# BGC PARTNERS, INC.

## NASDAQ: BGCP

EARNINGS PRESENTATION 1Q 2023

# DISCLAIMER

## 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 2021. 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 first quarter of 2023 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.

## 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, Liquidity, and Constant Currency. 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, Liquidity, and Constant Currency 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.

# BGC INVESTMENT HIGHLIGHTS

## ACCELERATING GROWTH

- *BGC revenue growth accelerated to 9% through first 19 trading days of 2Q 2023, up from 5% yr/yr growth in 1Q 2023*
- *Overall market trending towards a stronger macro trading environment*
- *BGC continues to expect sustained levels of higher secondary market trading volumes in Rates, Credit and FX, where BGC is a market leader*

## FENICS GROWING AT INDUSTRY LEADING PACE

- *High margin, technology driven execution, data, software and post-trade offerings*
- *Fenics revenue increased 12%, driven by Fenics Growth Platforms growth of 33% and Fenics Markets growth of 10%*
- *Increased automation continues to drive AE margins higher, which expanded year-over-year, and improve front office productivity yr/yr for the 10th consecutive quarter*

## ANNOUNCEMENT OF STRATEGIC PARTNERS & LAUNCH OF FMX FUTURES EXCHANGE

- *FMX Futures Exchange, partnering with LCH, will deliver a comprehensive U.S. Rates platform with efficient clearing and cross margining*
- *Working closely with the CFTC on the final approval of FMX Futures Exchange*
- *Strategic investors will be announced prior to launch*

## CONVERSION FROM AN 'UP-C' TO A FULL C-CORPORATION

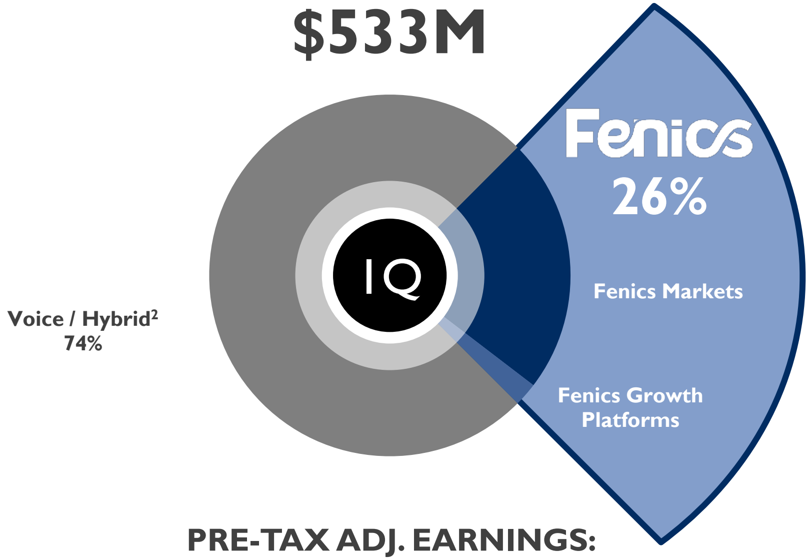
- *Expected to complete on June 30th and trade under the ticker "BGC" at the beginning of July*
- *Expected to increase simplicity, provide operational and capital synergies, and reduce corporate costs*
- *Expected to increase value to shareholders and broaden institutional investor base with potential for new inclusion in indices*

# BUSINESS OVERVIEW: 1Q 2023

| **Highlights of Consolidated Results** *(USD millions, except per share data)* | 1Q 2023 | 1Q 2022 | Change | Constant Currency Change[1] |
|---|---|---|---|---|
| Revenues | $532.9 | $506.5 | 5.2% | 7.0% |
| GAAP income (loss) from operations before income taxes | 33.2 | 45.4 | (26.7)% | |
| GAAP net income (loss) for fully diluted shares | 24.2 | 33.6 | (28.2)% | |
| Adjusted Earnings before noncontrolling interest in subsidiaries and taxes | 124.6 | 113.1 | 10.2% | |
| Post-tax Adjusted Earnings | 115.6 | 103.2 | 12.1% | |
| Adjusted EBITDA | 151.1 | 141.3 | 7.0% | |
| GAAP fully diluted earnings (loss) per share | $0.05 | $0.07 | (28.6)% | |
| Post-tax Adjusted Earnings per share | $0.23 | $0.21 | 9.5% | |

**REVENUE:**

**$533M**




**PRE-TAX ADJ. EARNINGS:**

**$125M**

**(PRE-TAX ADJ. EARNINGS MARGIN: 23.4%)**

## BUSINESS HIGHLIGHTS

+5% yr/yr revenue growth (+7% in constant currency)

Record Fenics revenue of $140M +12% yr/yr (+14% in constant currency)

Profitability improved across all adjusted metrics in 1Q23 *yr/yr*:
- Pre-tax AE +*10*%
- Post-tax AE +*12*%
- Adjusted EBITDA +7%

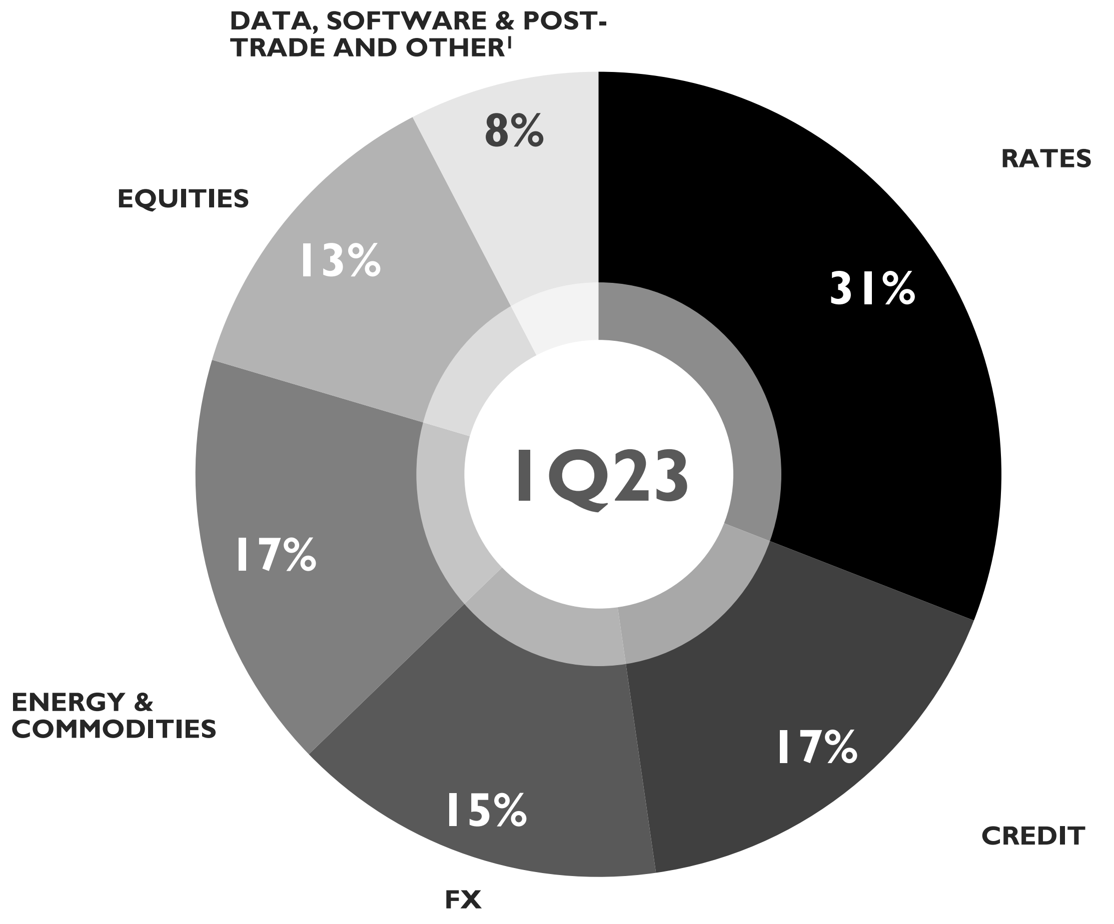
Tenth consecutive quarter of average front office productivity growth of $261k +9% *yr/yr*

