

AD-58457-04-JK

BGC PARTNERS, INC.

NASDAQ: BGCP

EARNINGS PRESENTATION 4Q 2021



DISCUSSION OF FORWARD-LOOKING STATEMENTS ABOUT BGC

Statements in this document regarding 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. 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, BGC 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 BGC’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 REGARDING FINANCIAL TABLES AND METRICS

Excel versions of certain tables in this document are available for download online. The Excel tables may include other useful information that may not be contained herein, including certain of BGC’s financial results and metrics from the current period to as far back as the first quarter of 2019. These excel tables are accessible in the various financial results press releases at the “Investor Relations” section of <http://www.bgcpartners.com>. They are also available directly at <http://ir.bgcpartners.com/news-releases/news-releases>.

OTHER ITEMS OF NOTE

Unless otherwise stated, all results provided in this document compare the fourth quarter of 2021 with the year-earlier period. Certain reclassifications/recasts may have been made to previously reported amounts to conform to the current presentation and to show results on a consistent basis across periods.

Please see the sections titled “Impact of COVID-19 on Employees” and “Impact of COVID-19 on the Company’s Results” in the Company’s most recent report on Form 10-K or Form 10-Q for the impact of the pandemic on the Company’s employees, clients, and results.

NON-GAAP FINANCIAL MEASURES

This presentation should be read in conjunction with BGC’s most recent financial results press releases and filings or reports on Form 10-K, Form 10-Q or Form 8-K. Throughout this presentation, BGC refers to certain non-GAAP financial measures, including Adjusted Earnings, Adjusted EBITDA and Liquidity. All non-GAAP results discussed herein are comparable to and reconciled with the most directly comparable GAAP figures. For an updated complete description of Adjusted Earnings, Adjusted EBITDA and Liquidity, and how, when, and why management uses these and other non-GAAP measures, as well as reconciliations of these measures to the comparable GAAP measures, and more information regarding GAAP and non-GAAP results, see the “Appendix” section of this presentation. Below under “Highlights of Consolidated Results” is a summary of certain GAAP and non-GAAP results for BGC. Results on a GAAP and non-GAAP basis are included towards the end of this presentation, with appropriate reconciliations provided in the “Appendix” section noted above and in our most recent financial results press release and/or are available at <http://ir.bgcpartners.com>.

Note: Certain numbers may not add due to rounding.

HIGHLIGHTS OF CONSOLIDATED RESULTS: 4Q 2021 & FY 2021

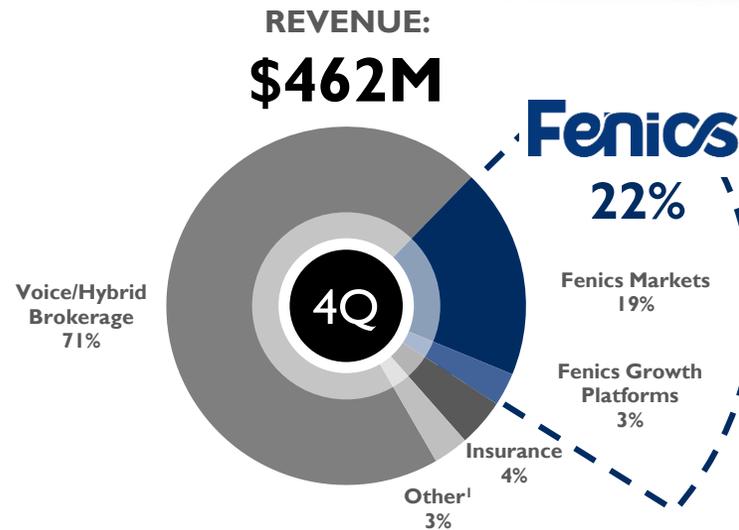


Highlights of Consolidated Results	4Q 2021	4Q 2020	Change	FY 2021	FY 2020	Change
(USD millions, except per share data)						
Revenues	\$461.6	\$479.4	(3.7)%	\$2,015.4	\$2,056.8	(2.0)%
Revenues (excluding Insurance)	441.7	430.3	2.7%	1,837.0	1,873.4	(1.9)%
GAAP income (loss) from operations before income taxes	104.8	(22.0)	576.8%	176.5	72.2	144.4%
GAAP net income (loss) for fully diluted shares	103.0	(4.0)	2,657.4%	174.0	64.8	168.6%
Adjusted Earnings before noncontrolling interest in subsidiaries and taxes	86.5	79.3	9.2%	377.0	349.8	7.8%
Post-tax Adjusted Earnings	87.9	73.5	19.5%	350.4	312.8	12.0%
Adjusted EBITDA	230.3	107.4	114.4%	588.3	428.1	37.4%
GAAP fully diluted earnings (loss) per share	\$0.20	(\$0.01)	2,100.0%	\$0.32	\$0.12	166.7%
Post-tax Adjusted Earnings per share	\$0.17	\$0.13	30.8%	\$0.65	\$0.57	14.0%

BUSINESS OVERVIEW: 4Q 2021 & FY 2021



4Q 2021

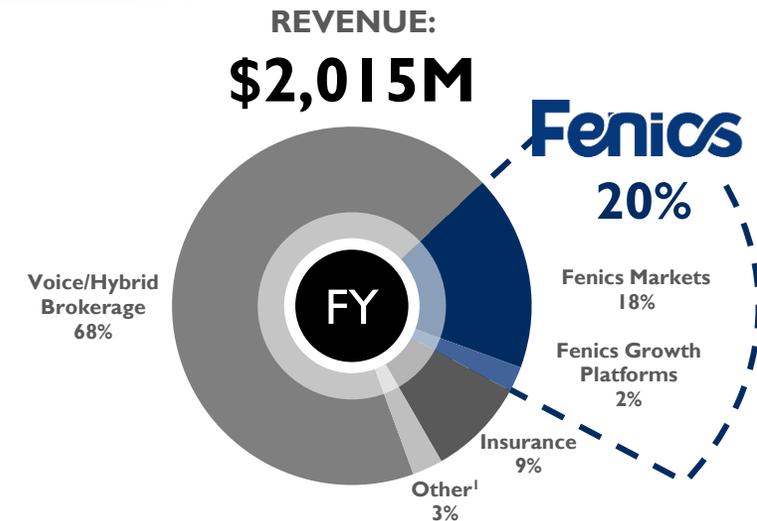


PRE-TAX ADJ. EARNINGS:

\$87M

(PRE-TAX ADJ. EARNINGS MARGIN: 18.7%)

FY 2021



PRE-TAX ADJ. EARNINGS:

\$377M

(PRE-TAX ADJ. EARNINGS MARGIN: 18.7%)

BUSINESS HIGHLIGHTS



Record 4Q Post-tax Adjusted Earnings of \$88M, up 20% from 2020



Repurchased 26.3 million Class A common shares in 4Q 2021 & repurchased/redeemed 72.9 million shares/units in FY 2021



