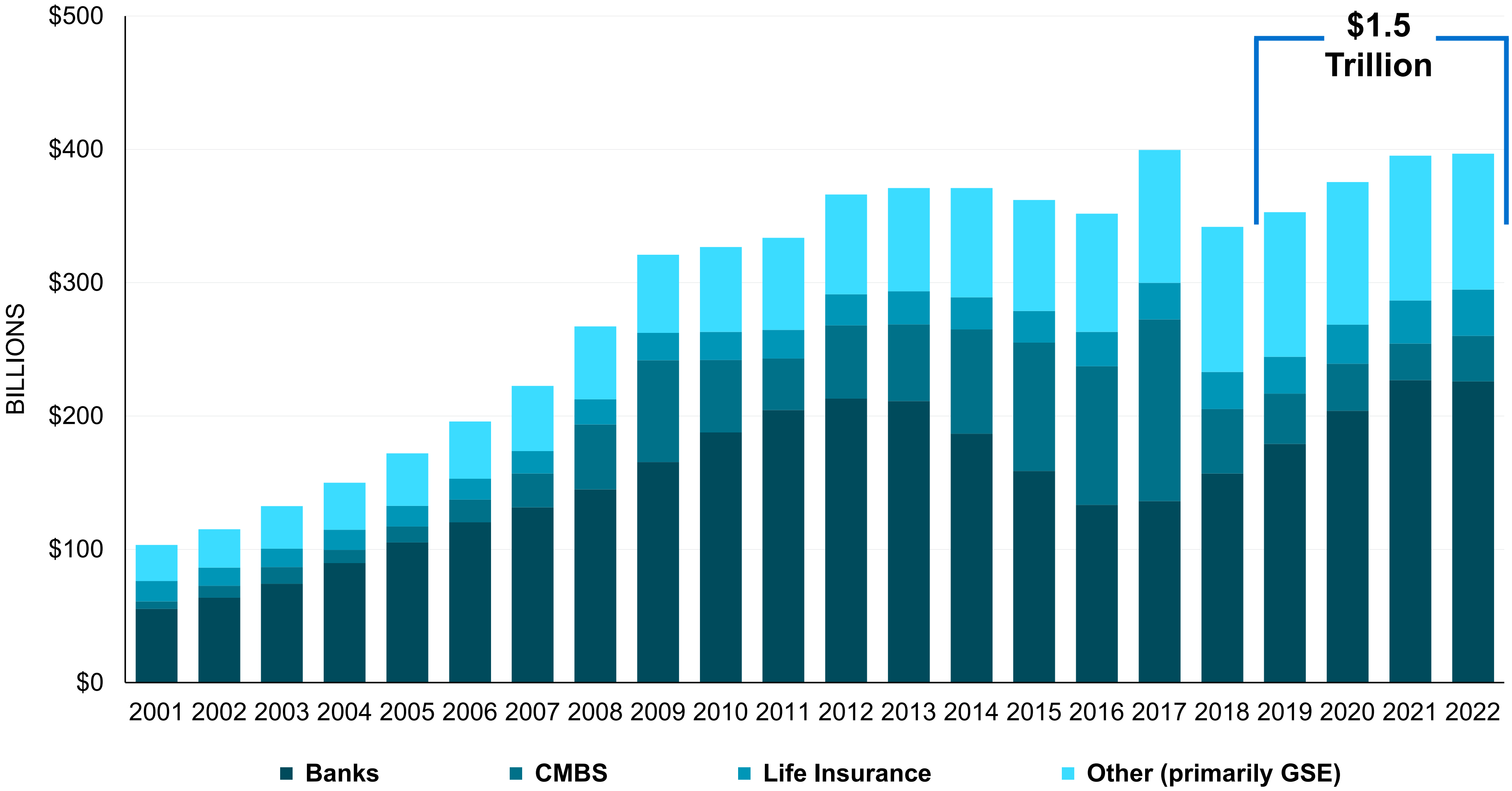
› Commercial real estate debt outstanding has increased at a significantly slower pace than the expansion that ended in 3Q07

› Therefore Newmark believes there is still a long runway for strong levels of market activity

1. Based on inflation adjusted commercial/multifamily mortgage debt outstanding

Source: Federal Reserve Bank of St. Louis, Federal Reserve Flow of Funds, Newmark Knight Frank Research

ATTRACTIVE REFINANCING ENVIRONMENT

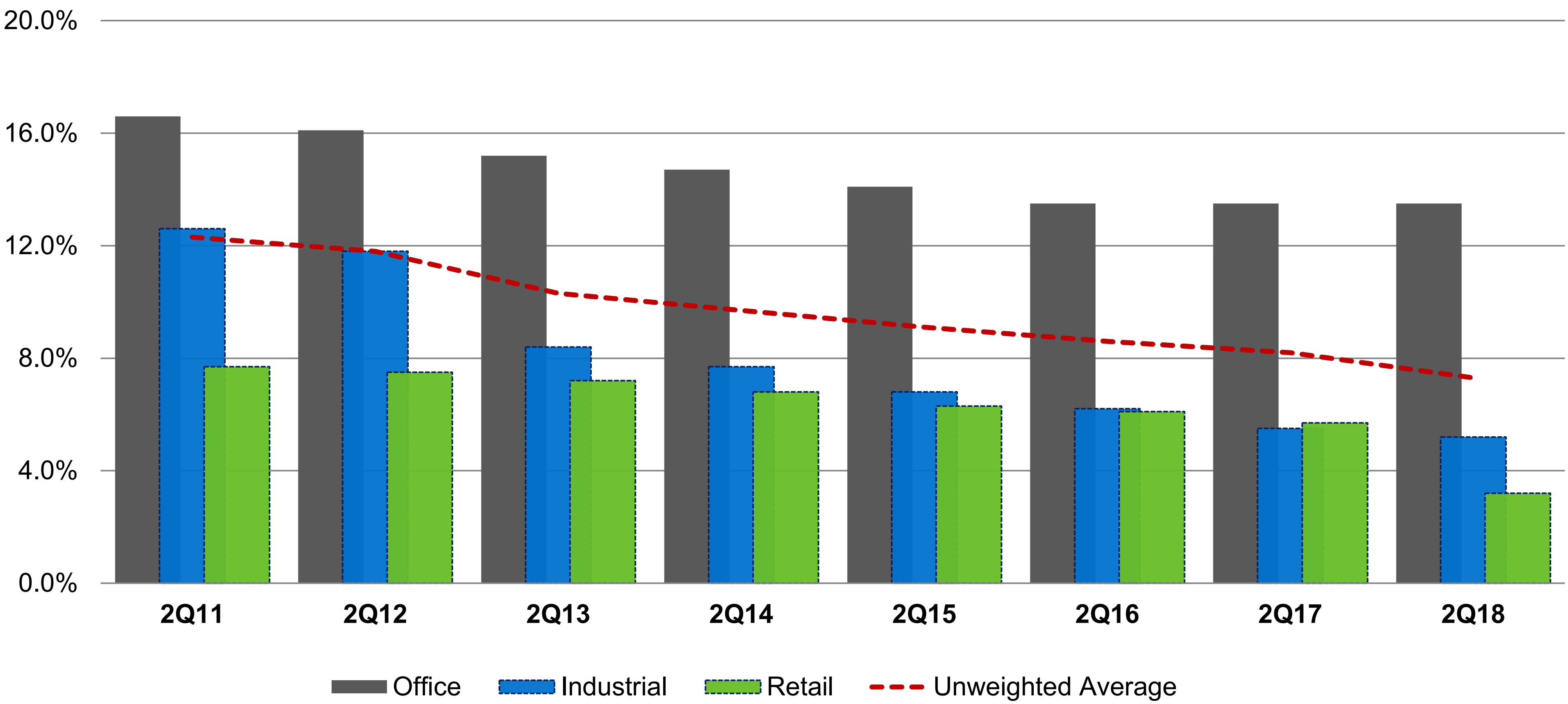


› $1.5 trillion in commercial mortgage maturities from 2019 – 2022 should support strong levels of refinancing activity