Strong growth and improvement across all asset classes driven by higher trading volumes

1. Constant Currency is defined in the "Non-GAAP Financial Measures" section of this document.
2. Voice / Hybrid includes fees from related parties, interest and dividend income, and other revenues, not related to Fenics.

# BGC REVENUE BY ASSET CLASS

## BROKERAGE REVENUES IMPROVED ACROSS ALL ASSET CLASSES




| Revenue By Asset Class *(USD millions)* | 1Q 2023 | Change | Constant Currency Change |
|---|---|---|---|
| Rates | $164.7 | 3.7% | 6.6% |
| FX | 80.2 | 0.2% | 1.0% |
| Credit | 89.5 | 6.7% | 9.0% |
| Energy & commodities | 89.7 | 8.8% | 9.5% |
| Equities | 68.1 | 1.5% | 3.5% |
| Data, Software & Post-trade | 27.1 | 12.4% | 12.7% |
| Other | 13.5 | 34.3% | 35.3% |

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

# OVERVIEW: REVENUE BY GEOGRAPHY & CURRENCY

## BGC'S REVENUE IS WELL DIVERSIFIED ACROSS GEOGRAPHIES

### GLOBAL REVENUE

**AMERICAS**
**$188M**
*(35.3% of total)*

**EMEA**
**$273M**
*(51.3% of total)*

**APAC**
**$71M**
*(13.4% of total)*

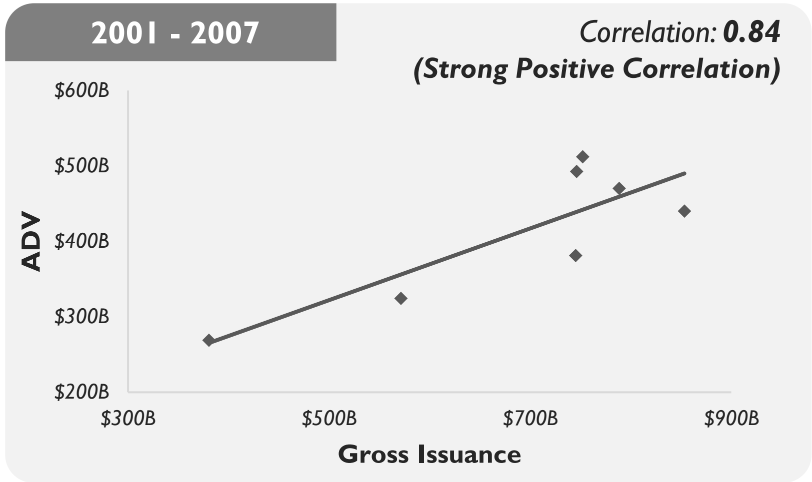
### REVENUE BY CURRENCY *(USD equivalent[1])*

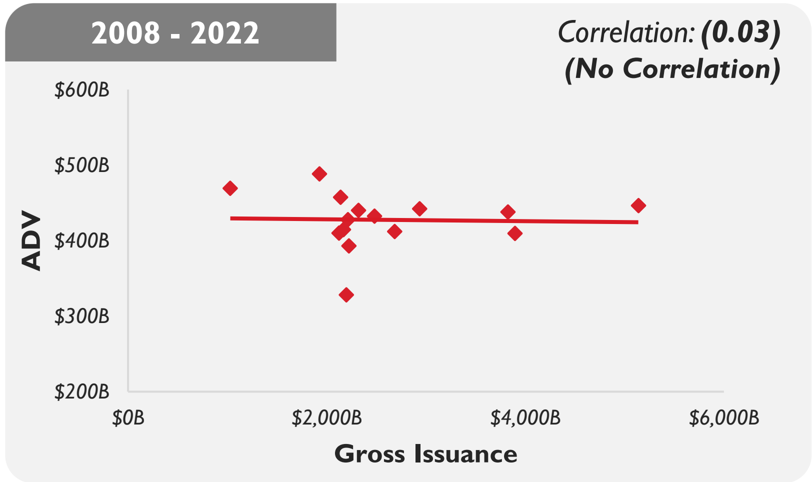
| | 1Q 2023 |
|---|---|
| $ | **$332.7M** 62.4% |
| £ | **$31.6M** 5.9% |
| € | **$111.2M** 20.9% |
| OTHER | **$57.3M** 10.8% |