Record 4Q and FY 2021 Fenics net revenue of \$101M and \$401M respectively

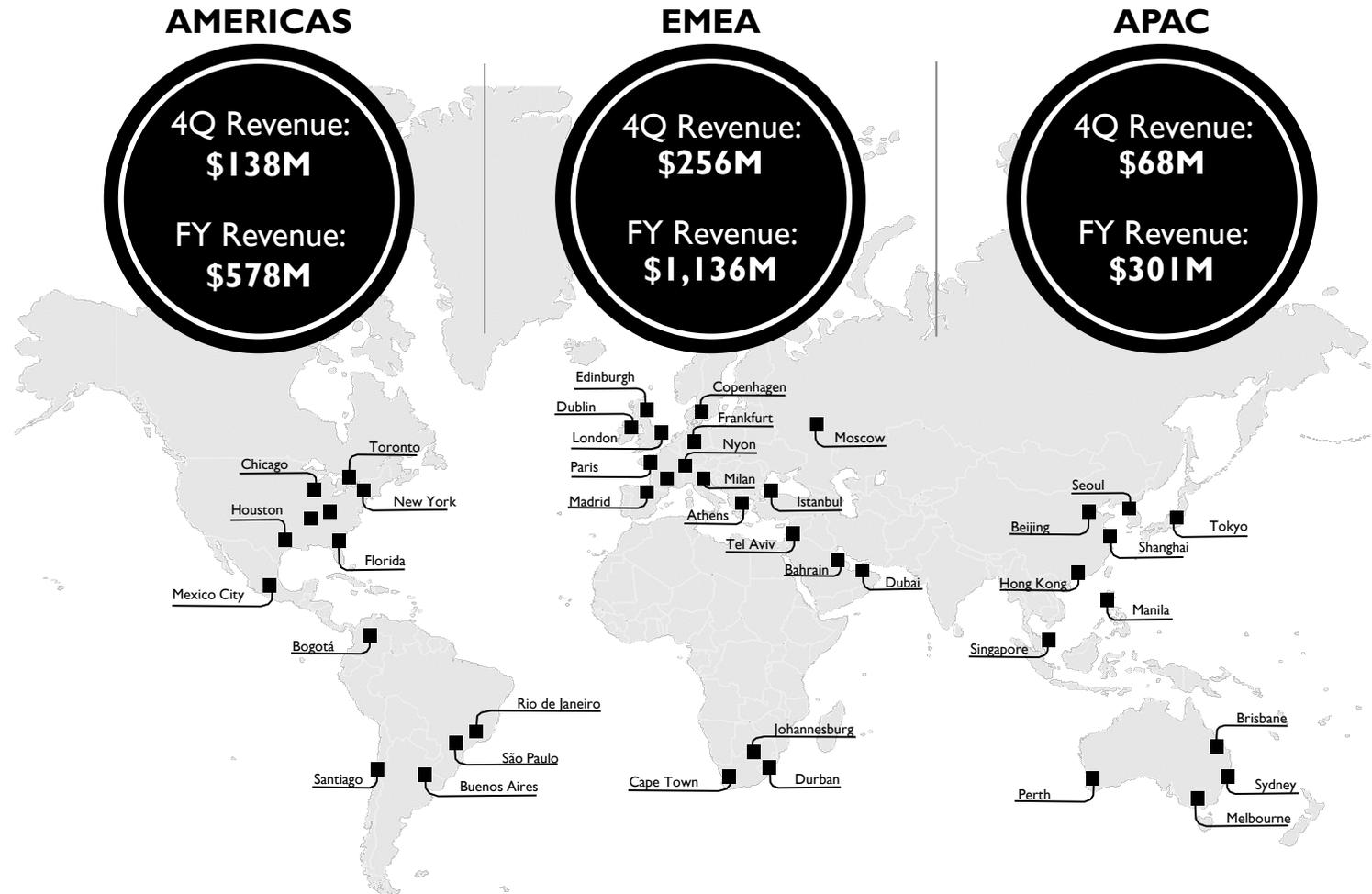
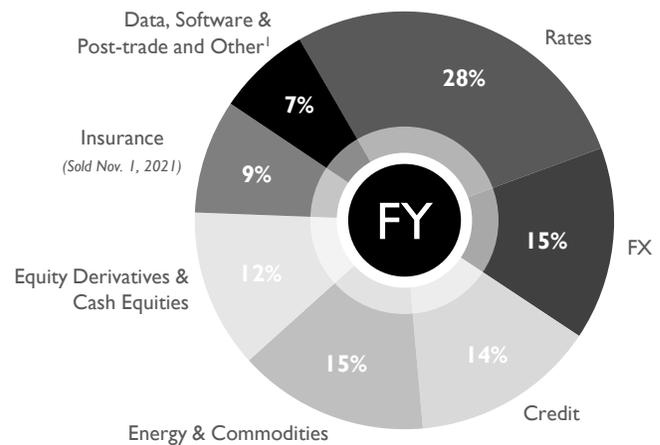
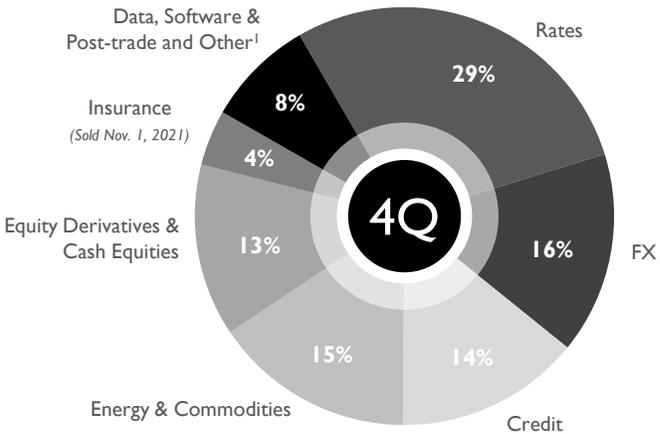


FY 2021 average front office productivity grew over 8% to \$811K²

1. Other includes fees from related parties, interest and dividend income, and other revenues.
2. Average front office productivity excludes insurance brokerage.

REVENUE BY ASSET CLASS

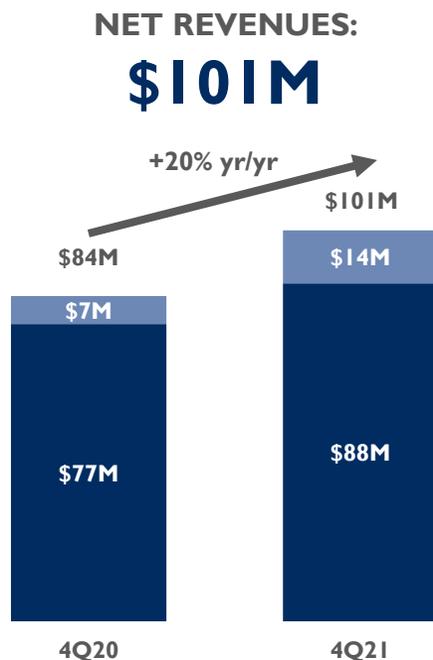
GLOBAL OFFICE LOCATIONS & REVENUES



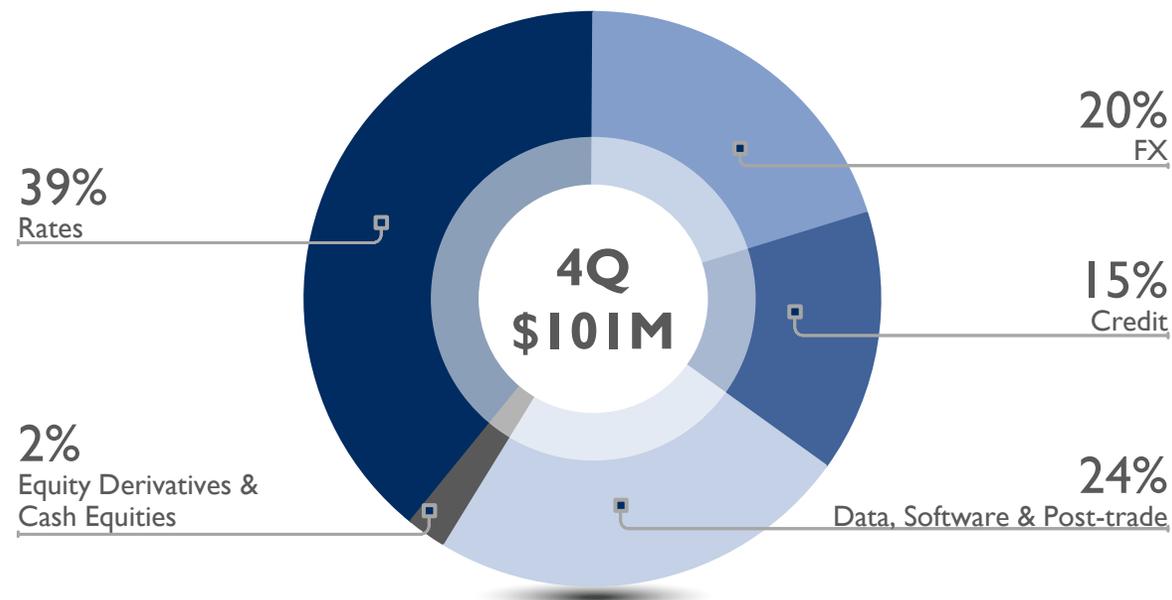
¹ Other includes fees from related parties, interest and dividend income, and other revenues.

FENICS REVENUE

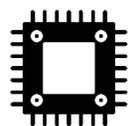
■ Fenics Markets
■ Fenics Growth Platforms



REVENUE BY ASSET CLASS



FENICS MARKETS



\$88M
REVENUE

+14%
GROWTH YR/YR

QUARTERLY HIGHLIGHTS

- 89% growth in Fenics Growth Platforms driven by Fenics UST, Lucera, Fenics FX & Fenics GO
- 14% growth in Fenics Markets driven by strong growth across Rates, FX & Market Data

FENICS GROWTH PLATFORMS

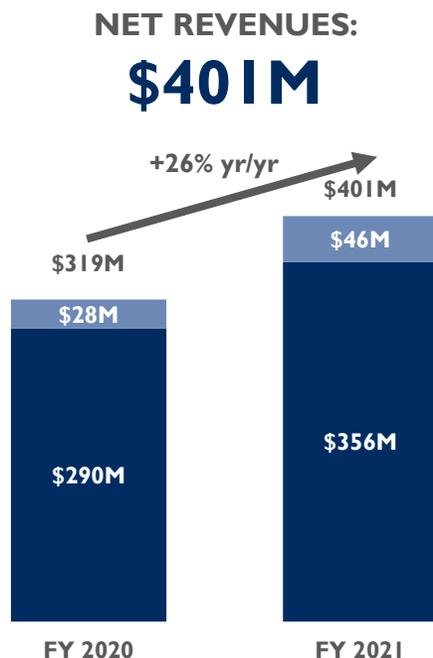


\$14M
REVENUE

+89%
GROWTH YR/YR

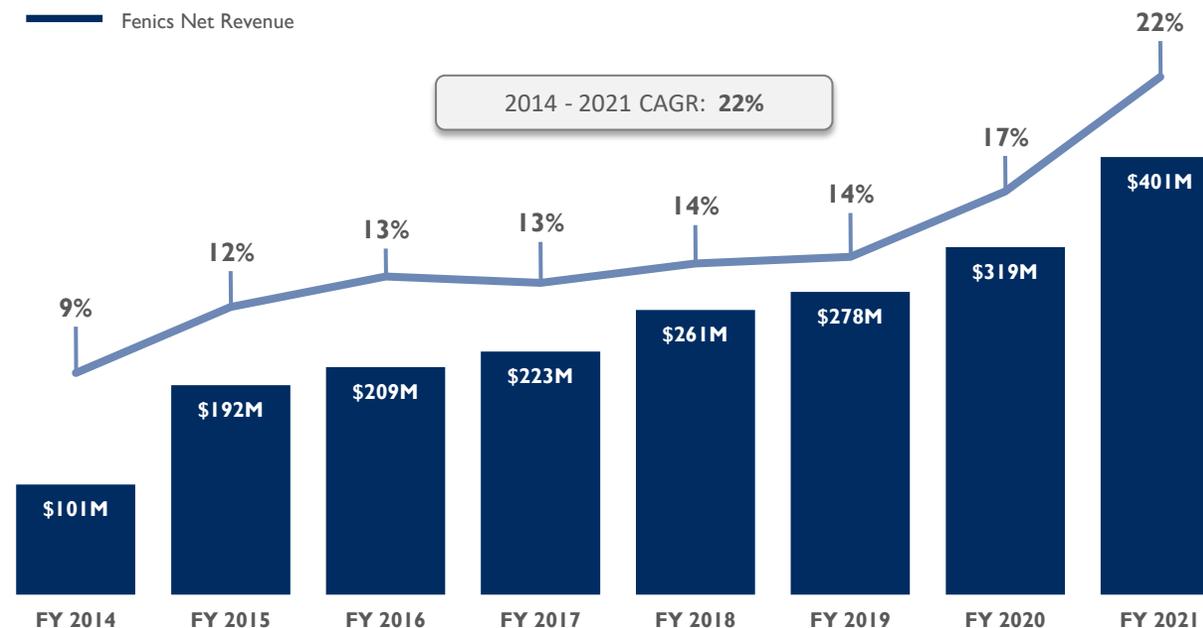
FENICS REVENUE

■ Fenics Markets
■ Fenics Growth Platforms

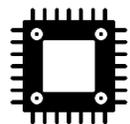


NET REVENUE CONTRIBUTION

— Fenics Net Revenue Contribution (excl. Insurance Brokerage)
■ Fenics Net Revenue