Source: Newmark Knight Frank Research, Trepp

VACANCY RATES REMAIN FLAT AS NEW INVENTORY DELIVERIES ARE OFFSET BY SUSTAINED DEMAND FOR COMMERCIAL REAL ESTATE

U.S. Vacancy Rates by Asset Class



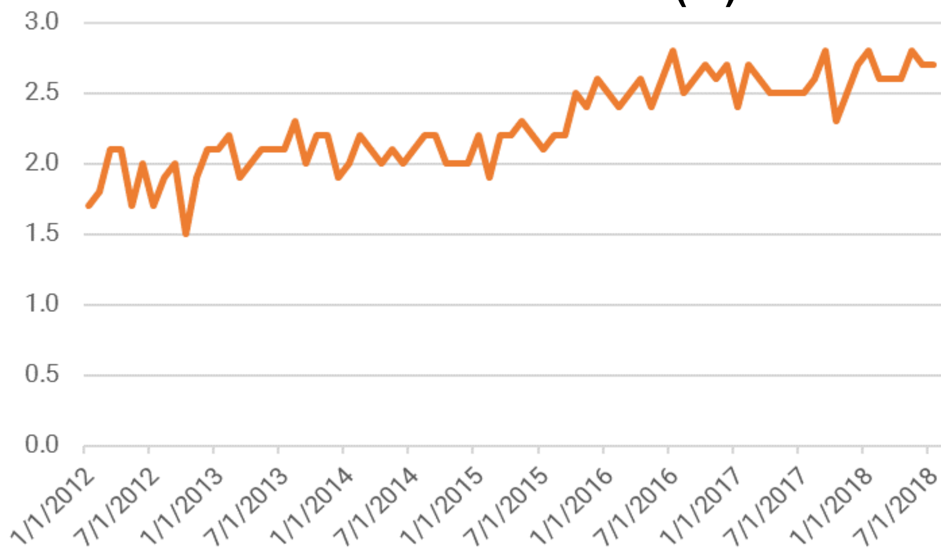
› Vacancy rates remain flat in the office and industrial sectors, reflecting sustained demand that continues to outpace construction activity across major commercial real estate property types. The retail sector experienced a 250 basis point decrease year-over-year

Source: CoStar, Newmark Research

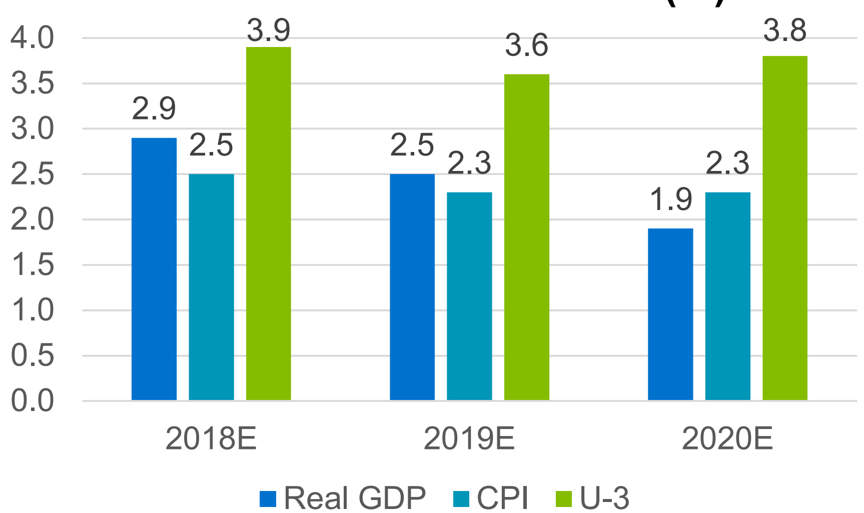
ONGOING "GOLDILOCKS GROWTH" CONTINUES TO BENEFIT CRE

- GDP is expected to continue to grow steadily in 2018 and 2019
- Inflation is expected to increase close to the US Federal Reserve's target of 2% per year
- Moderate wage growth has applied mild pressure on inflation

WAGE GROWTH (%)[1]



REAL GDP AND INFLATION CONSENSUS GROWTH ESTIMATES (%)



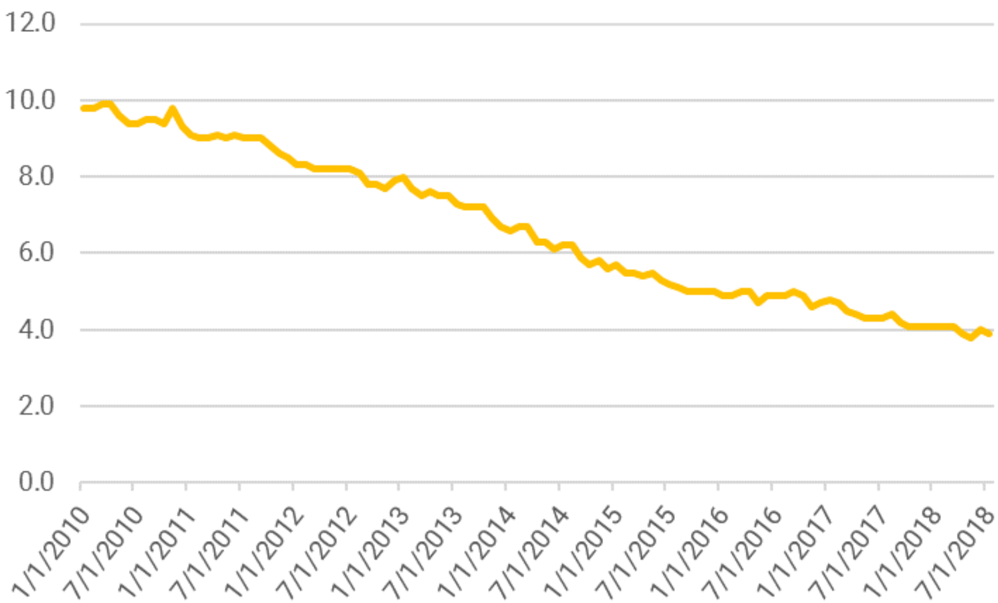
MARKET IMPLIED INFLATION (%)[2]

1. Based on seasonally adjusted average hourly earnings: total private industries (Y/Y)
2. Based on 5-year breakeven inflation rate

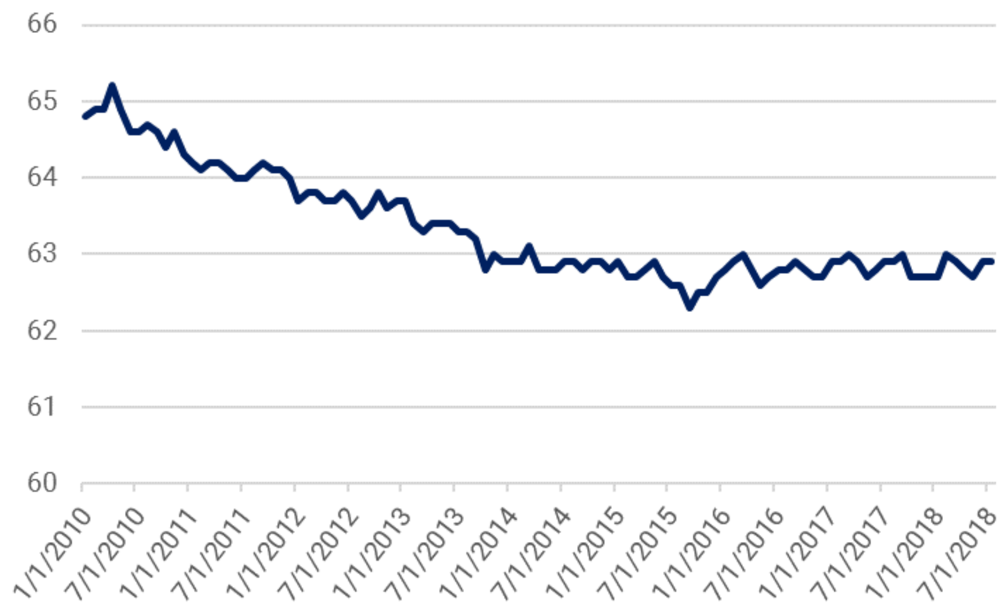
Sources: Bloomberg, US Bureau of Labor Statistics (BLS) and Federal Reserve Bank of St. Louis