1. GBP to USD average exchange rate of 1.23 for 1Q23, and EUR to USD average exchange rate of 1.08 for 1Q23.

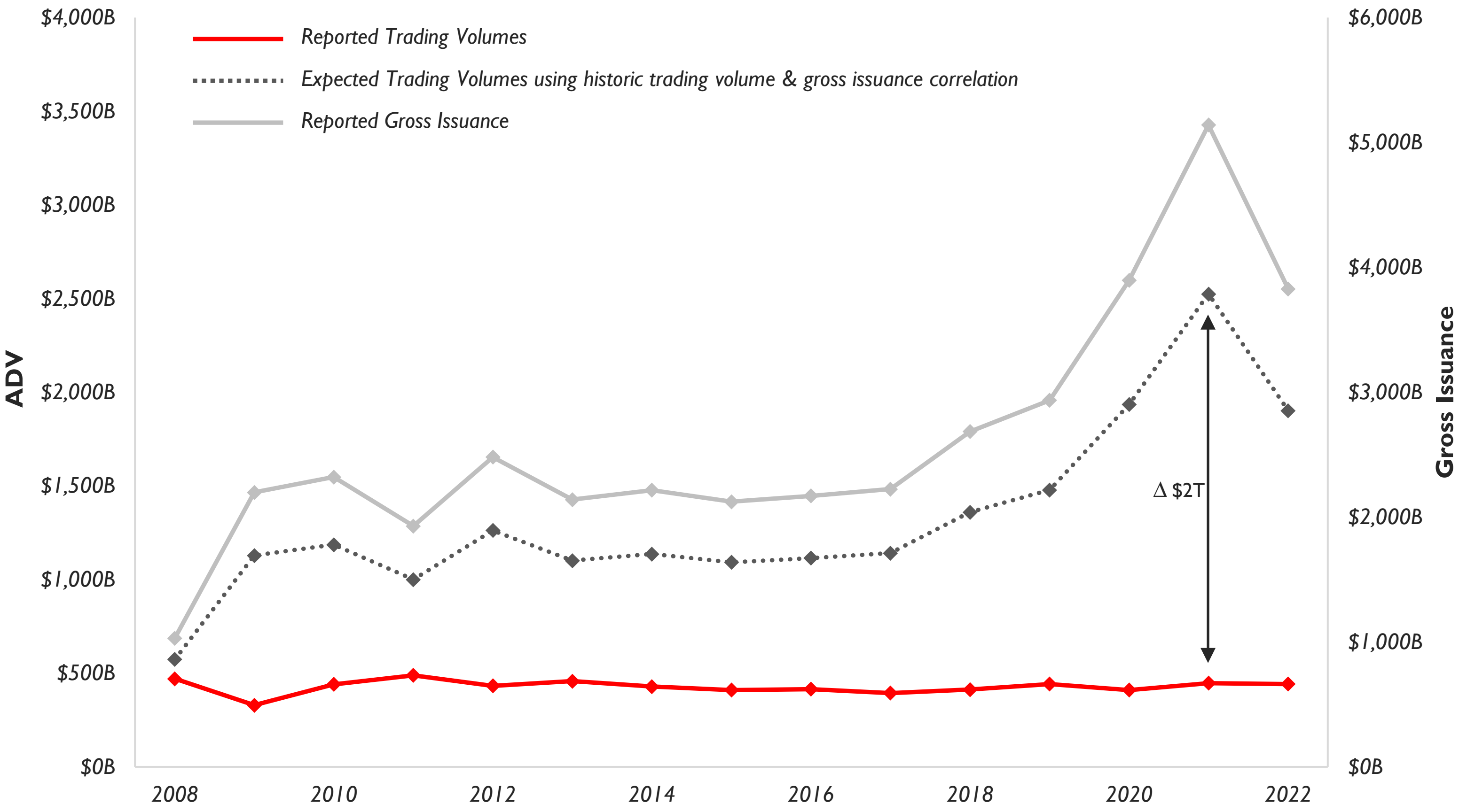
# RATES MACRO ENVIRONMENT

***Primary Dealer Trading Volumes for U.S. Government Coupon Securities were historically strongly correlated to Gross Issuance***




***"Historically, huge new issuance, as we have seen over the past decade, would have produced record trading volumes. Instead, zero interest rates over the last 14-years have caused Rates trading volumes to remain flat."***




***"With meaningful interest rates returning and issuance, that is multiples above 2008 levels, we believe the return of this strong positive correlation will drive our trading volumes significantly higher."***

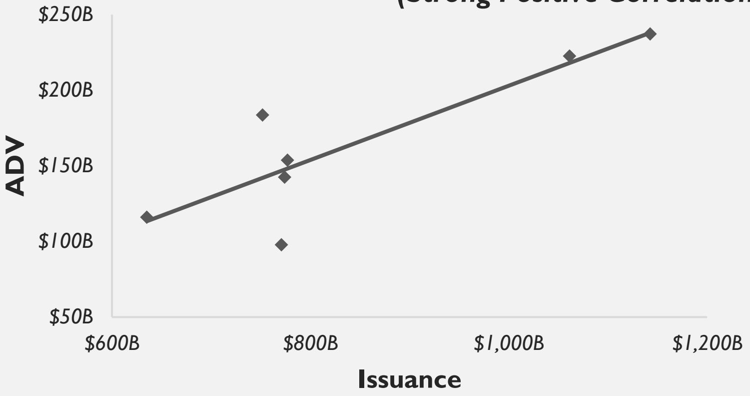
Sources: Bloomberg and SIFMA; analysis focuses on U.S. Government Coupon Securities (i.e. excludes Treasury Bills, TIPs and FRNs)

# CREDIT MACRO ENVIRONMENT

***Primary Dealer Trading Volumes for U.S. Corporate Securities were historically strongly correlated to Gross Issuance***