FENICS MARKETS



\$356M
REVENUE

+23%
GROWTH YR/YR

ANNUAL HIGHLIGHTS

- 60% growth in Fenics Growth Platforms driven by Fenics UST, Lucera, Fenics FX & Fenics GO
- 23% growth in Fenics Markets driven by strong growth across Rates, FX & Market Data

FENICS GROWTH PLATFORMS



\$46M
REVENUE

+60%
GROWTH YR/YR

FMX OVERVIEW



Announced FMX, which combines Fenics UST's leading U.S. Treasury business with cutting-edge U.S. Interest Rates futures platform¹



Leveraging the state-of-art Fenics UST technology & connectivity, FMX Futures will challenge the status quo of the current futures market

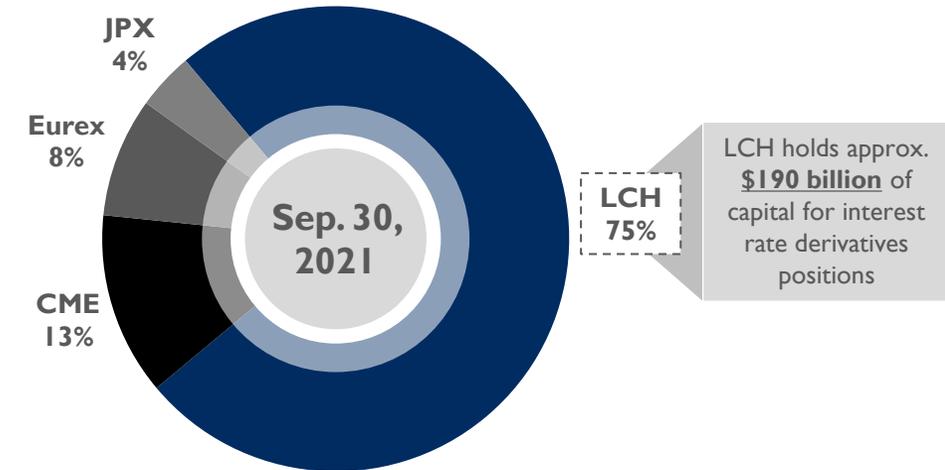


FMX will add U.S. Treasury futures in addition to its Eurodollar and SOFR futures contracts; entire Rates complex to launch concurrently in 4Q 2022²

LCH CLEARING AGREEMENT

Cross margining FMX U.S. Rates Futures with LCH U.S. Rates collateral will provide powerful capital efficiencies

IRS Initial Margin at Major CCPs³



OPPORTUNITY



- Created in response to customers' need for an integrated futures trading and clearing solution, which provides significant cross margin efficiencies
- Working with strategic partners to further enhance the growth of the platform

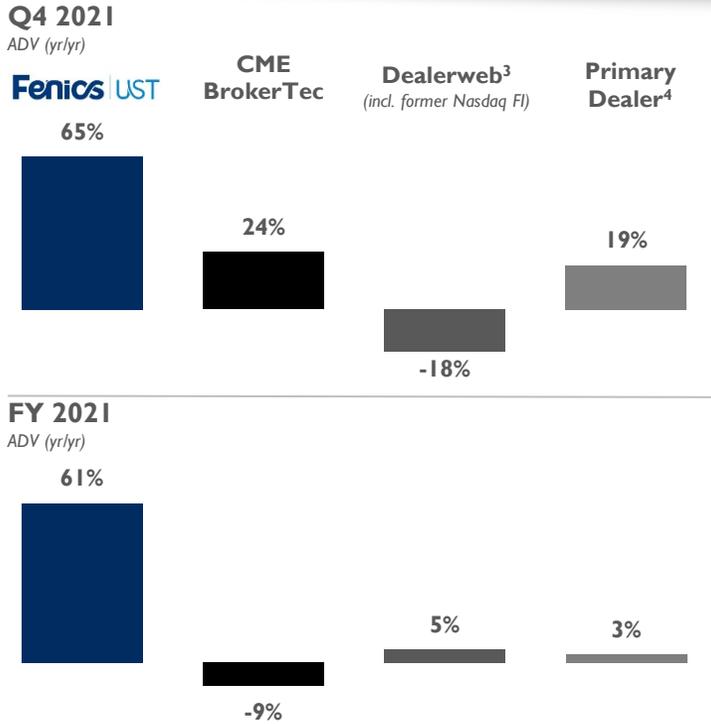
CLEARING AGREEMENT BENEFITS



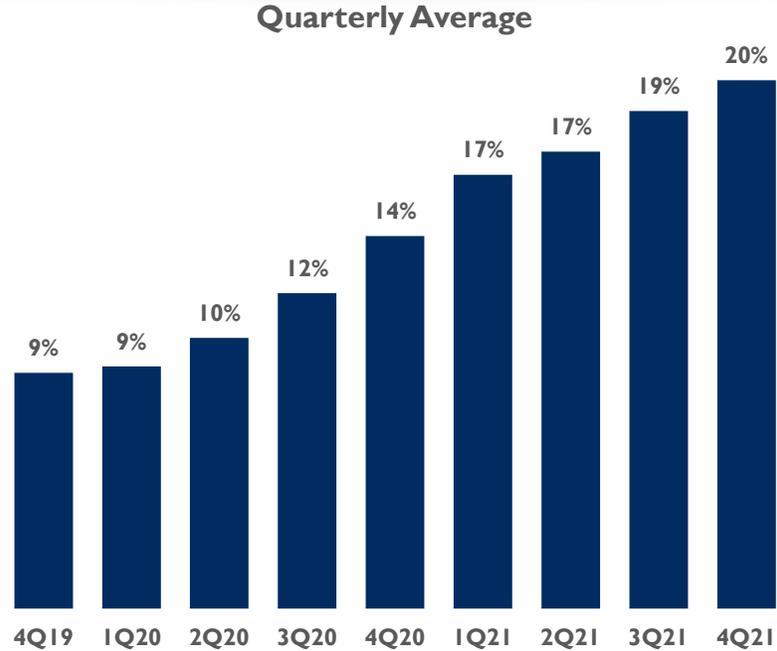
- U.S. futures clearing and cross margining via LCH Clearing Agreement
- Opportunity to unlock capital efficiencies by cross margining U.S. futures against the world's deepest IRS clearing pool
- U.S. futures and swaps cleared at a single central counterparty (CCP)

1. Trading expected to begin 4Q 2022.
 2. Subject to customary regulatory approval.
 3. Source: Clarus.

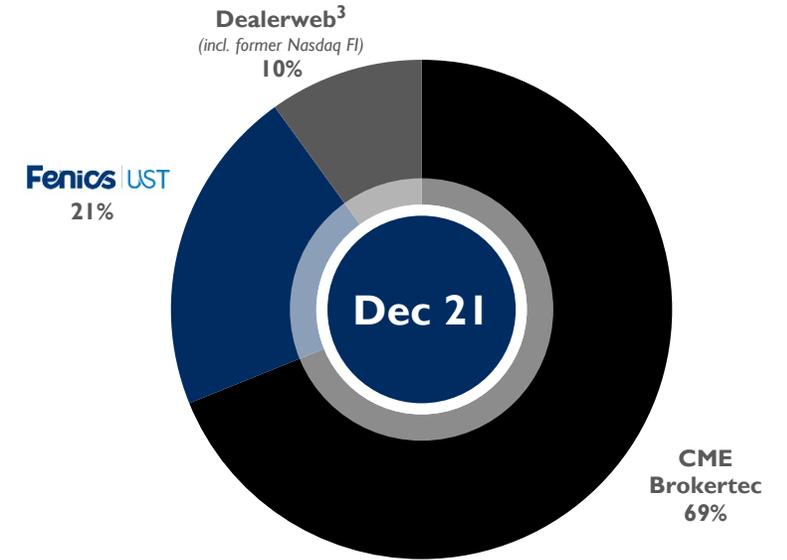
UST TRADING VOLUME¹



CLOB MARKET SHARE²



UST CLOB MARKET SHARE²



PERFORMANCE HIGHLIGHTS



- ADV grew over 61% yr/yr in 2021, outperforming the market
- Fenics UST CLOB market share grew to over 20% in 4Q 2021
- UST Bills volume continued to grow with 4Q 2021 ADV increasing 5x versus 3Q 2021

BUSINESS UPDATES



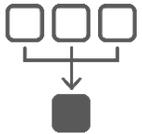
- Estimated \$129 million in client cost savings in 2021 and \$269 million since Jan-19⁵
- Direct Streaming protocol gaining traction and market share

1. Source: Company filings and Greenwich Associates 2.Central limit order book ("CLOB") market share is from Greenwich Associates and BGC's internal estimates. From 3Q 2021 onward, Greenwich Associates updated its methodology for calculating CLOB market share to more accurately reflect CLOB-only trading volumes. 3.Tradeweb acquired Nasdaq's U.S. Fixed Income platform on 6/25/2021; Dealerweb prior period ADV includes Nasdaq U.S. Fixed Income platform volumes. 4.Primary Dealer volumes are sourced from SIFMA and represent US Treasury Coupon Securities and US Treasury Bills. 5.BGC internal estimates based on savings per tick (1/16 of 1/32 = \$19.53125) adjusted for tenor multiplied by the quantity of the trade (single counted).