SUPPORTIVE EMPLOYMENT TRENDS

UNEMPLOYMENT RATE (%)

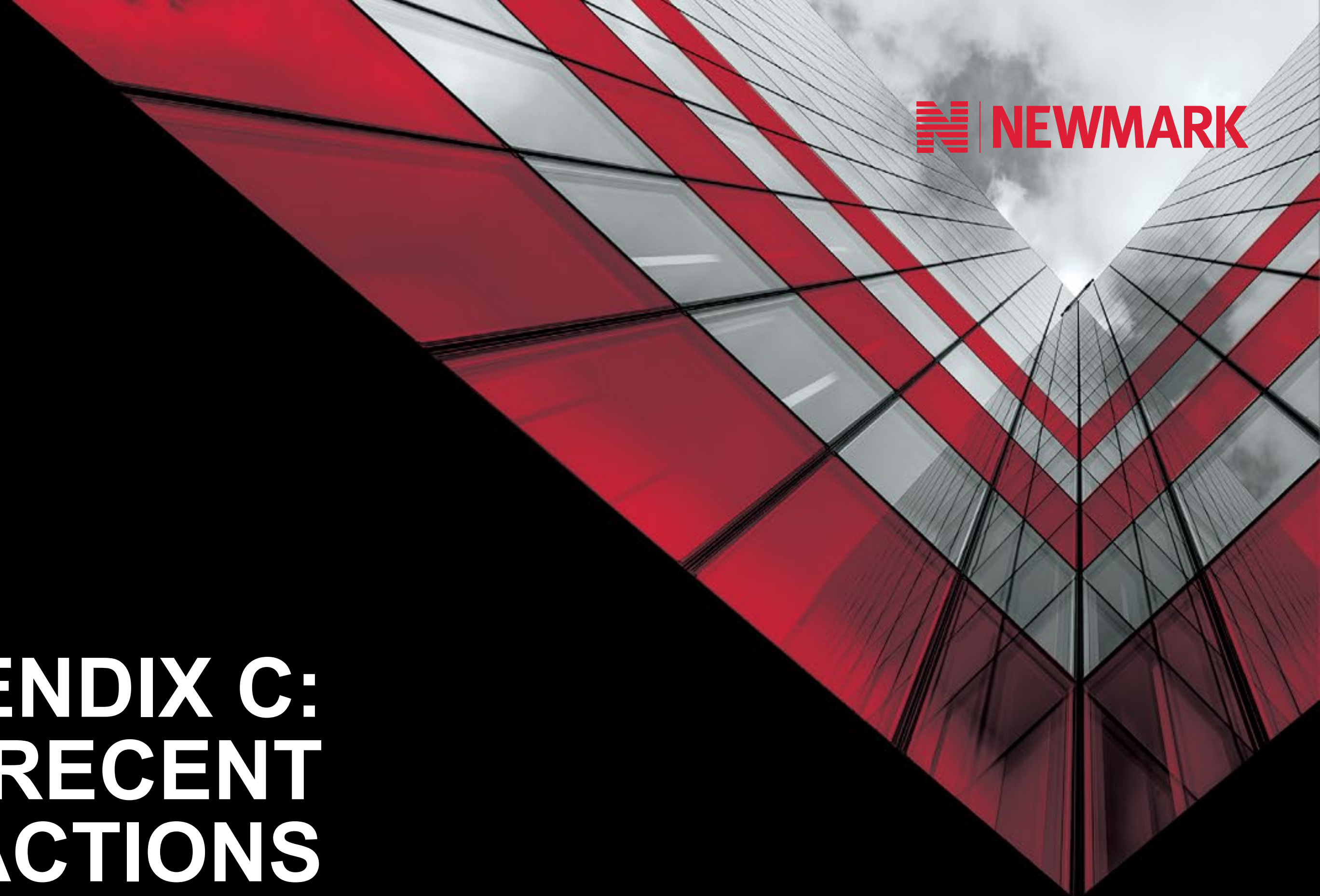


LABOR PARTICIPATION (%)



- Steady job growth and low levels of unemployment are a positive for the leasing market
- Labor participation remains near generational lows implying room for further job growth without spurring inflation

Source: US Bureau of Labor Statistics and Federal Reserve Bank of St. Louis



APPENDIX C: RECENT TRANSACTIONS

NEWMARK 3Q18 - RECENT TRANSACTIONS

LEASING ADVISORY

TYPE	PROPERTY NAME	LOCATION	SIZE	CLIENT
OFFICE	1173,1167 Coleman Avenue	San Jose, CA	358,062 SF Combined	Hunter Properties
OFFICE	700 Santana Row	San Jose, CA	291,000 SF	Federal Realty Investment Trust
OFFICE	21 Penn Plaza	New York, NY	236,191 SF	TH Real Estate
OFFICE	210 6th Ave	Pittsburgh, PA	126,763 SF	One Oliver Plaza Association
OFFICE	161 Avenue Of The Americas	New York, NY	107,000 SF	Steller Management/Imperium Capital
OFFICE	287 Park Ave S	New York, NY	103,321 SF	CL Investment Group
OFFICE	35 E 21st Street	New York, NY	102,955 SF	[illegible]

AGENCY ASSIGNMENT WINS

TYPE	PROPERTY NAME	LOCATION	SIZE	CLIENT
OFFICE	Moffett Towers	Sunnyvale, CA	3.79 Million SF Combined	Jay Paul Company
OFFICE	Moffet Place	Sunnyvale, CA	1.9 Million SF	Jay Paul Company
OFFICE	New Jersey	New Jersey	1.4 Million SF	Leading multi-national investment bank/financial services company
OFFICE	Harbour View	Redwood City, CA	1.3 Million	Jay Paul Company
OFFICE	S 1001 6th Avenue S	Seattle, WA	1.2 Million SF	Urban Visions

PROPERTY MANAGEMENT WINS

TYPE	PROPERTY NAME	LOCATION	SIZE	CLIENT
RETAIL	Toys R Us Assets	National	3,736,370 SF	TRU Trust 2016, LLC / Wells Fargo
INDUSTRIAL	Prophecy Massillion	Ohio	870,773 SF	Prophecy Massillion, LLC
RETAIL	Kornfeld Retail Portfolio	Colorado	664,172 SF	Kornfeld Real Estate, LLC
RETAIL	Feinberg Retail Portfolio	Colorado	474,181 SF	Feinberg Properties, LLC
OFFICE	Sunnyvale Technology Park	California	215,193 SF	Miramar Capital Advisors

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NEWMARK 3Q18 - RECENT TRANSACTIONS

CAPITAL MARKETS WINS				
TYPE	PROPERTY NAME	LOCATION	SIZE	CLIENT
REFINANCING	Tower 56	New York, NY	$125 Million	Pearlmark
OFFICE SALE	The Atrium	Irvine, CA	$106.75 Million	Barrings Real Estate
OFFICE SALE	City View Plaza	San Jose, CA	Confidential	Equus Capital Partners
OFFICE SALE	Castro Station	Mountain View, CA	Confidential	TH Real Estate