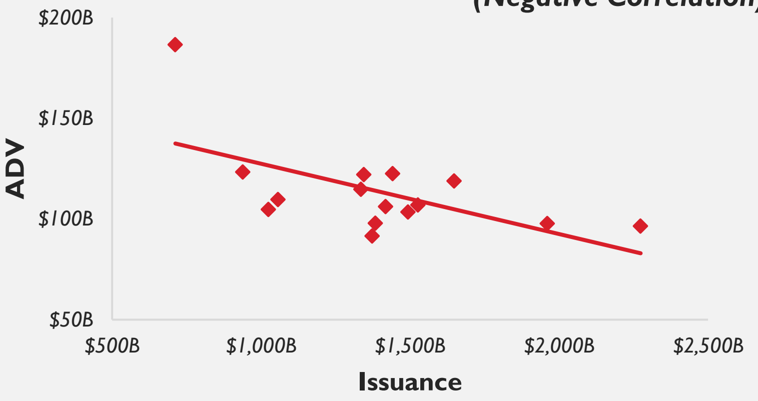
**2001 - 2007**

Correlation: **0.86**
**(Strong Positive Correlation)**

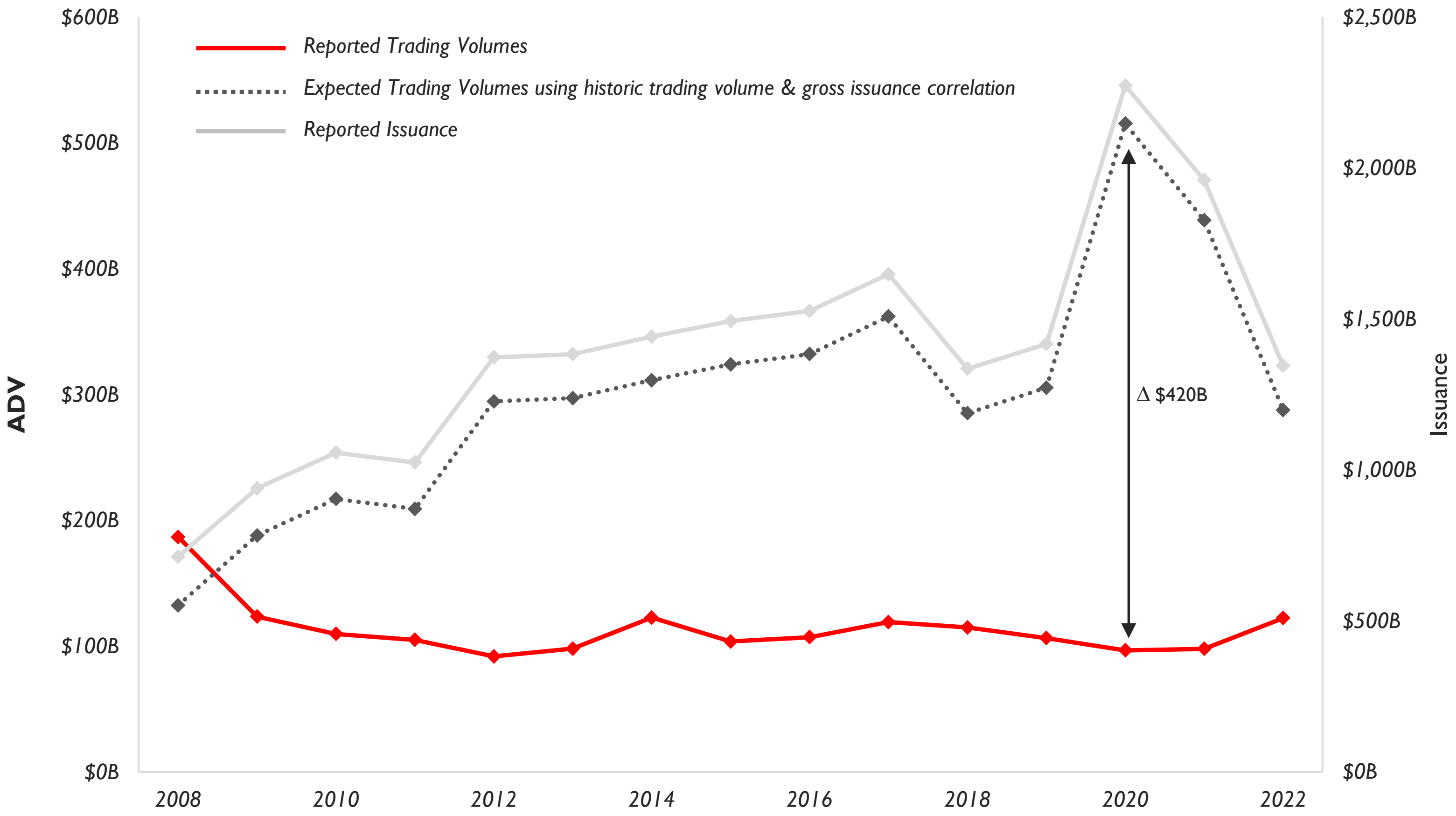



**2008 - 2022**

Correlation: **(0.60)**
**(Negative Correlation)**



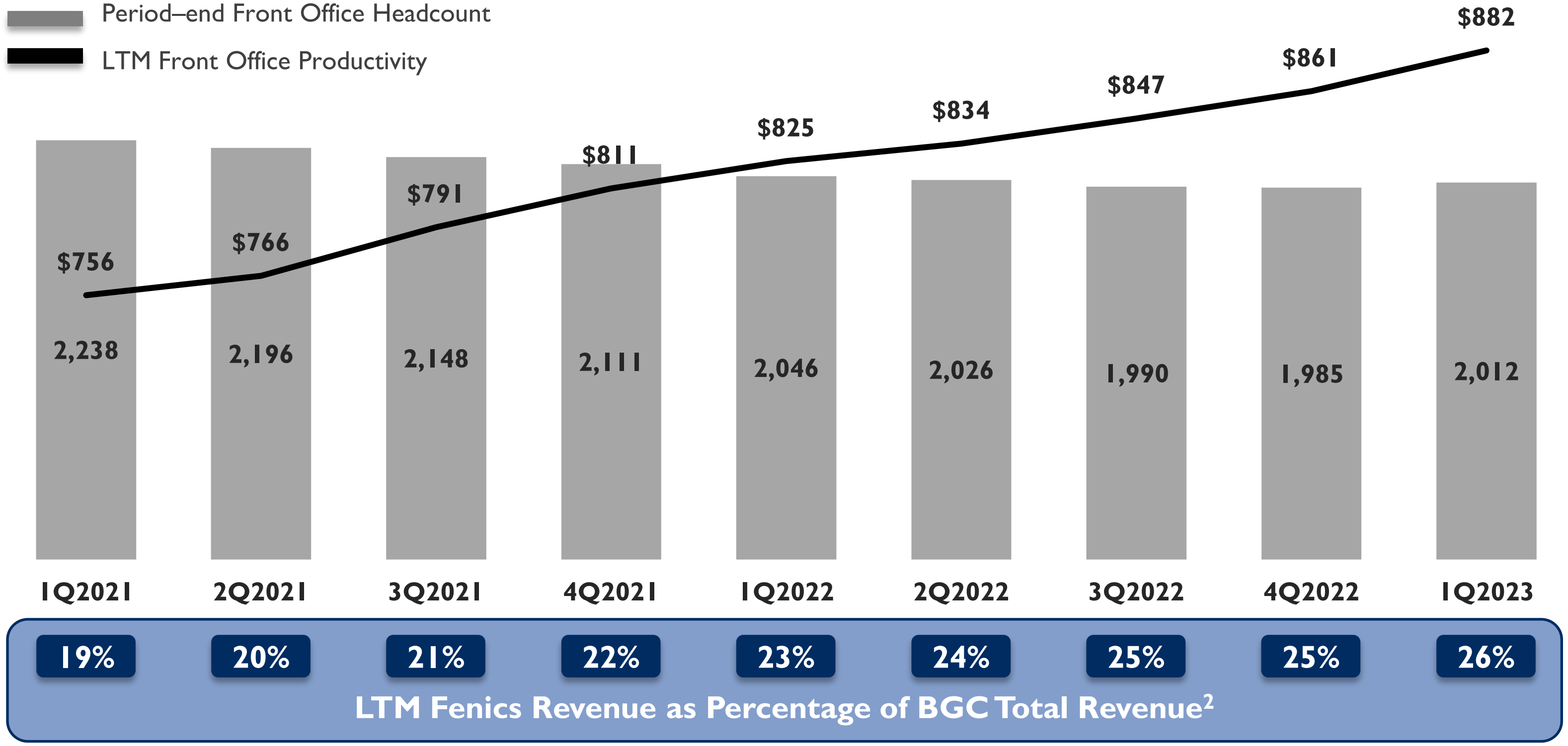

***"During the last 14-years of zero interest rates, the relationship between new issuance and trading volume growth broke down."***




Sources: Bloomberg and SIFMA; analysis focuses on U.S. Corporate Securities (i.e. includes Investment Grade and High Yield)

# FRONT OFFICE HEADCOUNT & PRODUCTIVITY

## FRONT OFFICE HEADCOUNT AND PRODUCTIVITY (Productivity in USD 000s)[1]




## PRODUCTIVITY STATS

### LTM 1Q 2023:

**$882k**
PRODUCTIVITY

**+7%**
GROWTH YR/YR

### 1Q 2023:

**$261k**
PRODUCTIVITY

**+9%**
GROWTH YR/YR

Highest ever average quarterly front office productivity of $261k

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

Tenth consecutive quarter of front office average productivity growth

1. The figures in the above table include total brokerage revenues (excluding Insurance) and revenues from data, software and post-trade. The average revenues for all producers ("productivity") are approximate and based on the relevant revenues divided by the average number of producers for the period.
2. Fenics revenue excludes intercompany revenue for all periods. BGC total revenue excludes Insurance revenue for all periods, including prior to the completion of the sale in 4Q 2021.