INFRASTRUCTURE & CONNECTIVITY OFFERING WITH HIGHLY RECURRING, COMPOUNDING SUBSCRIPTION REVENUE MODEL

LUCERA™

LUMEMARKETS



- Low latency aggregator, providing a single access point across multiple fragmented marketplaces and exchanges (FX, Rates, Futures, Credit)
- Additional features include market data aggregation, market access, smart-order routing, execution algorithms, trading controls and data analysis tools

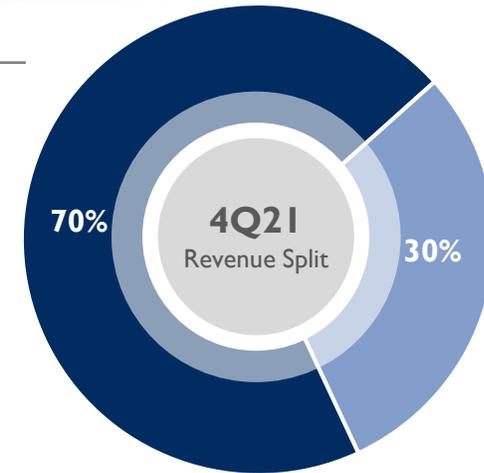
CONNECT



- On-demand connectivity to over one thousand endpoints across buy-side clients, trading platforms, marketplaces, and exchanges
- The leading infrastructure network in FX and rapidly expanding in other asset classes

REVENUE

- LUMEMarkets
- Connect



4Q21 Revenue
+72%

BUSINESS HIGHLIGHTS

- ▶ Cryptocurrency infrastructure business, launched in 3Q 2021, saw accelerated growth as it added new clients and connectivity points
- ▶ Providing connectivity to the world’s deepest crypto liquidity pools via Lucera’s world-class infrastructure
- ▶ Revenue growth of 72% yr/yr with a strong customer pipeline leading into 2022

LEVERAGING BGC'S GLOBAL CAPITAL MARKETS ECOSYSTEM TO DEVELOP HIGHLY VALUABLE MARKET DATA PRODUCTS

Fenics | MarketData

- Recurring, compounding subscription-based model
- Signed 42 new contracts in 4Q21 with total contracted value more than doubling
- Independent data sourced from BGC's global wholesale liquidity pools
- Introducing new datasets generated by Fenics Labs (BGC's artificial intelligence and machine learning data & analytics products)
- Data utilized by broad range of market participants (Investment Banks / Broker-Dealers, Hedge Funds, Institutional Clients, Exchanges & Third-party Vendors)

MULTIPLE DISTRIBUTION CHANNELS

Direct feed & API, Third-party Vendors, Public Cloud & Secure File Transfer Protocol (SFTP)

VARIETY OF DATA FREQUENCIES

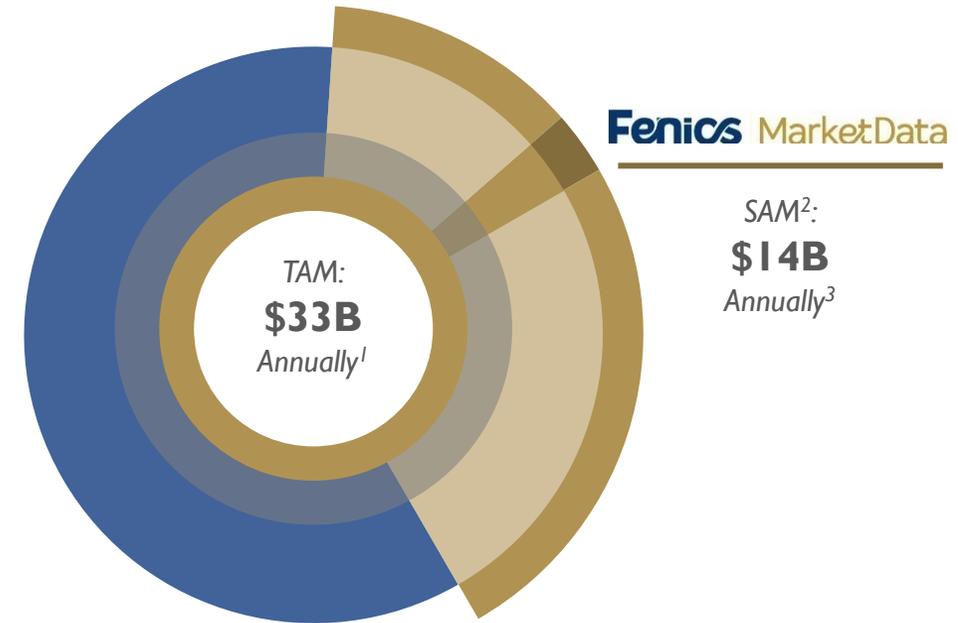
Real-time, Intra-day, End-of-Day, Month-End & Historical Data

PRODUCTS ACROSS GLOBAL ASSET CLASS

Fixed Income, Fixed Income Derivatives, RFRs, FX & Money Markets, FX Options, Energy & Commodities and Equity Derivatives

MARKET OPPORTUNITY

Record global consumption of financial market data in 2020 totalling \$33B¹



FENICS MARKET DATA GROWTH DRIVERS

- Market-leading regulatory package
- Increasing number of direct deals
- Increased salesforce, product specialists and technologists
- More institutional clients
- Fenics UST data growth
- Fenics Labs

1. Source: Burton-Taylor International Consulting
 2. SAM = Serviceable Addressable Market
 3. Source: Burton-Taylor International Consulting and BGC internal estimates

COMPREHENSIVE MULTI-CHANNEL DIGITAL ASSET PLATFORM

WORLD-CLASS INFRASTRUCTURE THAT OFFERS FULLY COMPLIANT CRYPTOCURRENCY WORKFLOWS

LUCERA

Connect

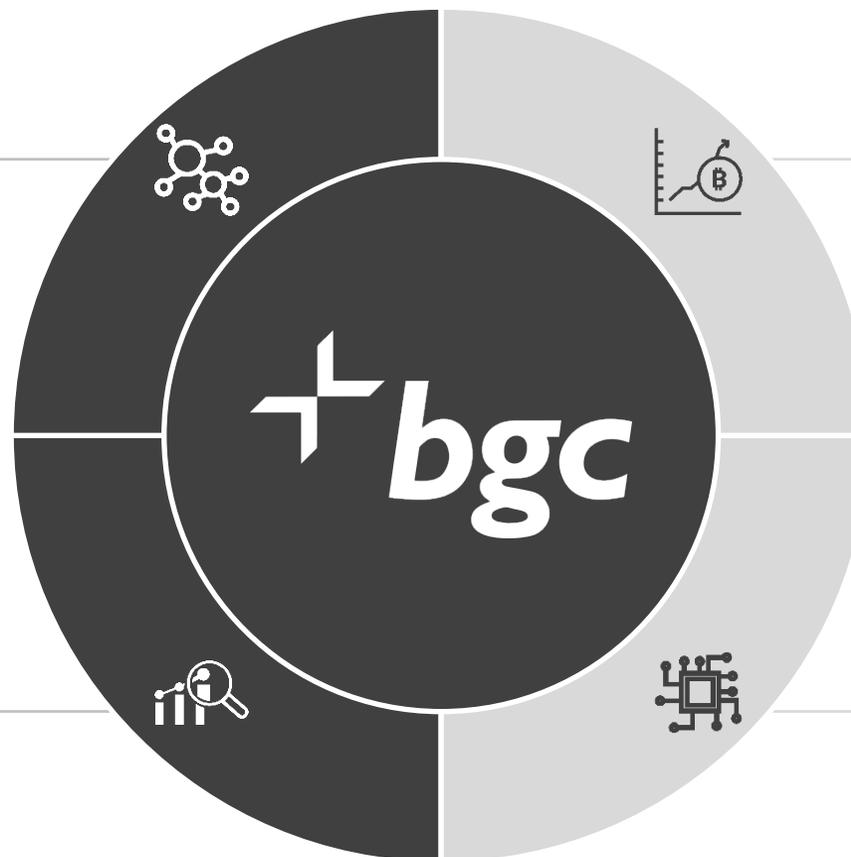
- Software-Defined Network connecting cryptocurrency venues with banks, proprietary trading firms (PTFs) and other market participants
- Offers a significant reduction in connectivity setup & maintenance coupled with industry leading performance

LUMEMarkets

- Provides aggregated view of prices from multiple cryptocurrency venues
- Multiple clients have been onboarded

KACE

- Supports price making & distribution, lifecycle management, risk and revaluation reporting, and STP for crypto options
- Utilizes award-winning Analytics, Pricing and Distribution software