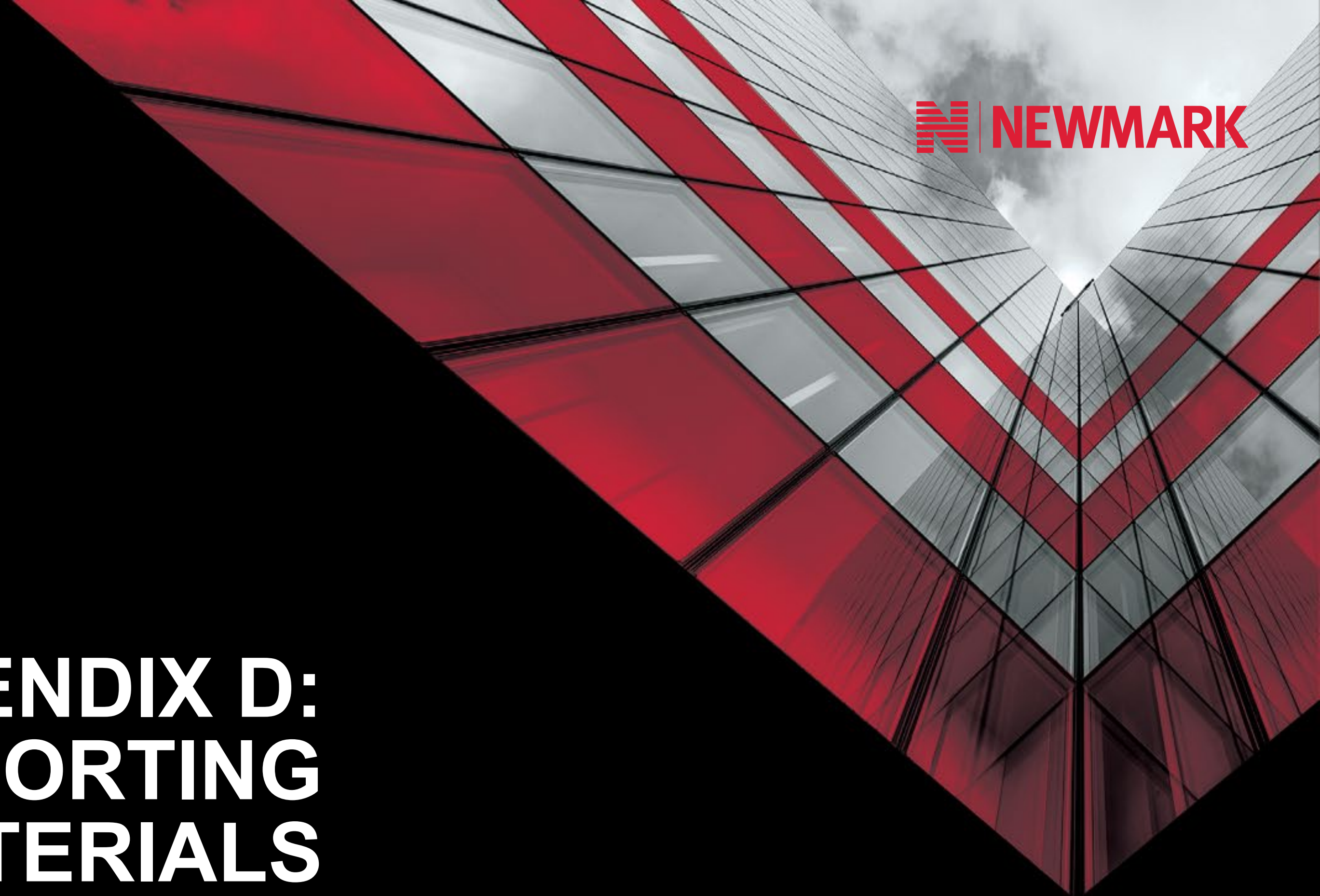
MULTIFAMILY WINS (Debt & Structured Finance)				
TYPE	PROPERTY/PORTFOLIO NAME	LOCATION	SIZE	CLIENT
MULTIFAMILY	Confidential	Multiple	$551,669,000	Confidential
MULTIFAMILY	Confidential	Multiple (12 Properties)	$345,547,000	Confidential
MULTIFAMILY	Town Walk	Hamden, CT	$111,000,000	Confidential
MULTIFAMILY	Confidential	Austin, TX	$89,235,000	Confidential
MULTIFAMILY	Inwood West	Woburn, MA	$80,000,000	Confidential

GCS WINS			
TYPE	LOCATION	SIZE	CLIENT
CONTRACT RENEWAL Full Scope of Services	Multi-National (200+ locations)	5 Million SF	CONFIDENTIAL - One of the largest multinational electronic manufacturing and imaging companies
CONTRACT RENEWAL Facilities Management and Lease Administration	National Portfolio (34 locations)	1 Million SF	Panasonic
NEW AGREEMENT Transaction Management and Program/Project Management (Panel Appointment)	Global	48 Million SF	Microsoft
NEW AGREEMENT Global Real Estate Provider	Global Portfolio (45 locations)	1.5 Million SF	CONFIDENTIAL - California-based growing technology firm

NEWMARK 3Q18 - RECENT TRANSACTIONS

VALUATION & ADVISORY

TYPE	TRANSACTION TYPE	LOCATION	SIZE	CLIENT
INDUSTRIAL	Valuation	98 assets, 16 states (Heavy concentration in GA, NC, CA and FL)	21.8 Million SF	Confidential
INDUSTRIAL	Valuation	Midwest	10 Million SF	Confidential - 2 major industrial, heavy mfg assets - Collaborated with NKF Consulting
OFFICE	Valuation - For Financing	New York City	2,628,718 SF	Confidential
OFFICE	Valuation - For Financing	New York City	1,432,545 SF	Confidential
OFFICE	Valuation - For Financing	New York City	1,281,698 SF	Confidential
MIXED USE - MULTIFAMILY	Property Tax Appeal	Houston	370,000 SF (Class A+, 330 units)	Confidential
OFFICE	Valuation	Oakland, CA	320,000 SF	Confidential
OFFICE	Valuation	San Francisco, CA	319,000 SF	Confidential
APARTMENT	Property Tax Appeal	Houston	250,000 SF (Class A+, 276 units)	Confidential
APARTMENTS	Valuation	San Francisco, CA	66 Properties	Confidential



APPENDIX D: SUPPORTING MATERIALS

SELECTED CONSOLIDATED ADJUSTED EARNINGS FINANCIAL RESULTS

Highlights of Consolidated Adjusted Earnings Results (USD millions, except per share data)	3Q 2018	3Q 2017	Change (%)
Revenues	$518.8	$398.2	30.3%
Pre-tax Adjusted Earnings before noncontrolling interest in subsidiaries and taxes	177.6	143.8	23.5%
Post-tax Adjusted Earnings	153.6	118.3	29.9%
Post-tax Adjusted Earnings per share	0.59	0.51	15.7%
Adjusted EBITDA	204.6	156.5	30.7%
Pre-tax Adjusted Earnings margin	34.2%	36.1%	
Post-tax Adjusted Earnings margin	29.6%	29.7%	

- On October 24, 2018, Newmark's Board of Directors declared a quarterly qualified cash dividend of $0.09 per share payable on November 28, 2018 to Class A and Class B common stockholders of record as of November 7, 2018. The ex-dividend date will be November 6, 2018
- As Newmark's initial public offering ("IPO") occurred in the fourth quarter of 2017, Newmark did not have any shares outstanding in the prior year periods for GAAP. Prior year pre-tax Adjusted Earnings per share and post-tax Adjusted Earnings per share are based on a methodology consistent with that used for the current year periods

Note: 3Q18 and 3Q17 include other income related to the Nasdaq shares of $84.9 million and $77.0 million, respectively. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP.