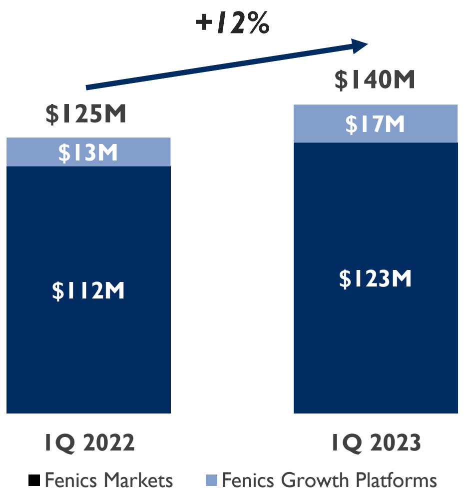
# FENICS OVERVIEW

## FENICS REPRESENTS BGC'S HIGHLY VALUABLE FINTECH ASSETS

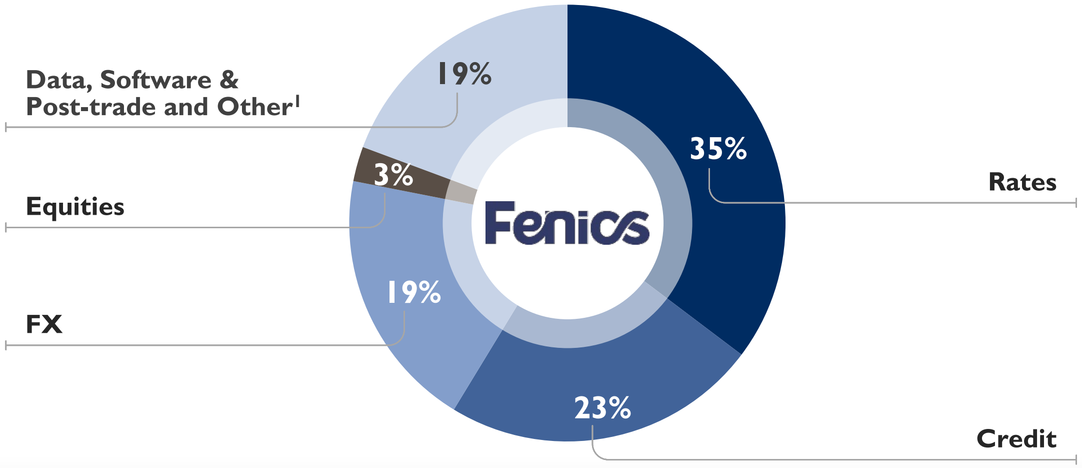
Fenics

**+12%**
Growth yr/yr

**+14%**
Constant Currency Growth yr/yr




## 1Q 2023 REVENUE BY ASSET CLASS




### Fenics Markets

**$123M**
1Q 2023 Revenue

**+10%**
Growth yr/yr

**+12%**
*Constant Currency Growth yr/yr*

### Fenics Growth Platforms

**$17M**
1Q 2023 Revenue

**+33%**
Growth yr/yr

**+34%**
*Constant Currency Growth yr/yr*

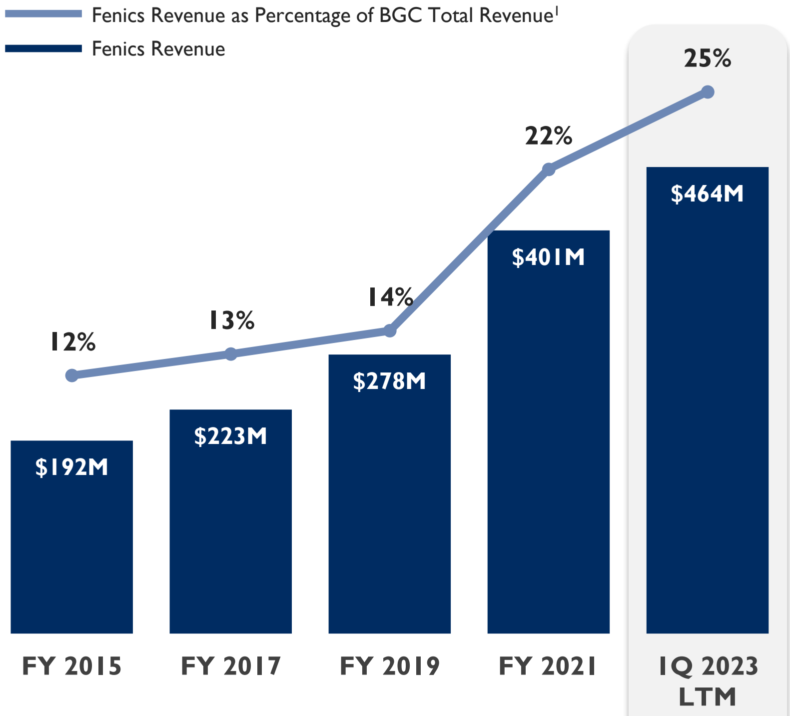
1. Other includes Other revenues.

# FENICS TRANSFORMATION STRATEGY

## FENICS' OPERATING STRATEGY FOCUSES ON:

### 1 CONVERTING VOICE / HYBRID BUSINESS INTO HIGHER-MARGIN TECHNOLOGY DRIVEN FENICS REVENUE

*FENICS REPRESENTED **26%** OF BGC'S OVERALL REVENUE IN 1Q 2023*




**Fenics Revenue**

### 2 FENICS GROWTH PLATFORMS: INDUSTRY LEADING GROWTH OF +33%

**Fenics Growth Platforms**

*1Q 2023 Revenue: **$17M***

#### RATES

**Fenics UST**

***U.S. Treasury Platform (Part of FMX)***

- *1Q 2023 Revenue: +24% yr/yr*

**FMX Futures Exchange**

***U.S. Rate Futures Exchange (Part of FMX)***

- *Progress continues with CFTC on final approval*

#### FX

**Fenics FX**

***Spot FX & NDF Electronic Communication Network***

- *1Q 2023 ADV: $7B (+13% yr/yr)*

#### SOFTWARE

**LUCERA**

***Aggregation & Connectivity Software***

- *1Q 2023 revenue up over 11% yr/yr*

#### CREDIT

**Portfolio Match**

***Global Session-based Credit Platform***

- *1Q 2023 U.S. ADV up over 10x yr/yr*

#### EQUITIES

**Fenics GO**

***Equity Index Options Platform***

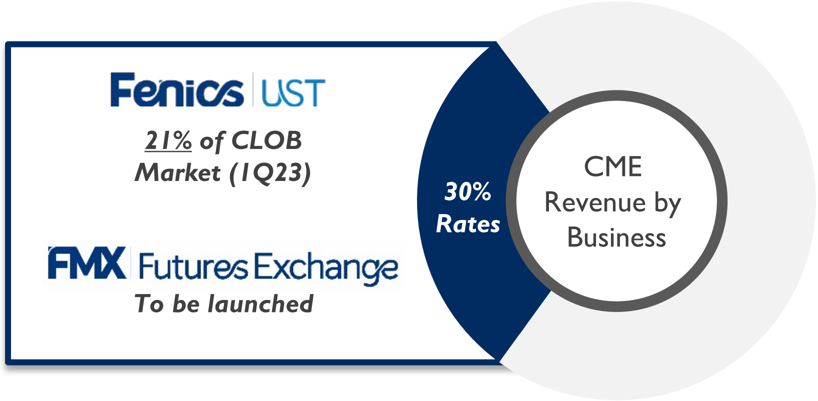
- *1Q 2023 Revenue: >120% yr/yr*

1. Excludes the impact of any dispositions, including the sale of the Insurance Brokerage business in 2021.

# BGC'S FULLY ELECTRONIC U.S. RATES PLATFORM

- Electronic U.S. Treasury and Rates futures platform
- Fenics UST is the second largest CLOB U.S. Treasury trading platform
- Partnership with LCH, largest clearer of interest rate derivatives