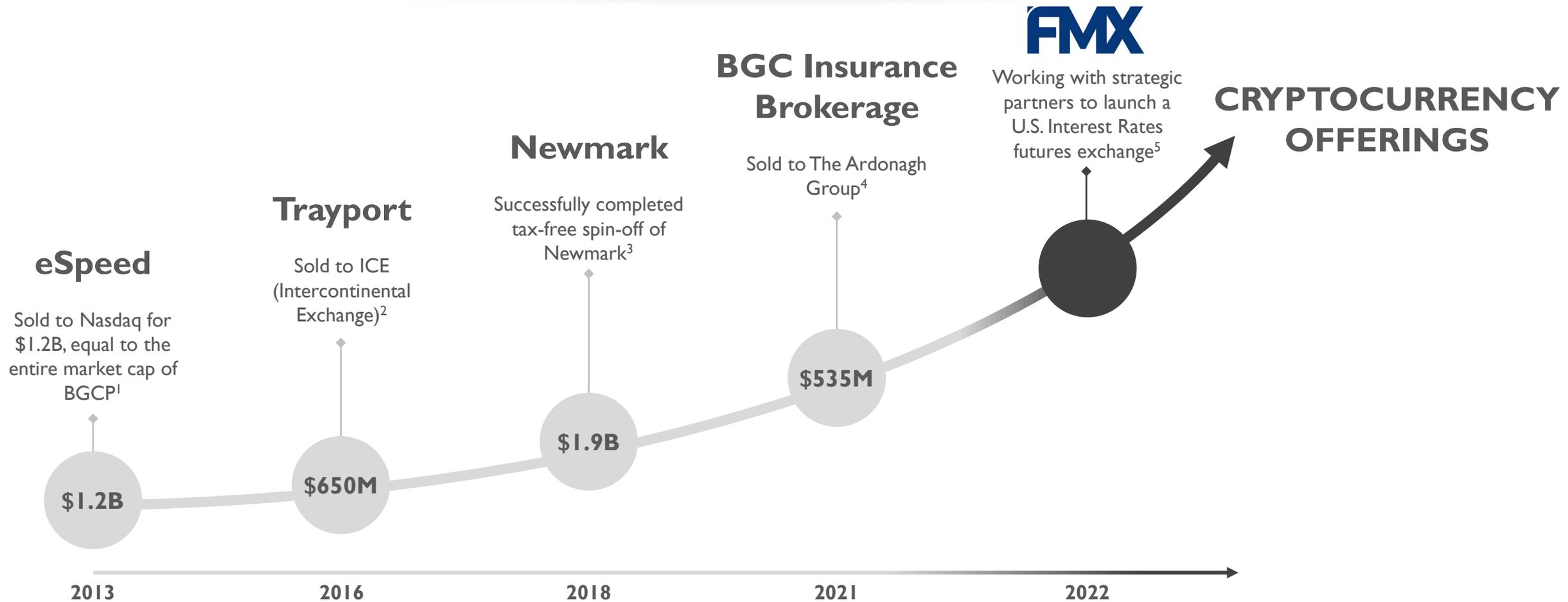
Fenics Execution

- Futures Exchange: CFTC Regulated DCM & DCO
- State-of-the-art low latency trading platforms and protocols
- One of the first futures exchanges permitted to list crypto derivatives
- Fenics GO to launch cryptocurrency options

Global Brokerage

- Transacting in crypto derivatives across global client base
- Uniquely positioned to capitalize on the growing and significant crypto opportunity

BGC HAS A STRONG HISTORY OF CREATING VALUE FOR SHAREHOLDERS



- Included \$750 million of cash consideration plus an expected earnout of up to \$484 million of Nasdaq common stock as of July 1, 2013. For additional information, see press release titled "BGC Announces Close of Sale of its Platform for the Fully Electronic Trading of Benchmark, on-the-Run U.S. Treasuries to NASDAQ OMX" dated July 1, 2013, and the related filing on Form 8-K filed on the same day for further information.
- See press released "BGC and GFI Complete Sale of Trayport to Intercontinental Exchange" dated December 11, 2015, and the related filing on Form 8-K filed on December 14, 2015, for further information.
- Assumes investors held Newmark's share since 2018 spin-off until 6/30/2020. Newmark's share price as of 6/30/2020 was \$12.01 and 131,886,409 shares of Newmark Class A common stock and 21,285,537 shares of Newmark Class B common stock were distributed to BGC's stockholders in the Spin-Off. For further information on the Spin-Off, see section titled "Spin-Off of Newmark" under Note 1—"Organization and Basis of Presentation" in BGC's 2019 Annual Report on Form 10-K as filed with the Securities and Exchange Commission.
- BGC received approximately \$535 million in gross proceeds, subject to limited post-closing adjustments; for additional information, please see press release titled "BGC Completes Sale of Insurance Brokerage Business to The Ardonagh Group" dated November 1, 2021.
- For additional information, please see press release titled "Fenics Launches Fenics Markets Xchange ("FMX")" dated November 3, 2021 and BGC Partners, Inc. 4Q and FY 2021 Earnings Release dated February 16, 2021.

	Guidance	Actual
Metric (USD million)	IQ22	IQ21
Revenues (excl. Insurance)	\$490 - \$540	\$515.1
Revenues		\$567.6
Pre-tax Adjusted Earnings	\$105 - \$125	\$113.9
Metric (%)	FY 2022	FY 2021
Adjusted Earnings Tax Rate	8 - 10%	6.4%

- BGC's revenues were approximately 2 percent lower for the first 28 trading days of the first quarter of 2022, when compared to the same period in 2021
- The first quarter of 2021 included \$52.4 million of Insurance Brokerage revenue
- Excluding Insurance, total revenue for the first quarter of 2021 was \$515.1 million
- BGC expects to update its quarterly outlook towards the end of March 2022

BGC PARTNERS, INC.



GAAP FINANCIAL RESULTS



BGC PARTNERS, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

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

	December 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$ 553,598	\$ 596,291
Cash segregated under regulatory requirements	13,201	257,115
Securities owned	40,838	58,572
Marketable securities	406	349
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	782,446	304,022
Accrued commissions and other receivables, net	296,423	739,009
Loans, forgivable loans and other receivables from employees and partners, net	286,967	408,142
Fixed assets, net	190,112	216,024
Investments	33,039	38,008
Goodwill	486,919	556,211
Other intangible assets, net	207,747	287,157
Receivables from related parties	5,237	11,915
Other assets	445,233	480,427
Total assets	<u>\$ 3,342,166</u>	<u>\$ 3,953,242</u>
Liabilities, Redeemable Partnership Interest, and Equity		
Short-term borrowings	\$ 3,584	\$ 3,849
Accrued compensation	214,379	220,726
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	656,278	179,721
Payables to related parties	53,764	36,921
Accounts payable, accrued and other liabilities	679,254	1,364,119
Notes payable and other borrowings	1,052,831	1,315,935
Total liabilities	<u>2,660,090</u>	<u>3,121,271</u>
Redeemable partnership interest	18,761	20,674
Equity		
Stockholders' equity:		
Class A common stock, par value \$0.01 per share; 750,000 shares authorized; 435,944 and 373,545 shares issued at December 31, 2021 and December 31, 2020, respectively; and 317,023 and 323,018 shares outstanding at December 31, 2021 and December 31, 2020, respectively	4,359	3,735
Class B common stock, par value \$0.01 per share; 150,000 shares authorized; 45,884 shares issued and outstanding at each of December 31, 2021 and December 31, 2020, convertible into Class A common stock	459	459
Additional paid-in capital	2,451,135	2,375,113
Treasury stock, at cost: 118,921 and 50,527 shares of Class A common stock at December 31, 2021 and December 31, 2020, respectively	(623,734)	(315,313)
Retained deficit	(1,171,919)	(1,280,828)
Accumulated other comprehensive income (loss)	(40,548)	(28,930)
Total stockholders' equity	<u>619,752</u>	<u>754,236</u>
Noncontrolling interest in subsidiaries	43,563	57,061
Total equity	<u>663,315</u>	<u>811,297</u>
Total liabilities, redeemable partnership interest and equity	<u>\$ 3,342,166</u>	<u>\$ 3,953,242</u>

BGC PARTNERS, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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



	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Revenues:				
Commissions	\$ 349,896	\$ 377,146	\$ 1,541,900	\$ 1,567,668
Principal transactions	73,004	73,687	327,761	351,633
Total brokerage revenues	422,900	450,833	1,869,661	1,919,301
Fees from related parties	3,356	4,857	14,856	25,754
Data, software and post-trade	24,137	20,860	89,963	81,920
Interest and dividend income	4,442	(783)	21,977	12,332
Other revenues	6,756	3,659	18,907	17,454
Total revenues	461,591	479,426	2,015,364	2,056,761
Expenses:				
Compensation and employee benefits	434,807	258,866	1,271,340	1,132,557
Equity-based compensation and allocations of net income to limited partnership units and FPU's	85,889	80,515	256,164	183,545
Total compensation and employee benefits	520,696	339,381	1,527,504	1,316,102
Occupancy and equipment	46,724	47,763	188,322	192,837
Fees to related parties	8,456	5,028	24,030	23,618
Professional and consulting fees	14,813	18,233	67,884	74,072
Communications	27,611	30,481	117,502	121,646
Selling and promotion	12,356	6,896	38,048	38,234
Commissions and floor brokerage	16,563	13,646	64,708	59,376
Interest expense	16,061	21,811	69,329	76,607
Other expenses	16,465	21,600	80,888	89,045
Total non-compensation expenses	159,049	165,458	650,711	675,435
Total expenses	679,745	504,839	2,178,215	1,991,537
Other income (losses), net:				
Gains (losses) on divestitures and sale of investments	312,941	403	312,941	394
Gains (losses) on equity method investments	2,101	1,354	6,706	5,023
Other income (loss)	7,862	1,687	19,705	1,580
Total other income (losses), net	322,904	3,444	339,352	6,997
Income (loss) from operations before income taxes	104,750	(21,969)	176,501	72,221
Provision (benefit) for income taxes	15,957	(6,729)	23,013	21,303
Consolidated net income (loss)	\$ 88,793	\$ (15,240)	\$ 153,488	\$ 50,918
Less: Net income (loss) attributable to noncontrolling interest in subsidiaries	12,340	(11,211)	29,481	5,856
Net income (loss) available to common stockholders	\$ 76,453	\$ (4,029)	\$ 124,007	\$ 45,062
Per share data:				
<i>Basic earnings (loss) per share</i>				
Net income (loss) available to common stockholders	\$ 76,453	\$ (4,029)	\$ 124,007	\$ 45,062
Basic earnings (loss) per share	\$ 0.21	\$ (0.01)	\$ 0.33	\$ 0.12
Basic weighted-average shares of common stock outstanding	370,476	365,259	379,215	361,736
<i>Fully diluted earnings (loss) per share</i>				
Net income (loss) for fully diluted shares	\$ 103,036	\$ (4,029)	\$ 173,995	\$ 64,787
Fully diluted earnings (loss) per share	\$ 0.20	\$ (0.01)	\$ 0.32	\$ 0.12
Fully diluted weighted-average shares of common stock outstanding	509,153	365,259	540,020	546,848

BGC PARTNERS, INC.