NEWMARK

RECONCILIATION OF GAAP INCOME (LOSS) TO ADJUSTED EBITDA (IN THOUSANDS)(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,		TTM Months Ended September 30,
	2018	2017	2018	2017	2018
GAAP Net income (loss) available to common stockholders	**$ 68,237**	**$ 98,807**	**$ 88,973**	**$ 190,663**	**$ 42,801**
Add back:					
Provision (benefit) for income taxes	35,870	1,989	53,625	3,396	107,707
Net income (loss) attributable to noncontrolling interest in subsidiaries	47,321	(337)	63,366	(29)	63,999
OMSR Revenue	(28,685)	(25,683)	(74,477)	(97,590)	(97,856)
MSR Amortization	21,011	19,482	54,561	52,398	74,681
Other Depreciation and Amortization	4,862	10,438	14,025	18,979	18,343
Depreciation and amortization	**25,873**	**29,920**	**68,586**	**71,377**	**93,024**
Grant of Exchangeability to limited partnership units (1)	12,238	3,924	94,321	27,606	156,151
Other non-cash equity based compensation and amortization (2)	9,177	31,255	14,365	47,309	33,956
Non-Recurring (Gains) / Losses	656	1,181	1,100	3,197	4,832
Other non-cash, non-dilutive, non-economic items (3)	(9,135)	1,164	(6,497)	3,717	(5,465)
Interest expense (4)	14,264	30	41,999	43	44,840
Allocations of net income	28,824	14,293	37,576	25,111	37,686
Adjusted EBITDA	**$ 204,640**	**$ 156,543**	**$ 382,937**	**$ 274,800**	**$ 481,677**

1. Represents non-cash and non-dilutive charges relating to grants of exchangeability to limited partnership units
2. Includes other equity based amortization and employee loans amortization and reserves
3. Includes 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 expected receipt of the Nasdaq payments in 2019, 2020, 2021 and 2022. Also includes certain other non-cash expenses
4. The Interest expense add back for Adjusted EBITDA excludes operating interest on Warehouse notes payable of $9.2 million and $4.4 million for the Three Months Ended September 30, 2018 and 2017 and $17.4 million and $15.8 million for the Nine Months Ended September 30, 2018 and 2017, respectively.

Note: TTM 3Q18 and TTM 3Q17 include other income related to the Nasdaq shares of $87.1 million and $77.0 million, respectively. 3Q18 and 3Q17 include other income related to the Nasdaq shares of $84.9 million and $77.0 million, respectively.

RECONCILIATION OF GAAP INCOME (LOSS) TO ADJUSTED EBITDA (IN THOUSANDS)(UNAUDITED) CONTINUED

	FY Ended December 31		
	FY 2017	FY 2016	FY 2015
Income (loss) before income taxes and non controlling interest	202,574	171,205	(9,370)
OMSR Revenue	(120,970)	(124,361)	(68,001)
MSR amortization	72,518	58,140	54,549
Other Depreciation and Amortization	23,297	14,057	17,225
Depreciation and Amortization	**95,815**	**72,197**	**71,774**
Grant of Exchangeability to limited partnership units[1]	89,435	45,573	130,640
Other non-cash equity based compensation and amortization[2]	66,902	40,554	61,207
Non-Recurring (Gains) / Losses	6,929	(14,410)	4,751
Other non-cash, non-dilutive, non-economic items[3]	4,749	-	-
Interest expense[4]	2,885	17	62
Allocation of net income	25,222	26,745	11,555
Adjusted EBITDA	**$373,541**	**$217,520**	**$202,618**

1. Represents non-cash and non-dilutive charges relating to grants of exchangeability to limited partnership units
2. Includes other equity based amortization and employee loans amortization and reserves
3. Includes 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 expected receipt of the Nasdaq payments in 2019 and 2020. Also includes certain other non-cash expenses
4. The Interest expense add back for Adjusted EBITDA excludes operating interest on Warehouse notes payable of $20.3 million, $11.5 million and $9.5 million for the years ended 2017, 2016 and 2015, respectively. FY 2017 Adjusted EBITDA includes other income related to the Nasdaq shares of $76.3 million.

RECONCILIATION OF ADJUSTED EBITDA MARGINS (IN THOUSANDS)(UNAUDITED) CONTINUED

	Month Ended September 30		
	TTM 3Q18	**YTD 3Q18**	**YTD 3Q17**
Revenues			
Commissions	1,172,900	859,908	701,724
Gains from mortgage banking activities, net	174,500	132,763	164,263
Management services, servicing fees and other	529,064	423,217	269,887
Total Revenues	**1,876,464**	**1,415,888**	**1,135,874**
Adjusted EBITDA	**$481,677**	**$382,937**	**$274,800**
EBITDA Margin	**25.7%**	**27.0%**	**24.2%**

	Year Ended December 31		
	FY 2017	**FY 2016**	**FY 2015**
Revenues			
Commissions	1,014,716	849,419	806,931
Gains from mortgage banking activities, net	206,000	193,387	115,304
Management services, servicing fees and other	375,734	307,177	278,012
Total Revenues	**1,596,450**	**1,349,983**	**1,200,247**
Adjusted EBITDA	**$373,541**	**$217,520**	**$202,618**
EBITDA Margin	**23.4%**	**16.1%**	**16.9%**

Note: TTM 3Q18 and TTM 3Q17 include other income related to the Nasdaq shares of $87.1 million and $77.0 million, respectively. 3Q18 and 3Q17 include other income related to the Nasdaq shares of $84.9 million and $77.0 million, respectively.

RECONCILIATION OF CREDIT METRICS (IN THOUSANDS)(UNAUDITED) CONTINUED

Newmark Group, Inc.	TTM Q318	FY 2017
Cash and cash equivalents	$70,607	$121,027
Current portion of debt payable to related parties	$112,500	-
Total Long-term Debt	**$433,950**	**$1,083,210**
Net Debt[1]	**$475,843**[2]	**$962,183**
Newmark Group, Inc.	**TTM Q318**	**FY 2017**
Adjusted EBITDA TTM	**$ 481,677**	**$ 373,541**
Net Leverage Ratio: Net Long-term Debt / Adjusted EBITDA	**1.0x**	**2.6x**

1. Net Debt is the sum of "Total Long-term Debt" and $112.5 million of the "Current portion of payables to related parties", less "Cash and cash equivalents"
2. On September 4, 2018 Newmark borrowed $112.5 million at a 6.5% annual interest rate from BGC in order to redeem the $112.5 million, 8.125% Notes. Asa result, long-term debt decreased by $112.5 million and there was a corresponding increase in "Current portion of debt payable to related parties". This $112.5 million is a subset of the total amount of "Current portion of debt payable to related parties" on Newmark's balance sheet, which was $398.0 million as of September 30, 2018

Note: This table does not include restricted cash or marketable securities. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" above and the Appendix for further information and a reconciliation to GAAP. TTM 3Q18 and FY 2017 includes other income related to the Nasdaq shares of $87.1 million and $76.3 million, respectively.

RECONCILIATION OF GAAP INCOME (LOSS) TO ADJUSTED EARNINGS 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,		TTM Ended September 30,	
	2018	2017	2018	2017	2018	2017
Net income (loss) available to common stockholders	$ 68,237	$ 98,807	$ 88,973	$ 190,663	$ 42,801	$ 243,116
Provision (benefit) for income taxes	35,870	1,989	53,625	3,396	107,707	5,406
Net income (loss) attributable to noncontrolling interest in subsidiaries	47,321	(337)	63,366	(29)	63,999	(98)
Pre-tax adjustments:						
Reserves on employee loans	-	22,700	-	22,700	3,355	25,842
OMSR Revenue	(28,685)	(25,683)	(74,477)	(97,590)	(97,855)	(131,064)
MSR amortization	21,011	19,482	54,561	52,398	74,681	62,267
Grant of exchangeability to limited partnership units	12,239	3,924	94,322	27,605	156,151	52,805
Intangible Asset Amortization	1,238	7,481	4,008	10,178	4,875	11,545
Non recurring (Gains) / Losses	656	1,181	1,099	3,197	4,831	4,715
Other non-cash, non-dilutive, non-economic items (1)	(9,135)	-	(6,327)	-	3,673	-
Allocation of Net Income	28,824	14,293	37,576	25,111	37,687	32,227
Total pre-tax adjustments	26,148	43,378	110,762	43,599	187,398	58,337
Pre-tax Adjusted Earnings	**$ 177,576**	**$ 143,837**	**$ 316,726**	**$ 237,629**	**$ 401,906**	**$ 306,762**
GAAP Net income (loss) available to common stockholders	$ 68,237	$ 98,807	$ 88,973	$ 190,663	$ 42,801	$ 243,116
Allocation of net income (loss) to noncontrolling interest in subsidiaries	46,906	$ -	61,904	-	61,904	-
Total pre-tax adjustments (from above)	26,148	$ 43,378	110,762	43,599	187,398	58,337
Income tax adjustment to reflect adjusted earnings taxes	12,324	$ (23,902)	11,625	(39,378)	50,375	(50,364)
Post-tax Adjusted Earnings	**$ 153,615**	**$ 118,283**	**$ 273,264**	**$ 194,884**	**$ 342,478**	**$ 251,089**
Per Share Data:						
GAAP fully diluted earnings per share	$ 0.43	N/A	$ 0.56	N/A	N/A	N/A
Less: Allocations of net income to limited partnership units and FPUs, net of tax	0.00	N/A	0.02	N/A	N/A	N/A
Exchangeable preferred limited partnership units non-cash preferred dividends	0.01	N/A	0.01	N/A	N/A	N/A
Total pre-tax adjustments (from above)	0.10	N/A	0.43	N/A	N/A	N/A
Income tax adjustment to reflect adjusted earnings taxes	0.05	N/A	0.05	N/A	N/A	N/A
Post-tax adjusted earnings per share	$ 0.59	$ 0.51	$ 1.07	$ 0.85	N/A	N/A
Pre-tax adjusted earnings per share	$ 0.67	$ 0.62	$ 1.23	$ 1.04	N/A	N/A
Fully diluted weighted-average shares of common stock outstanding	262,532	230,882	256,085	228,158	N/A	N/A