## FMX OPPORTUNITY[1]




CME Market Cap: **$67B**[2]

## FMX OPPORTUNITY

- FMX is a comprehensive fully electronic U.S. Rates Platform
- Highly valuable market opportunity
- U.S. Interest Rate Futures are the most widely traded Listed Product globally

## FMX ADVANTAGE

- Breaks unit economics with no-to-low marginal cost of trading
- Highly efficient clearing & cross-margining
- State-of-the-art technology & global distribution
- Expected strategic partners are the world's largest users of U.S. Rates Products

1. Source: CME Group Results FY 2022, Bloomberg, Greenwich Associates and BGC internal estimates. Rates includes Interest rates clearing and transaction fees and BrokerTec fixed income.
2. Market cap as of May 2, 2023.

Fenics | UST

# BGC'S CASH U.S. RATES TRADING PLATFORM

## PERFORMANCE HIGHLIGHTS

**24%** Revenue growth in 1Q 2023

**2x** Streaming offering reached record levels in 1Q 2023, more than doubling ADV yr/yr; earns significantly higher fee capture

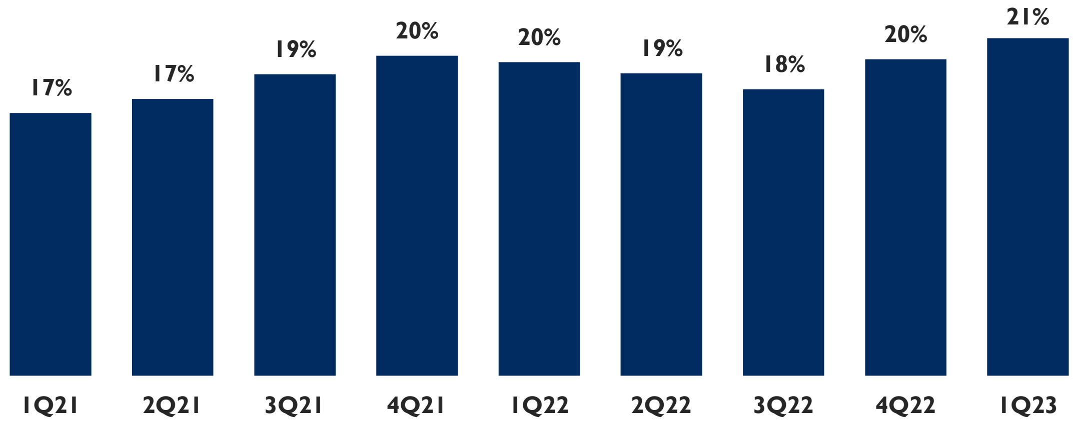
Majority of all Fenics UST CLOB trades in 1Q 2023 executed at prices only offered on the platform[1]

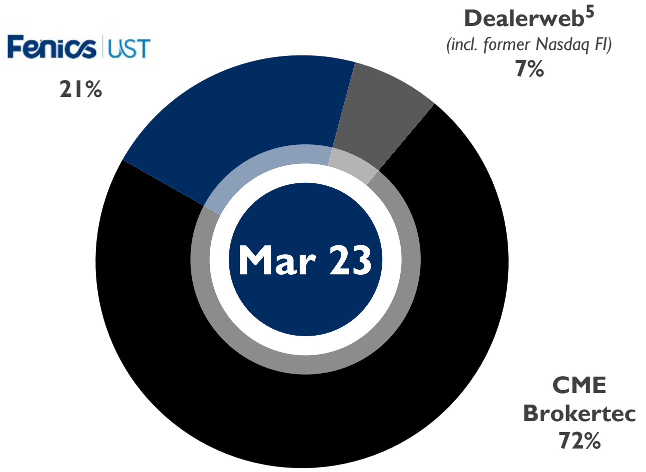
## BUSINESS UPDATES

**$29M** Estimated client cost savings in 1Q 2023 and $402 million since January 2019[2]

Strong growth in automated off-the-run spread facility launched in 3Q22

## U.S. TREASURY CLOB MARKET SHARE[3,4]




1. Conventional U.S. Treasury market is priced in ticks of 1/32; Fenics UST offers the tightest U.S. Treasury pricing at 1/16 of1/32 per tick; 2. 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); 3. Source: Company filings and Greenwich Associates; 4. 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; 5. 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.

LUCERA™ bgc

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

- Provides critical infrastructure to the capital markets
- Leverages BGC's existing global connectivity and distribution network
- Subscription model with recurring revenue