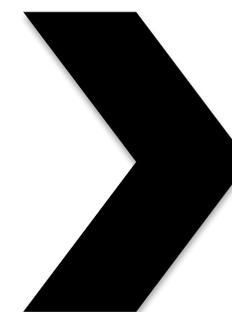
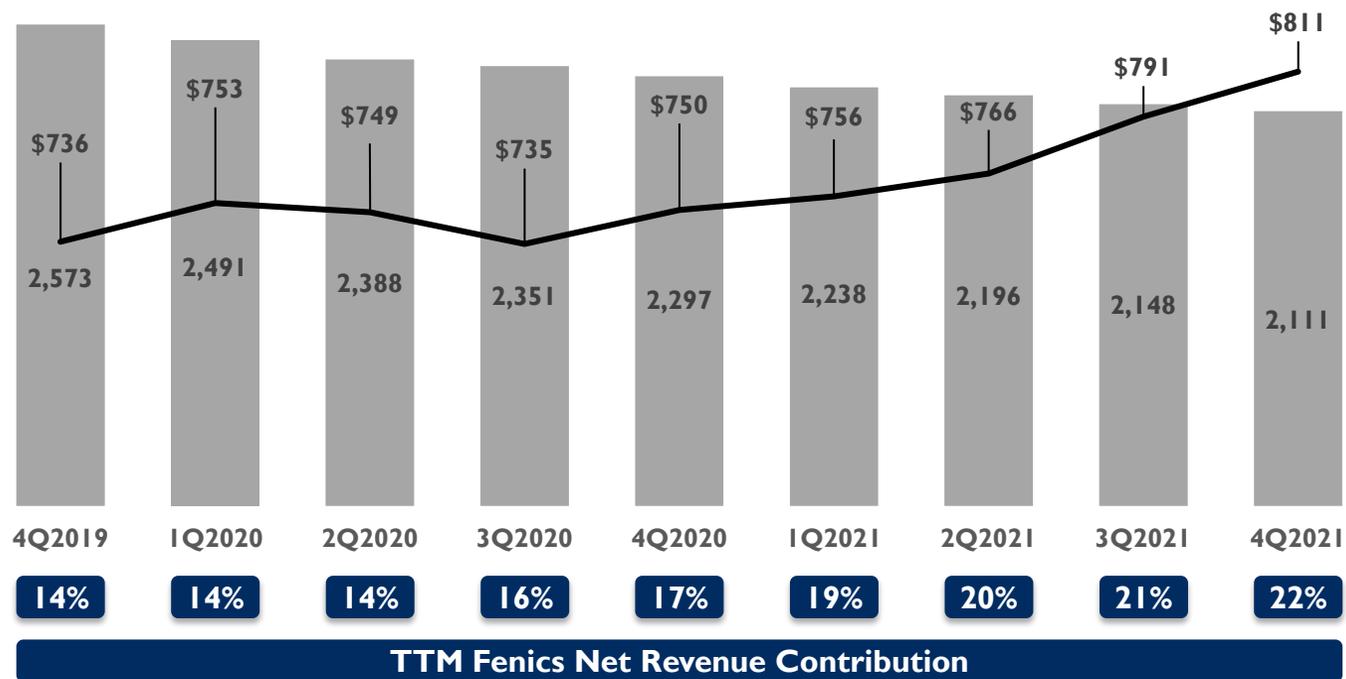


APPENDIX



FRONT OFFICE HEADCOUNT & PRODUCTIVITY

FRONT OFFICE HEADCOUNT AND PRODUCTIVITY (Productivity in USD 000s)
(Excludes Insurance Brokerage)



TECHNOLOGY



AUTOMATION



HIGHER
PRODUCTIVITY

 Period-end Front Office Headcount
 TTM Front Office Productivity



Second highest ever full year front office average productivity (2021) - highest since financial crisis



Increased use of technology and automation expected to continue to drive productivity higher



Front office average productivity grew over 10% in 4Q 2021 compared with 4Q 2020 and over 8% in FY 2021 compared with FY 2020

BGC'S FULLY DILUTED SHARE COUNT SUMMARY AS OF 12/31/21



BGC Partners, Inc. Fully Diluted Share Count Summary (as of December 31, 2021)	Fully-diluted Shares (millions)	Ownership (%)
Public	296.7	60%
Class A owned by Public	296.7	60%
Employees	98.1	20%
Class A owned by executives, board members and employees ¹	20.3	4%
Partnership units owned by employees ²	70.5	14%
Other owned by employees ³	7.3	2%
Cantor	102.7	20%
Class A owned by Cantor	-	0%
Class B owned by Cantor	45.9	9%
Partnership units owned by Cantor ⁴	56.8	11%
Total	497.5	100%

1. Class A shares owned by board members or executives and restricted shares owned by other employees of BGC and Newmark. Any Class A share owned by an employee without restriction is included in the "Class A owned by Public".

2. Partnership units owned by employees include founding/working partner units and limited partnership units. In conjunction with the spin-off of Newmark, the Partnership units are owned by 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. Going forward, partners of BGC will be compensated with BGC partnership units and partners of Newmark will be compensated with Newmark partnership units.

3. These primarily represent contingent shares and/or units held by employees of BGC and Newmark for which all necessary conditions have been satisfied except for the passage of time.

4. Includes 15.8 million Cantor distribution rights.

BGC Partners, Inc.		As of 12/31/2021
Cash and Cash Equivalents		\$553,598
Securities Owned		40,838
Marketable Securities		406
Total Liquidity		\$594,842
	Maturity	
Collateralized Borrowings	4/8/2023 and 4/19/2023	9,642
5.375% Senior Notes	7/24/2023	447,911
3.750% Senior Notes	10/01/2024	297,731
4.375% Senior Notes	12/15/2025	297,547
Total Notes Payable and Other Borrowings		\$1,052,831
Total Notes Payable and Other Borrowings (after adjusting for Liquidity)		\$457,989
Total Capital¹		\$682,076
Credit Ratios (Adj. EBITDA and Ratios as of FY 2021)		
Adjusted EBITDA		\$588,342
Leverage Ratio: Total Notes Payable and Other Borrowings / Adjusted EBITDA		1.8x
Net Leverage Ratio: Net Notes Payable and Other Borrowings / Adjusted EBITDA		0.8x
Interest Coverage Ratio: Adjusted EBITDA / Interest Expense		8.5x
Total Notes Payable and Other Borrowings / Total Capital ¹		1.5x
Total Notes Payable and Other Borrowings (after adjusting for Liquidity) / Total Capital ¹		0.7x

INVESTMENT GRADE CREDIT RATING

- Investment Grade Credit Rated:
 - Fitch: BBB- (Outlook: Stable)
 - S&P: BBB- (Outlook: Stable)
 - Kroll Bond Rating Agency: BBB (Outlook: Stable)
 - Japanese Credit Rating Agency (JCR): BBB+ (Outlook: Stable)
- Strong balance sheet and liquidity provide financial flexibility
- Liquidity of \$594.8 million³ as of December 31, 2021
- BGC continues to manage its business to maintain its Investment Grade rating

BALANCE SHEET STRENGTH

- The \$535 million in gross proceeds received on November 1, 2021, further improves BGC's balance sheet
- A portion of these proceeds were used to fully repay the borrowings under BGC's Revolving Credit Agreement, reducing outstanding Notes Payable and Other Borrowings;
- \$350 million available of undrawn capacity under BGC's revolving credit facility, as of December 31, 2021.

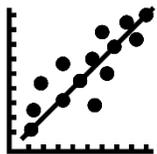
1. Total Capital includes total equity and redeemable partnership interest and therefore is representative of what debt to equity would be on a fully diluted basis, all else equal.
 2. Includes Cash and Cash Equivalents of \$553.6 million, Securities Owned of \$40.8 million, and Marketable Securities of \$0.4 million as of December 31, 2021.