1. Includes the impact of any unrealized non-cash mark-to-market gains or losses on “other income (loss)” related to the variable share forwards (“Nasdaq Forwards”) agreement with respect to Newmark’s expected receipt of the Nasdaq payments in 2019, 2020, 2021 and 2022.

NEWMARK

FULLY DILUTED WEIGHTED-AVERAGE SHARE COUNT FOR GAAP AND ADJUSTED EARNINGS (IN THOUSANDS)(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017 (1)	2018	2017 (1)
Common stock outstanding	155,152	N/A	155,348	N/A
Limited partnership units	-	N/A	-	N/A
Cantor units	23,491	N/A	23,668	N/A
Founding partner units	5,635	N/A	5,688	N/A
RSUs	157	N/A	197	N/A
Other	699	N/A	659	N/A
Fully diluted weighted-average share count for GAAP	**185,134**	**-**	**185,560**	**-**
Adjusted Earnings Adjustments:				
Common stock outstanding	-	N/A	-	N/A
Limited partnership units	77,398	N/A	70,526	N/A
Cantor units	-	N/A	-	N/A
Founding partner units	-	N/A	-	N/A
RSUs	-	N/A	-	N/A
Other	-	N/A	-	N/A
Fully diluted weighted-average share count for Adjusted Earnings	**262,532**	**230,882**	**256,086**	**228,158**

Note:

(1) This methodology divides the relevant historical weighted average share counts of BGC Partners by 2.2 and adds the 23.0 million shares of NMRK Class A common stock issued in the IPO as though they were issued and outstanding for the entire relevant period. BGC's fully diluted weighted average share count for the three and nine months ended September 30, 2017 was 457.3 and 451.3 million, respectively.

Newmark's post-tax Adjusted Earnings per share for the three and nine months ended September 30, 2018 and 2017 under this methodology is $0.59 and $1.07, and $0.51 and $0.85, respectively.

RECONCILIATION OF OPERATING CASH FLOW (EXCLUDING ACTIVITY FROM LOAN ORIGINATIONS AND SALES) TO ADJUSTED EBITDA

	Nine Months Ended September 30,	
	2018	**2017**
Adjusted EBITDA	**383**	**275**
Nasdaq recognition	(85)	(77)
Interest expense	(42)	(0)
Employee loans for hiring	(84)	(35)
Change in working capital	(38)	8
Grant of exchangeability to limited partnership units (1)	-	(28)
Allocations of net income (1)	-	(25)
Equity amortization (1)	-	(18)
Net cash provided by (used in) operations excluding activity from loan originations and sales	**134**	**99**

(1) Prior to Newmark's separation from BGC in Dec 2017, Grant of Exchangeability, Allocation of Net Income, and Equity Amortization resulted in cash payments to the Parent

- 3Q18 YTD net cash provided by (used in) operating activities excluding activity from loan originations and sales increased 35% year-over-year to $134 million

Note: Future periods will also include a difference for corporate tax payments.

DIFFERENCES BETWEEN CONSOLIDATED RESULTS FOR ADJUSTED EARNINGS AND GAAP

Differences between Consolidated Results for Adjusted Earnings and GAAP

The following sections describe the main differences between results as calculated for Adjusted Earnings and GAAP for the periods discussed herein.

Differences between Compensation Expenses for Adjusted Earnings and GAAP

In the third quarter 2018, the difference between compensation expenses as calculated for GAAP and Adjusted Earnings included non-cash, non-dilutive net charges related to $12.2 million in grants of exchangeability with respect to units of BGC held by certain Newmark partners and $28.8 million in allocation of net income to limited partnership units and FPUs.

In the third quarter 2017, the difference between compensation expenses as calculated for GAAP and Adjusted Earnings included non-cash, non-dilutive net charges related to the $3.9 million in grants of exchangeability; and $14.3 million in allocation of net income to limited partnership units and FPUs.

In the first nine months of 2018, the difference between compensation expenses as calculated for GAAP and Adjusted Earnings included non-cash, non-dilutive net charges related to $94.3 million in grants of exchangeability with respect to units of BGC held by certain Newmark partners and $37.6 million in allocation of net income to limited partnership units and FPUs.

In the first nine months of 2017, the difference between compensation expenses as calculated for GAAP and Adjusted Earnings included non-cash, non-dilutive net charges related to the $27.6 million in grants of exchangeability; and $25.1 million in allocation of net income to limited partnership units and FPUs.

Impact of OMSRs and MSRs on Non-Compensation Expenses for Adjusted Earnings

GAAP income from operations before income taxes for the third quarter 2018 includes a $7.7 million non-cash gain attributable to OMSRs net of MSRs. In the year earlier period, the comparable gain attributable to OMSRs net of amortization of MSRs was $6.2 million. These non-cash GAAP net gains were excluded from pre-tax Adjusted Earnings calculations as an adjustment to non-compensation expenses.

GAAP income from operations before income taxes for the first nine months of 2018 includes a $19.9 million non-cash gain attributable to OMSRs net of MSRs. In the year earlier period, the comparable gain attributable to OMSRs net of amortization of MSRs was $45.2 million. These non-cash GAAP net gains were excluded from pre-tax Adjusted Earnings calculations as an adjustment to non-compensation expenses.

Other Differences between Non-compensation Expenses for Adjusted Earnings and GAAP

In addition to the adjustments related to OMSRs and MSRs, the difference between non-compensation expenses in the third quarter 2018 as calculated for GAAP and Adjusted Earnings also included $1.2 million of non-cash GAAP charges related to amortization of intangibles; and $0.7 million of non-recurring costs.

In addition to the adjustments related to OMSRs and MSRs, the difference between non-compensation expenses in the third quarter 2017 as calculated for GAAP and Adjusted Earnings included $7.5 million of non-cash GAAP charges related to amortization of intangibles and $1.2 million of non-recurring costs.

The difference between non-compensation expenses in the first nine months of 2018 as calculated for GAAP and Adjusted Earnings included $4.0 million of non-cash GAAP charges related to amortization of intangibles and $1.1 million of non-recurring costs. The difference between non-compensation expenses in the first nine months of 2017 as calculated for GAAP and Adjusted Earnings included $10.2 million of non-cash GAAP charges related to amortization of intangibles and $3.2 million of non-recurring costs associated with the IPO.