## BUSINESS UPDATES

**+11%**
*1Q 2023 Revenue*

**+21%**
*LTM 1Q 2023 Revenue*

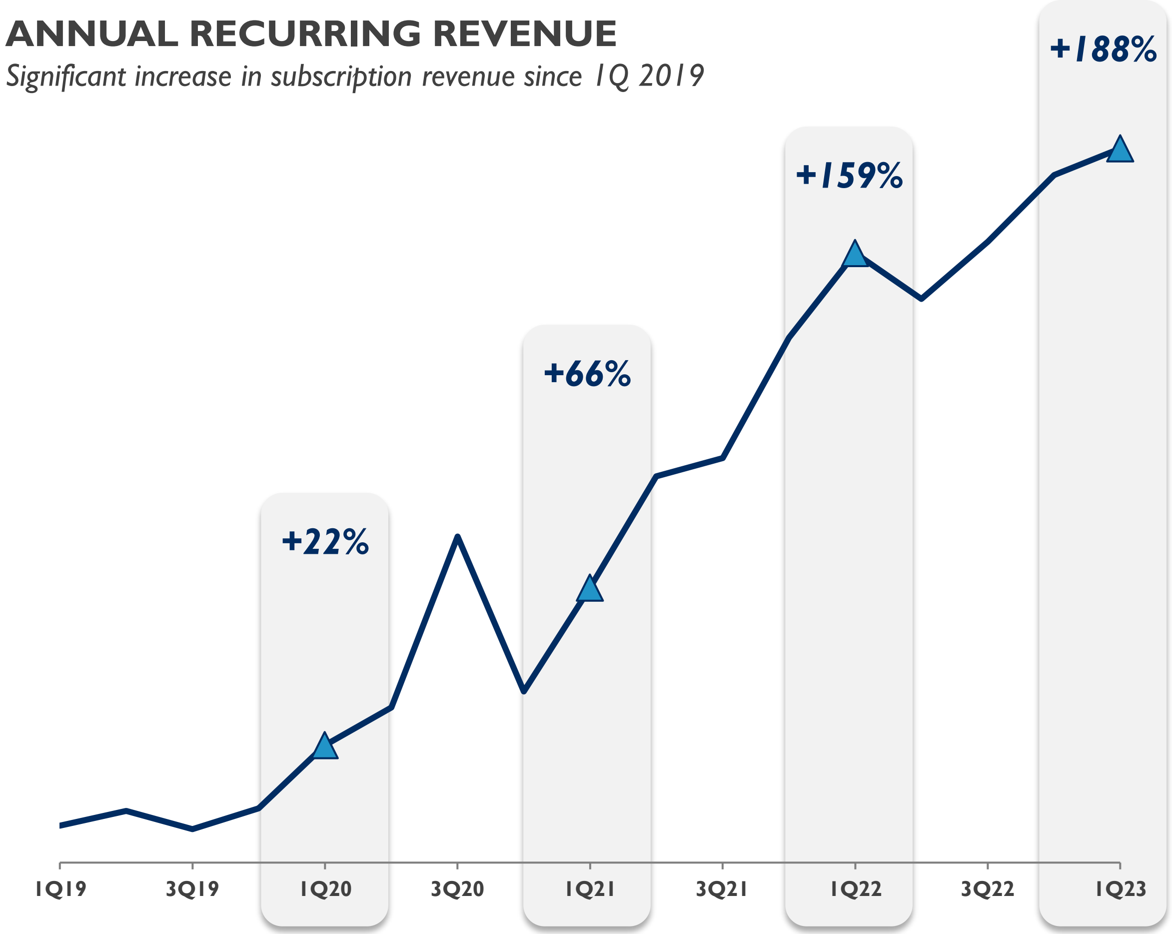
Signed multiple new Tier 1 clients in 1Q 2023

Strong pipeline of clients and products

## PERFORMANCE HIGHLIGHTS

### ANNUAL RECURRING REVENUE

*Significant increase in subscription revenue since 1Q 2019*



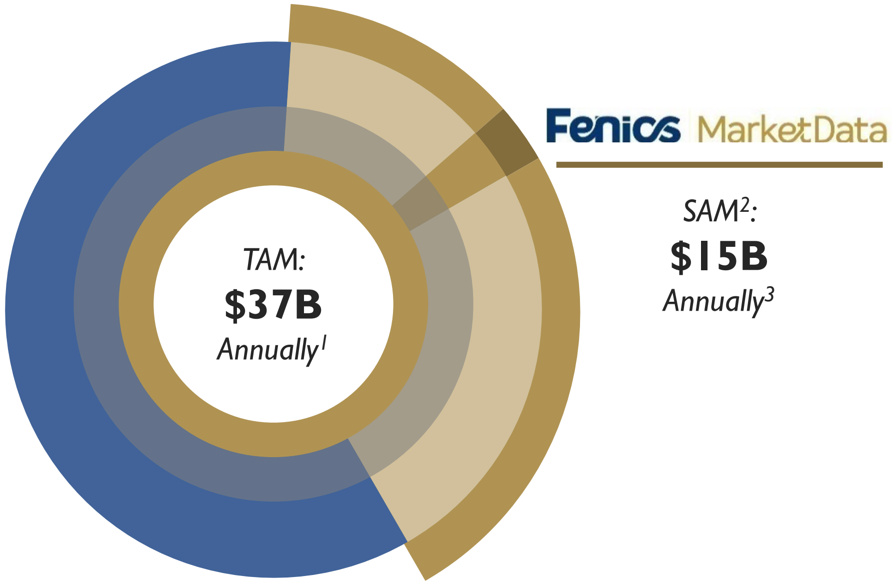
Fenics MarketData

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

- Recurring, compounding subscription-based model
- Independent data sourced from BGC's global wholesale liquidity pools
- Introducing new datasets generated by 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)

## MARKET OPPORTUNITY

*Record global consumption of financial market data in 2022 totalling* ***$37.3B***[1]




## BUSINESS HIGHLIGHTS

**+22%** Increase in 1Q 2023 revenue yr/yr; eleventh consecutive quarter of revenue growth

Market-leading regulatory package and risk-free rate data packages

**+64%** Increase in total contracted value in 1Q 2023 with 48 new contracts signed

Geographic and asset class expansion with increased salesforce, product specialists and technologists

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

Fenics GO

## END-TO-END GLOBAL ELECTRONIC TRADING PLATFORM FOR BLOCK-SIZED LISTED OPTIONS

- Web-based platform with API connectivity offering next generation multi-protocol execution capability & support compliance with regulatory requirements, such as best execution
- Partnered with leading global liquidity providers to provide fully anonymous request-based liquidity
- Leverage's BGC's position as #1 IDB in listed equity derivatives providing aggregated product access from multiple exchanges

### INDEX OPTION PRODUCTS

NIKKEI 225 | HSCEI | KOSPI 200 | DAX

EURO STOXX BANKS | EURO STOXX 50 | MSCI

### PERFORMANCE HIGHLIGHTS

**>120%** Increase in 1Q 2023 revenue yr/yr;

Strong volume growth across Asian business:

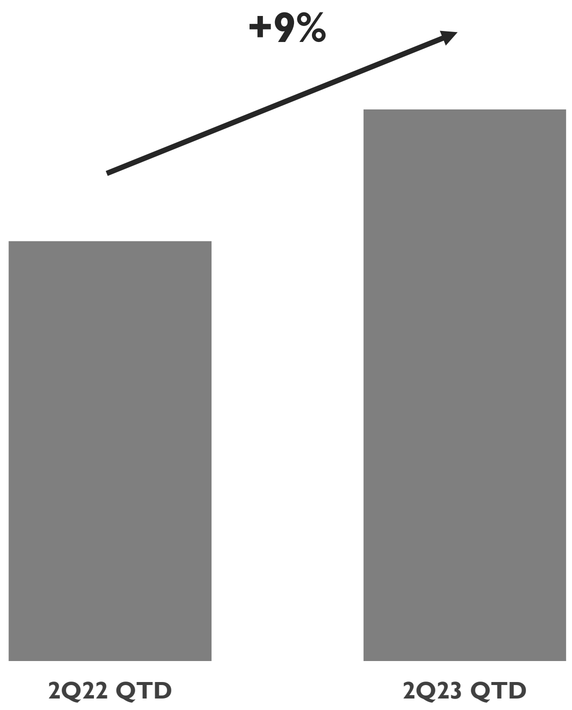
- HSCEI up almost 100% yr/yr
- KOSPI up over 60% yr/yr
- MSCI up over 10x yr/yr

**+164%** Volume growth across EURO STOXX 50 index options

Fenics GO's newer MSCI index options offering ranked #1 across 5 of 15 MSCI Asia indices at Eurex

# 2Q 2023 PERFORMANCE QUARTER-TO-DATE ("QTD")

## QTD REVENUE PERFORMANCE




Through the first 19 trading days of 2Q 2023

## OUTLOOK

| | Guidance | Actual |
|---|---|---|
| **Metric (USD million)** | **2Q 2023** | **2Q 2022** |
| Revenues | $450 – $500 | $435.8 |
| Pre-tax Adjusted Earnings | $90 – $110 | $90.2 |
| **Metric (%)** | **FY 2023** | **FY 2022** |
| Pre-Corporate Conversion Adjusted Earnings Tax Rate | 5.0% – 8.0% | 7.3% |

BGC expects to update its quarterly outlook towards the end of June 2023.