MULTIPLE TRADING PROTOCOLS ACROSS A COMPREHENSIVE SET OF FINANCIAL INSTRUMENTS

	Rates	Credit	FX	Equity Derivatives & Cash Equities	Data, Software & Post-trade
<p>Fenics Markets</p> <p>Revenue: \$356M Change: +23% (FY 2021)</p>	<p>Key Products:</p> <ul style="list-style-type: none"> Interest Rate Derivatives EGBs GILTs Inflation Products EM Government Bonds <p>Protocols:</p> <ul style="list-style-type: none"> CLOB Matching (Continuous & Session-Based) Streaming Volume Clearing 	<p>Key Products:</p> <ul style="list-style-type: none"> Investment Grade Bonds (IG) High Yield Bonds (HY) Sovereign Credit Financial Credit Emerging Market Credit Index & Single Name CDS <p>Protocols:</p> <ul style="list-style-type: none"> CLOB Matching (Continuous & Session-Based) Volume Clearing 	<p>Key Products:</p> <ul style="list-style-type: none"> FX Spot FX Options Asian/LatAm NDFs FX Forwards <p>Protocols:</p> <ul style="list-style-type: none"> CLOB Matching (Continuous & Session-Based) Streaming RFQ <p>Fenics Platforms:</p> <ul style="list-style-type: none"> Fenics MIDFX Fenics Direct 	<p>Key Products:</p> <ul style="list-style-type: none"> LatAm Equities <p>Protocols:</p> <ul style="list-style-type: none"> CLOB 	<p>Fenics MarketData (Fenics Markets associated Market Data)</p> <hr/> <p>KACE</p> <hr/> <p>CAPITALAB (NDF Matching)</p>
<p>Fenics Growth Platforms</p> <p>Revenue: \$46M Change: +60% (FY 2021)</p>	<p>Fenics UST</p> <p>Products:</p> <ul style="list-style-type: none"> U.S. Treasuries U.S. Treasury Bills U.S. Repos Futures (expected 2022) 	<p>Portfolio Match</p> <p>Products:</p> <ul style="list-style-type: none"> U.S. Credit (IG & HY) European Credit (IG & HY) 	<p>Fenics FX</p> <p>Products:</p> <ul style="list-style-type: none"> FX Spot Asian NDFs 	<p>Fenics GO</p> <p>Products:</p> <ul style="list-style-type: none"> European Index Options Asian Index Options Equity Total Return Swaps 	<p>Fenics MarketData (Fenics Growth Platforms associated Market Data)</p> <hr/> <p>LUCERA</p> <hr/> <p>CAPITALAB (Compression & IMO)</p>

BGC REVENUE CORRELATION & INDUSTRY VOLUMES

BGC Asset Class <i>(Revenue)</i>	Industry Metric	Correlation	4Q21 vs. 4Q20 Industry Metric Volume Change
Rates	vs. Eurex Interest Rate Derivatives (Total Contracts Traded)	0.78	18%
	vs. Primary Dealer U.S. Government Securities Trading Volume (ADV)	0.72	19%
Credit	vs. FINRA IG & HY Bonds Trading Volume (ADV)	0.84	(3)%
	vs. ISDA Credit Derivatives Transaction Data (Total Traded Notional)	0.48	56%
FX	vs. Euronext FX (Total Volume)	0.71	(2)%
	vs. Refinitiv FX (Total Volume)	0.61	1%
Equity Derivatives & Cash Equities	vs. Eurex Index & Equity Derivatives (Total Contracts Traded)	0.57	(9)%
Energy & Commodities	vs. CME Energy & Commodities Futures & Options (Total Contracts Traded)	0.77	(1)%
	vs. ICE Energy & Commodities Futures & Options (Total Contracts Traded)	0.64	15%



- BGC's revenues across each asset class are generally correlated to relevant industry secondary market trading volumes
- Brokerage revenues are driven mainly by secondary trading volumes in the market in which BGC transacts
- Overall industry volumes have historically been seasonally strongest in the first quarter of the year and slowest in the fourth quarter
- BGC's revenues tend to have low correlation in the short & medium term with global bank & broker-dealer sales & trading revenues, which reflect bid-ask spreads and mark-to-market movements, as well as industry volumes in the primary & secondary markets

BGC PARTNERS, INC.



NON-GAAP DEFINITIONS AND RECONCILIATION TABLES



RECONCILIATION OF GAAP INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES TO ADJUSTED EARNINGS & GAAP FULLY DILUTED EPS TO POST-TAX ADJUSTED EPS (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)



	Q4 2021	Q4 2020	FY 2021	FY 2020
GAAP income (loss) from operations before income taxes	\$ 104,750	\$ (21,969)	\$ 176,501	\$ 72,221
Pre-tax adjustments:				
Compensation adjustments:				
Equity-based compensation and allocations of net income to limited partnership units and FPU's (1)	85,889	80,515	256,164	183,545
Other Compensation charges (2)	198,515	3,658	208,751	37,209
Total Compensation adjustments	284,404	84,173	464,915	220,754
Non-Compensation adjustments:				
Amortization of intangibles (3)	4,646	6,536	23,282	28,251
Acquisition related costs	535	353	1,649	2,880
Impairment charges	7,400	5,840	11,247	11,432
Other (4)	5,640	3,892	29,804	18,150
Total Non-Compensation adjustments	18,221	16,621	65,982	60,713
Other income (losses), net adjustments:				
Losses (gains) on divestitures	(312,941)	(403)	(312,941)	(394)
Fair value adjustment of investments (5)	140	(605)	73	431
Other net (gains) losses (6)	(8,032)	1,463	(17,577)	(3,909)
Total other income (losses), net adjustments	(320,833)	455	(330,445)	(3,872)
Total pre-tax adjustments	(18,208)	101,249	200,452	277,595
Adjusted Earnings before noncontrolling interest in subsidiaries and taxes	\$ 86,542	\$ 79,280	\$ 376,953	\$ 349,816
GAAP net income (loss) available to common stockholders	\$ 76,453	\$ (4,029)	\$ 124,007	\$ 45,062
Allocation of net income (loss) to noncontrolling interest in subsidiaries (7)	11,702	(10,339)	27,099	6,621
Total pre-tax adjustments (from above)	(18,208)	101,249	200,452	277,595
Income tax adjustment to reflect adjusted earnings taxes (8)	17,931	(13,357)	(1,150)	(16,437)
Post-tax adjusted earnings	\$ 87,878	\$ 73,524	\$ 350,408	\$ 312,841
<i>Per Share Data</i>				
GAAP fully diluted earnings (loss) per share	\$ 0.20	\$ (0.01)	\$ 0.32	\$ 0.12
Less: Allocations of net income (loss) to limited partnership units, FPU's, and noncontrolling interest in subsidiaries, net of tax	(0.03)	(0.02)	(0.04)	(0.03)
Total pre-tax adjustments (from above)	(0.04)	0.18	0.37	0.51
Income tax adjustment to reflect adjusted earnings taxes	0.04	(0.02)	(0.00)	(0.03)
Post-tax adjusted earnings per share	\$ 0.17	\$ 0.13	\$ 0.65	\$ 0.57
Fully diluted weighted-average shares of common stock outstanding	509,153	553,611	540,020	546,848
Dividends declared per share of common stock	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.17
Dividends declared and paid per share of common stock	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.17

Please see footnotes to this table on the next page.

RECONCILIATION OF GAAP INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES TO ADJUSTED EARNINGS & GAAP FULLY DILUTED EPS TO POST-TAX ADJUSTED EPS (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)



(1) The components of equity-based compensation and allocations of net income to limited partnership units and FPU are as follows (in thousands):

	<u>Q4 2021</u>	<u>Q4 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>
Issuance of common stock and grants of exchangeability	\$ 41,854	\$ 56,016	\$ 128,107	\$ 84,966
Allocations of net income	14,915	1,854	34,335	14,006
LPU amortization	24,900	19,994	78,596	74,282
RSU amortization	4,220	2,651	15,126	10,291
Equity-based compensation and allocations of net income to limited partnership units and FPUs	<u>\$ 85,889</u>	<u>\$ 80,515</u>	<u>\$ 256,164</u>	<u>\$ 183,545</u>

(2) GAAP Expenses in the fourth quarter of 2021 included \$116.6 million related to one-time employee loan forgiveness, compensation expenses associated with the sale of the Insurance business of \$25.7 million with respect to management incentive and termination payments, and \$26.3 million of employee loan forgiveness related to the sale of the Insurance business. There were no such expenses in 2020. The fourth quarter of 2021 also included certain acquisition-related compensation expenses of \$1.0 million, certain one-off costs associated with the cost reduction program of \$11.2 million, and \$14.3 million of employee loan impairments related to the cost reduction program. For the full year 2021, these amounts were \$4.5 million, \$16.6 million, and \$15.6 million, respectively. GAAP expenses for the fourth quarter of 2020 included certain acquisition-related compensation expenses of \$1.9 million, certain one-off costs associated with the cost reduction program of \$0.9 million, and certain loan impairments related to the cost reduction program of \$0.7 million. For the full year 2020, these amounts were \$3.1 million, \$22.8 million and \$10.6 million, respectively.

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

(4) GAAP expenses in the fourth quarter of 2021 and 2020 included various other GAAP items. GAAP expenses for the full years 2021 and 2020 included Charity Day Contributions of \$7.2 million and \$1.1 million, respectively, as well as various other GAAP items. Pre-tax Adjusted Earnings in each presented period of 2020 exclude the impact of the employee theft of funds, including penalties and interest, and other immaterial revisions that have been made to previously issued financial statements. The above-referenced items are consistent with BGC's normal practice of excluding certain GAAP gains and charges from Adjusted Earnings that management believes do not best reflect the ordinary results of the Company, including with respect to non-recurring or unusual gains or losses, as well as resolutions of litigation.

(5) Includes non-cash loss of (\$0.1) million and a non-cash gain of \$0.6 million related to fair value adjustments of investments held by BGC in the fourth quarter of 2021 and 2020, respectively. For the full years 2021 and 2020, these amounts were non-cash losses of (\$0.1) million and (\$0.4) million, respectively.