DIFFERENCES BETWEEN CONSOLIDATED RESULTS FOR ADJUSTED EARNINGS AND GAAP (CONTINUED)

Differences between Other income (loss) for Adjusted Earnings and GAAP

GAAP income from operations before income taxes for the third quarter and first nine months of 2018 includes non-cash gains of $9.1 million and $6.3 million, respectively, attributable to unrealized non-cash mark-to-market movements related to the Nasdaq Forwards as part of “other income (loss)”. These non-cash GAAP gains were excluded from pre-tax Adjusted Earnings calculations, as Newmark expects to redeem these EPUs with Nasdaq shares. In the year earlier periods, there was no comparable gain or loss attributable to these non-cash items.

Differences between Taxes for Adjusted Earnings and GAAP

Newmark’s GAAP provision for income taxes is calculated based on an annualized methodology. The Company’s GAAP provision for income taxes was $35.9 million for the third quarter 2018. The Company includes additional tax-deductible items when calculating the provision for taxes with respect to Adjusted Earnings using an annualized methodology. These include tax-deductions related to equity-based compensation with respect to limited partnership unit exchange, employee loan amortization, and certain net-operating loss carryforwards. The provision for income taxes with respect to Adjusted Earnings was modified by $12.3 million for the third quarter 2018. As a result, the provision for income taxes for Adjusted Earnings was $23.5 million for third quarter 2018.

Newmark’s GAAP provision for income taxes was $2.0 million for the third quarter 2017. The Company’s provision for income taxes with respect to Adjusted Earnings was modified by $23.9 million for the third quarter 2017 using the same methodology described above. As a result, the provision for income taxes for Adjusted Earnings was $25.9 million for third quarter 2017. The Company did not include the effect of the 2017 U.S. Tax Cuts and Jobs Act when calculating the Adjusted Earnings provision for income taxes for 2017.

Newmark’s GAAP provision for income taxes is calculated based on an annualized methodology. The Company’s GAAP provision for income taxes was $53.6 million for the first nine months of 2018. The Company includes additional tax-deductible items when calculating the provision for taxes with respect to Adjusted Earnings using an annualized methodology. These include tax-deductions related to equity-based compensation with respect to limited partnership unit exchange, employee loan amortization, and certain net-operating loss carryforwards. The provision for income taxes with respect to Adjusted Earnings was modified by $11.6 million for the first nine months of 2018. As a result, the provision for income taxes for Adjusted Earnings was $42.0 million for the first nine months of 2018.

Newmark’s GAAP provision for income taxes was $3.4 million for the first nine months of 2017. The Company’s provision for income taxes with respect to Adjusted Earnings was modified by $39.4 million for the first nine months of 2017 using the same methodology described above. As a result, the provision for income taxes for Adjusted Earnings was $42.8 million for first nine months of 2017. The Company did not include the effect of the 2017 U.S. Tax Cuts and Jobs Act when calculating the Adjusted Earnings provision for income taxes for 2017.

Differences between Earnings Per Share for Adjusted Earnings and GAAP

For the third quarter and first nine months of 2018, earnings per share calculations under GAAP included reductions for EPUs of $1.7 million and $1.9 million, respectively. For Adjusted Earnings these non-cash preferred dividends are excluded as Newmark expects to redeem these EPUs with Nasdaq shares.

ADJUSTED EARNINGS DEFINED

Adjusted Earnings Defined

Newmark uses non-GAAP financial measures including, but not limited to, “pre-tax Adjusted Earnings” and “post-tax Adjusted Earnings,” which are supplemental measures of operating results that are 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 available for, among other things, dividends and/or distributions to Newmark’s common stockholders and holders of Newmark Holdings partnership units during any period.

As compared with items such as “Income (loss) before income taxes and noncontrolling interests” and “Net income (loss) for fully diluted shares” all prepared in accordance with GAAP, Adjusted Earnings calculations primarily exclude certain non-cash compensation 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 described below. In addition, Adjusted Earnings calculations exclude certain gains and charges that management believes do not best reflect the ordinary operating results of Newmark.

Adjustments Made to Calculate Pre-Tax Adjusted Earnings

Newmark defines pre-tax Adjusted Earnings as GAAP income (loss) from operations before income taxes and noncontrolling interest in subsidiaries, excluding certain items such as:

- 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 expected receipt of the Nasdaq payments in 2019, 2020, 2021, and 2022 (the “Nasdaq Forwards”);
- Non-cash asset impairment charges, if any;
- Allocations of net income to limited partnership units;
- Non-cash charges related to the amortization of intangibles with respect to acquisitions; and
- Non-cash charges relating to grants of exchangeability to limited partnership units.

Virtually all of the Company’s key executives and producers have partnership or equity stakes in the Company and receive deferred equity or limited partnership units as part of their compensation. A significant percentage of Newmark’s fully diluted shares are owned by the Company’s executives, partners and employees. The Company issues limited partnership units and grants exchangeability to unit holders to provide liquidity to Newmark’s employees, to align the interests of the Company’s 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 revenue growth.

When the Company issues limited partnership units, the shares of common stock into which the units can be ultimately exchanged are included in Newmark’s fully diluted share count for Adjusted Earnings at the beginning of the subsequent quarter after the date of grant. Newmark includes such shares in the Company’s fully diluted share count when the unit is granted because the unit holder is expected to be paid a pro-rata distribution based on Newmark’s calculation of Adjusted Earnings per fully diluted share and because the holder could be granted the ability to exchange their units into shares of common stock in the future. Non-cash charges with respect to grants of exchangeability reflect the value of the shares of common stock into which the unit is exchangeable when the unit holder is granted exchangeability not previously expensed in accordance with GAAP. The amount of non-cash charges relating to grants of exchangeability the Company uses to calculate pre-tax Adjusted Earnings on a quarterly basis is based upon the Company’s estimate of expected grants of exchangeability to limited partnership units during the annual period, as described further below under “Adjustments Made to Calculate Post-Tax Adjusted Earnings”.

ADJUSTED EARNINGS DEFINED (CONTINUED)

Adjusted Earnings also excludes non-cash GAAP gains attributable to originated mortgage servicing rights (which Newmark refer to as “OMSRs”) and non-cash GAAP amortization of mortgage servicing rights (which the Company refers to as “MSRs”). Under GAAP, the Company recognizes OMSRs gains 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.

Additionally, Adjusted Earnings calculations exclude certain unusual, one-time or non-recurring items, if any. These items are excluded from Adjusted Earnings because the Company views excluding such items as a better reflection of the ongoing, ordinary operations of Newmark. Newmark’s definition of Adjusted Earnings also excludes certain gains and charges with respect to acquisitions, dispositions, or resolutions of litigation. Management believes that excluding such gains and charges also best reflects the ongoing operating performance of Newmark.

Adjustments Made to Calculate Post-Tax Adjusted Earnings

Because Adjusted Earnings are calculated on a pre-tax basis, Newmark also intends to report post-tax Adjusted Earnings to fully diluted stockholders. Newmark defines post-tax Adjusted Earnings to fully diluted stockholders as pre-tax Adjusted Earnings reduced by the non-GAAP tax provision described below.

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 (loss) from operations before income taxes and noncontrolling interests in subsidiaries and the expected inclusions and deductions for income tax purposes, including expected grants of exchangeability to limited partnership units during the annual period. The resulting annualized tax rate is applied to Newmark’s quarterly GAAP income (loss) from operations before income taxes and noncontrolling interests in subsidiaries. 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 non-cash charges with respect to grants of exchangeability, 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 previously described adjustments, the result is the Company’s taxable income for Newmark’s pre-tax Adjusted Earnings, to which the Company then applies the statutory tax rates. This amount is the Company’s non-GAAP tax provision. Newmark views the effective tax rate on pre-tax Adjusted Earnings as equal to the amount of Newmark’s 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 non-cash charges relating to the grants of exchangeability to limited partnership units. Because the non-cash charges relating to the grants of exchangeability are deductible in accordance with applicable tax laws, increases in exchangeability have the effect of lowering the Company’s non-GAAP effective tax rate and thereby increasing Newmark’s post-tax Adjusted Earnings.

Management uses post-tax Adjusted Earnings in part to help it evaluate, among other things, the overall performance of the 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.

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 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 Company would expect to pay if 100 percent of earnings were taxed at global corporate rates.

ADJUSTED EARNINGS DEFINED (CONTINUED)

Calculations of Pre-Tax and Post-Tax Adjusted Earnings per Share
Newmark's 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 interest 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 interest expense, net of tax.

The share count for Adjusted Earnings excludes certain shares 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 common 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 fully diluted 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 pre-tax Adjusted Earnings using the fully diluted share count. 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.

In addition, the non-cash preferred dividends are excluded from Adjusted Earnings per share as Newmark expects to redeem the related EPUs with Nasdaq shares.

Other Matters with Respect to Adjusted Earnings

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 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 Adjusted Earnings measures and the GAAP measures of financial performance should be considered together.

Newmark anticipates providing forward-looking guidance for GAAP revenues and for certain Adjusted Earnings measures from time to time. However, the Company does not anticipate providing an outlook for GAAP results other than revenue. This is because certain GAAP items, which are excluded from Adjusted Earnings, are difficult to forecast with precision before the end of each period. The Company therefore believes that it is not possible to forecast GAAP results or to quantitatively reconcile GAAP results to non-GAAP results with sufficient precision unless Newmark makes unreasonable efforts. The items that are difficult to predict on a quarterly basis with precision and which can have a material impact on the Company's GAAP results include, but are not limited, to the following:

- Allocations of net income and grants of exchangeability to limited partnership units, which are determined at the discretion of management throughout and up to the period-end;
- The impact of certain marketable securities, as well as any gains or losses related to associated mark-to- market movements and/or hedging including with respect to the Nasdaq Forwards. 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; and
- Acquisitions, dispositions and/or resolutions of litigation, which are fluid and unpredictable in nature.

ADJUSTED EBITDA DEFINED

Adjusted EBITDA

Newmark provides a non-GAAP financial performance measure, “Adjusted EBITDA,” which the Company defines as “Net income (loss) for fully diluted shares” derived in accordance with GAAP and adjusted for the addition of the following items:

- Provision (benefit) for income taxes;
- Net income (loss) attributable to noncontrolling interest;
- Employee loan amortization and reserves on employee loans;
- Interest expense;
- Fixed asset depreciation and intangible asset amortization;
- Non-cash charges relating to grants of exchangeability to limited partnership units;
- Other non-cash charges related to equity-based compensation;
- Other non-cash income (loss); and
- Net non-cash GAAP gains related to OMSRs and MSRs amortization.

The Company also excludes GAAP charges with respect to allocations of net income to limited partnership units. Such allocations represent the pro-rata portion of pre-tax earnings available to such unit holders. These units are included in the fully-diluted share count, and are exchangeable on a one-to-one basis, subject to certain adjustments, into shares of Newmark’s Class A common stock. As these units are exchanged into shares of the Company’s Class A common stock, unit holders will become entitled to cash dividends paid on the shares of the Class A common stock rather than cash distributions in respect of the units. The Company views such allocations as economically equivalent to dividends on common shares. Because dividends paid to common shares are not an expense under GAAP, management believes similar allocations of income to unit holders should also be excluded by investors when analyzing Newmark’s results on a fully-diluted basis with respect to Adjusted EBITDA.

The Company’s management believes that Adjusted EBITDA is useful in evaluating Newmark’s operating performance, because the calculations of this measure generally eliminate 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 Adjusted EBITDA to evaluate operating performance and for other discretionary purposes. Newmark believes that Adjusted EBITDA is useful to investors to assist them in achieving a more complete picture of the Company’s financial condition and results of operations.

Because Adjusted EBITDA is not a recognized measurement under GAAP, investors should use this measure in addition to “Net income (loss) for fully diluted shares” when analyzing Newmark’s operating performance. Because not all companies use identical Adjusted 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 Adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

See the reconciliation table “Reconciliation of GAAP Income (Loss) to Adjusted EBITDA” elsewhere in this document for additional information on this topic.

DIVIDEND POLICY & ASC 606

Newmark Dividend Policy

Newmark's board of directors has authorized a dividend policy that reflects its intention to pay a quarterly dividend, starting with the first quarter of 2018. Any dividends to Newmark's common stockholders will be calculated based on its expected post-tax Adjusted Earnings per fully diluted share, as a measure of net income for the year. See Newmark's 10-Q for a definition of "post-tax Adjusted Earnings" per fully diluted share.

Newmark currently expects that, in any year, its aggregate quarterly dividends will be equal to or less than its estimate at the end of the first quarter of such year of 25% of its post-tax Adjusted Earnings per fully diluted share to its common stockholders for such year. The declaration, payment, timing and amount of any future dividends payable by Newmark will be at the discretion of its board of directors; provided that any dividend to its common stockholders that would result in the dividends for a year exceeding 25% of its post-tax Adjusted Earnings per fully diluted share for such year shall require the consent of the holder of a majority of the Newmark Holdings exchangeable limited partnership interests, which is currently Cantor.

For the third quarter of 2018, Newmark's board of directors declared a dividend of 9 cents per share based on management's current expectation of its post-tax Adjusted Earning per fully diluted share for the year, and has indicated that it expects such dividend to remain consistent for the full year. To the extent that 25% of Newmark's post-tax Adjusted Earnings per fully diluted share for the year exceeds this dividend on an annualized basis (i.e. an expected aggregate of $0.36 for four quarters), Newmark does not expect that its board of directors will increase the amount of the quarterly dividend payment during the year, or make downward adjustments in the event of a shortfall, although no assurance can be given that adjustments will not be made during the year. Newmark has indicated that it expects to announce the annual expected dividend rate in the first quarter of each year.

Impact of Adopting Revenue Recognition Guidance

On January 1, 2018, we adopted ASC 606, which provides accounting guidance on the recognition of revenues from contracts with customers and impacts the presentation of certain revenues and expenses in our Condensed Consolidated Statements of Operations. Newmark elected to adopt ASC 606 using a modified retrospective approach with regard to contracts that were not completed as of December 31, 2017, and prospectively from January 1, 2018 onward. Accordingly, our financial information have not been revised for historical comparable periods and are presented under the accounting standards in effect during those periods. Due to the adoption of ASC 606, for all periods from the first quarter of 2018 onward, Newmark did not and will not record revenues or earnings related to "Leasing and other commissions" with respect to contingent revenue expected to be received in future periods as of December 31, 2017, in relation to contracts signed prior to January 1, 2018, for which services have already been completed. Instead, the Company recorded this contingent revenue and related commission payments on the balance sheet on January 1, 2018, with a corresponding pre-tax improvement of approximately $22.7 million and Newmark recognized an increase of $16.5 million and $2.3 million to beginning retained earnings and non-controlling interest, respectively, as a cumulative effect of adoption of an accounting change. Over time, the Company expects to receive $23 million of cash related to these "Leasing and other commissions" receivables, primarily over the course of 2018 and 2019. This cash, however, will not be recorded as GAAP net income. Additionally, prior to the adoption of ASC 606, Newmark presented certain management services expenses incurred on behalf of customers, subject to reimbursement, on a net basis. Under ASC 606, Newmark concluded that it controls the services provided by a third party on behalf of customers and, therefore, acts as a principal under those contracts and will present the related expenses on a gross basis in our Condensed Consolidated Statements of Operations, with no impact on net income available to common stockholders.

ASC 606 does not apply to revenue associated with financial instruments, including loans and securities that are accounted for under other U.S. GAAP guidance, and as a result, did not have an impact on the elements of our Condensed Consolidated Statements of Operations most closely associated with financial instruments, including Commissions, Gains from mortgage banking activities/originations, net and Servicing fees.

There was no significant impact as a result of applying ASC 606 to our results of operations for the three months ended September 30, 2018, except as it relates to the recognition and presentation of Management services, servicing fees and other revenues that contained future contingencies and certain Operating, Administrative and Other expenses subject to reimbursement.

Refer to Newmark's Quarterly Reports on Form 10-Q and Form 10-K for further information.