(6) For the fourth quarter of 2021 and 2020, includes non-cash gains of \$2.1 million and \$1.4 million, respectively, related to BGC's investments accounted for under the equity method. For the full years 2021 and 2020, these amounts were \$6.7 million and \$5.0 million, respectively. The fourth quarter of 2021 also included a net gain of \$5.9 million related to various other GAAP items, while the fourth quarter of 2020 included a net loss of (\$2.8) million related to an investment impairment of (\$1.2) million as well as various other GAAP items. For the full year 2021, this amount was a net gain of \$10.9 million, while the full year 2020 included a net loss of (\$1.1) million related to an investment impairment of (\$3.9) million, partially offset by various other GAAP items.

(7) Primarily represents Cantor's pro-rata portion of net income.

(8) BGC's GAAP provision for income taxes is calculated based on an annualized methodology. The Company's GAAP provision (benefit) for income taxes was \$16.0 million and (\$6.7) million for the fourth quarters of 2021 and 2020, respectively. For the full years 2021 and 2020, these amounts were \$23.0 million and \$21.3 million, respectively. 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 non-GAAP provision for income taxes was adjusted by \$17.9 million and (\$13.4) million for the fourth quarters of 2021 and 2020, respectively. For the full years 2021 and 2020, these adjustment amounts were (\$1.2) million and (\$16.4) million, respectively. As a result, the provision (benefit) for income taxes with respect to Adjusted Earnings was (\$2.0) million and \$6.6 million for the fourth quarters of 2021 and 2020, respectively. For the full years 2021 and 2020, these amounts were \$24.2 million and \$37.7 million, respectively.

**RECONCILIATION OF GAAP NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS TO ADJUSTED EBITDA
(IN THOUSANDS)
(UNAUDITED)**



	Q4 2021	Q4 2020	FY 2021	FY 2020
GAAP net income (loss) available to common stockholders	\$ 76,453	\$ (4,029)	\$ 124,007	\$ 45,062
Add back:				
Provision (benefit) for income taxes	15,957	(6,729)	23,013	21,303
Net income (loss) attributable to noncontrolling interest in subsidiaries (1)	12,340	(11,211)	29,481	5,856
Interest expense	16,061	21,811	69,329	76,607
Fixed asset depreciation and intangible asset amortization	18,324	21,341	81,874	85,422
Impairment of long-lived assets	7,353	5,840	11,246	11,431
Equity-based compensation and allocations of net income to limited partnership units and FPU's (2)	85,889	80,515	256,164	183,545
(Gains) losses on equity method investments (3)	(2,101)	(125)	(6,772)	(1,091)
Adjusted EBITDA	\$ 230,276	\$ 107,413	\$ 588,342	\$ 428,135

(1) Primarily represents Cantor's pro-rata portion of net income.

(2) Represents BGC employees' pro-rata portion of net income and non-cash and non-dilutive charges relating to equity-based compensation. See Footnote 1 to the table titled "Reconciliation of GAAP Income (Loss) from Operations before Income Taxes to Adjusted Earnings and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS" for more information.

(3) For the fourth quarters of both 2021 and 2020, includes non-cash gains of \$2.1 million and \$1.4 million, respectively, related to BGC's investments accounted for under the equity method. For the full years 2021 and 2020, these amounts were \$6.7 million and \$5.0 million, respectively. The fourth quarter of 2020 also includes a net loss of (\$1.2) million related to an investment impairment. The full year 2020 also included a net loss of (\$3.9) million related to investment impairment.

**FULLY DILUTED WEIGHTED-AVERAGE SHARE COUNT UNDER GAAP AND FOR ADJUSTED EARNINGS & LIQUIDITY ANALYSIS
(IN THOUSANDS)
(UNAUDITED)**



FULLY DILUTED WEIGHTED AVERAGE SHARE COUNT

	<u>Q4 2021</u>	<u>Q4 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>
Common stock outstanding	370,476	365,259	379,215	361,736
Limited partnership units	67,912	—	90,490	118,459
Cantor units	56,290	—	54,748	52,363
Founding partner units	8,639	—	10,118	12,308
RSUs	4,399	—	4,074	737
Other	1,437	—	1,375	1,245
Fully diluted weighted-average share count under GAAP	509,153	365,259	540,020	546,848
Non-GAAP Adjustments:				
Limited partnership units	—	120,667	—	—
Cantor units	—	52,363	—	—
Founding partner units	—	12,292	—	—
RSUs	—	1,971	—	—
Other	—	1,059	—	—
Fully diluted weighted-average share count for Adjusted Earnings	509,153	553,611	540,020	546,848

LIQUIDITY ANALYSIS

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash and cash equivalents	\$ 553,598	\$ 596,291
Securities owned	40,838	58,572
Marketable securities	406	349
Total Liquidity	\$ 594,842	\$ 655,212

DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS



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

BGC 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. BGC 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) from operations before income taxes” 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 BGC. Adjusted Earnings is calculated by taking the most comparable GAAP measures and adjusting 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 Line Item for 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 LPU and PSU, to exchange these units into shares of common stock, or into partnership units with capital accounts, such as HDU, 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 PPSU.
- 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 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 PSU and LPU.
- Charges related to amortization of RSU 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.

The amounts of certain quarterly equity-based compensation charges are 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 BGC’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 BGC’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 revenue growth.

DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS



(CONTINUED)

All share equivalents that are part of the Company's equity-based compensation program, including REUs, PSUs, LPU, 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 BGC's calculation of Adjusted Earnings per fully diluted share. However, out of an abundance of caution and in order to strengthen the Company's balance sheet due to the uncertain macroeconomic conditions with respect to the COVID-19 pandemic, BGC Holdings, L.P. has reduced its distributions of income from the operations of BGC's businesses to its partners.

Compensation charges are also adjusted for certain other cash and non-cash items, including those related to the amortization of GFI employee forgivable loans granted prior to the closing of the January 11, 2016 back-end merger with GFI.

CERTAIN OTHER COMPENSATION-RELATED ADJUSTMENTS FOR ADJUSTED EARNINGS

BGC also excludes various other GAAP items that management views as not reflective of the Company's underlying performance in a given period from its calculation of Adjusted Earnings. 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.

CALCULATION OF NON-COMPENSATION ADJUSTMENTS FOR ADJUSTED EARNINGS

Adjusted Earnings calculations may also exclude items such as:

- Non-cash GAAP charges related to the amortization of intangibles with respect to acquisitions;
- Acquisition related costs;
- Certain rent charges;
- Non-cash GAAP asset impairment charges; and
- Various other GAAP items that management views as not reflective of the Company's underlying performance in a 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.

CALCULATION OF ADJUSTMENTS FOR OTHER (INCOME) LOSSES FOR ADJUSTED EARNINGS

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

- Gains or losses on divestitures;
- Fair value adjustment of investments;
- Certain other GAAP items, including gains or losses related to BGC's investments accounted for under the equity method; and
- Any unusual, one-time, non-ordinary, or non-recurring gains or losses.

METHODOLOGY FOR CALCULATING ADJUSTED EARNINGS TAXES

Although Adjusted Earnings are calculated on a pre-tax basis, BGC 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, BGC 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 equity-based compensation during the annual period. The resulting annualized tax rate is applied to BGC'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, BGC 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.

DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS



(CONTINUED)

After application of these adjustments, the result is the Company's taxable income for its pre-tax Adjusted Earnings, to which BGC then applies the statutory tax rates to determine its non-GAAP tax provision. BGC 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.

BGC 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., BGC 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 percent of earnings were taxed at global corporate rates.

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

BGC's pre- 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 BGC'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. BGC 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 titled "Fully Diluted Weighted-Average Share Count under GAAP and for Adjusted Earnings".

MANAGEMENT RATIONALE FOR USING ADJUSTED EARNINGS

BGC'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 BGC'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 "Dividends 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 BGC'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 (Loss) from Operations before Income Taxes to Adjusted Earnings and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS", including the related footnotes, for details about how BGC's non-GAAP results are reconciled to those under GAAP.

DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

(CONTINUED)



ADJUSTED EBITDA DEFINED

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

- Provision (benefit) for income taxes;
- Net income (loss) attributable to noncontrolling interest in subsidiaries;
- Interest expense;
- Fixed asset depreciation and intangible asset amortization;
- Equity-based compensation and allocations of net income to limited partnership units and FPU's;
- Impairment of long-lived assets;
- (Gains) losses on equity method investments; and
- Certain other non-cash GAAP items, such as non-cash charges of amortized rents incurred by the Company for its new UK based headquarters.

The Company's management believes that its Adjusted EBITDA measure is useful in evaluating BGC'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. BGC 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 BGC'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 BGC's operating performance. Because not all companies use identical EBITDA calculations, the Company's presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA is not intended to be a measure of free cash flow or GAAP cash flow from operations because the Company's Adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

For more information regarding Adjusted EBITDA, see the section of this document and/or the Company's most recent financial results press release titled “Reconciliation of GAAP Net Income (Loss) Available to Common Stockholders to Adjusted EBITDA”, including the footnotes to the same, for details about how BGC's non-GAAP results are reconciled to those under GAAP.

TIMING OF OUTLOOK FOR CERTAIN GAAP AND NON-GAAP ITEMS

BGC 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; and
- Acquisitions, dispositions and/or resolutions of litigation, which are fluid and unpredictable in nature.

LIQUIDITY DEFINED

BGC may also use a non-GAAP measure called “liquidity”. The Company considers liquidity to be comprised of the sum of cash and cash equivalents, reverse repurchase agreements (if any), securities owned, and marketable securities, less securities lent out in securities loaned transactions and repurchase agreements (if any). 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 footnotes to the same, for details about how BGC's non-GAAP results are reconciled to those under GAAP.



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