Note: 2Q23 QTD ("Quarter-to-Date") versus 2Q22 QTD compares the first 19 trading days of 2Q 2023 against the first 19 trading days of 2Q 2022; Total BGC performance is inclusive of Fenics.

BGC PARTNERS, INC.

# GAAP FINANCIAL RESULTS

# BGC PARTNERS, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
## (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (UNDER GAAP)

| | March 31, 2023 | December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 493,496 | $ 484,989 |
| Cash segregated under regulatory requirements | 16,424 | 17,021 |
| Financial instruments owned, at fair value | 41,302 | 39,319 |
| Receivables from broker-dealers, clearing organizations, customers and related broker-dealers | 1,852,062 | 559,680 |
| Accrued commissions and other receivables, net | 330,544 | 288,471 |
| Loans, forgivable loans and other receivables from employees and partners, net | 352,719 | 319,612 |
| Fixed assets, net | 181,059 | 183,478 |
| Investments | 38,810 | 38,575 |
| Goodwill | 502,017 | 486,585 |
| Other intangible assets, net | 204,553 | 192,783 |
| Receivables from related parties | 4,135 | 1,444 |
| Other assets | 467,150 | 463,014 |
| Total assets | $ 4,484,271 | $ 3,074,971 |
| **Liabilities, Redeemable Partnership Interest, and Equity** | | |
| Short-term borrowings | $ 1,968 | $ 1,917 |
| Accrued compensation | 176,629 | 176,781 |
| Payables to broker-dealers, clearing organizations, customers and related broker-dealers | 1,675,926 | 404,675 |
| Payables to related parties | 2,918 | 10,550 |
| Accounts payable, accrued and other liabilities | 688,801 | 683,104 |
| Notes payable and other borrowings | 1,121,588 | 1,049,217 |
| Total liabilities | 3,667,830 | 2,326,244 |
| Redeemable partnership interest | 15,423 | 15,519 |
| Equity | | |
| Stockholders' equity: | | |
| Class A common stock, par value $0.01 per share; 750,000 shares authorized; 487,809 and 471,934 shares issued at March 31, 2023 and December 31, 2022, respectively; and 340,874 and 325,858 shares outstanding at March 31, 2023 and December 31, 2022, respectively | 4,878 | 4,719 |
| Class B common stock, par value $0.01 per share; 150,000 shares authorized; 45,884 shares issued and outstanding at each of March 31, 2023 and December 31, 2022, convertible into Class A common stock | 459 | 459 |
| Additional paid-in capital | 2,604,259 | 2,559,418 |
| Treasury stock, at cost: 146,935 and 146,076 shares of Class A common stock at March 31, 2023 and December 31, 2022, respectively | (715,081) | (711,454) |
| Retained deficit | (1,122,827) | (1,138,066) |
| Accumulated other comprehensive income (loss) | (43,522) | (45,431) |
| Total stockholders' equity | 728,166 | 669,645 |
| Noncontrolling interest in subsidiaries | 72,852 | 63,563 |
| Total equity | 801,018 | 733,208 |
| Total liabilities, redeemable partnership interest and equity | $ 4,484,271 | $ 3,074,971 |

# BGC PARTNERS, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
## (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (UNDER GAAP)

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|---|---|---|
| **Revenues:** | | |
| Commissions | $ 377,288 | $ 356,664 |
| Principal transactions | 114,929 | 115,601 |
| Total brokerage revenues | 492,217 | 472,265 |
| Fees from related parties | 3,957 | 3,317 |
| Data, software and post-trade | 27,122 | 24,127 |
| Interest and dividend income | 5,315 | 2,435 |
| Other revenues | 4,256 | 4,320 |
| Total revenues | 532,867 | 506,464 |
| **Expenses:** | | |
| Compensation and employee benefits | 267,214 | 257,268 |
| Equity-based compensation and allocations of net income to limited partnership units and FPUs | 81,373 | 57,876 |
| Total compensation and employee benefits | 348,587 | 315,144 |
| Occupancy and equipment | 41,165 | 38,663 |
| Fees to related parties | 8,440 | 5,725 |
| Professional and consulting fees | 15,701 | 15,631 |
| Communications | 27,939 | 27,891 |
| Selling and promotion | 14,616 | 10,938 |
| Commissions and floor brokerage | 15,265 | 17,343 |
| Interest expense | 15,742 | 14,303 |
| Other expenses | 12,508 | 17,775 |
| Total non-compensation expenses | 151,376 | 148,269 |
| Total expenses | 499,963 | 463,413 |
| **Other income (losses), net:** | | |
| Gains (losses) on equity method investments | 2,062 | 2,803 |
| Other income (loss) | (1,735) | (496) |
| Total other income (losses), net | 327 | 2,307 |
| Income (loss) from operations before income taxes | 33,231 | 45,358 |
| Provision (benefit) for income taxes | 12,061 | 14,657 |
| Consolidated net income (loss) | $ 21,170 | $ 30,701 |
| Less: Net income (loss) attributable to noncontrolling interest in subsidiaries | 2,192 | 4,729 |
| Net income (loss) available to common stockholders | $ 18,978 | $ 25,972 |
| **Per share data:** | | |
| *Basic earnings (loss) per share* | | |
| Net income (loss) available to common stockholders | $ 18,978 | $ 25,972 |
| Basic earnings (loss) per share | $ 0.05 | $ 0.07 |
| Basic weighted-average shares of common stock outstanding | 375,220 | 368,323 |
| *Fully diluted earnings (loss) per share* | | |
| Net income (loss) for fully diluted shares | $ 24,155 | $ 33,638 |
| Fully diluted earnings (loss) per share | $ 0.05 | $ 0.07 |
| Fully diluted weighted-average shares of common stock outstanding | 501,067 | 502,877 |

# APPENDIX

# INTERDEALER BROKER ("IDB")

## IDBs: FINANICAL INTERMEDIARIES THAT FACILITATE TRANSACTIONS BETWEEN FINANCIAL INSTITUTIONS

### IDBS ARE CRITICAL CAPITAL MARKETS INFRASTRUCTURE

***IDBs act as an exchange for financial products and energy and commodities that don't trade on an exchange***

### IDBS PROVIDE

- Price discovery
- Trade execution
- Market data
- Post-trade processing & settlement

### BGC'S BUSINESS MODEL

- Intermediary trade execution
- No risk warehousing or mark-to-market positions
- Balance sheet light
- Higher trading volumes = Higher revenues

### IDB ADVANTAGES

**LIQUIDITY** — Deepest and most diverse pools of liquidity provide better prices and speed of execution

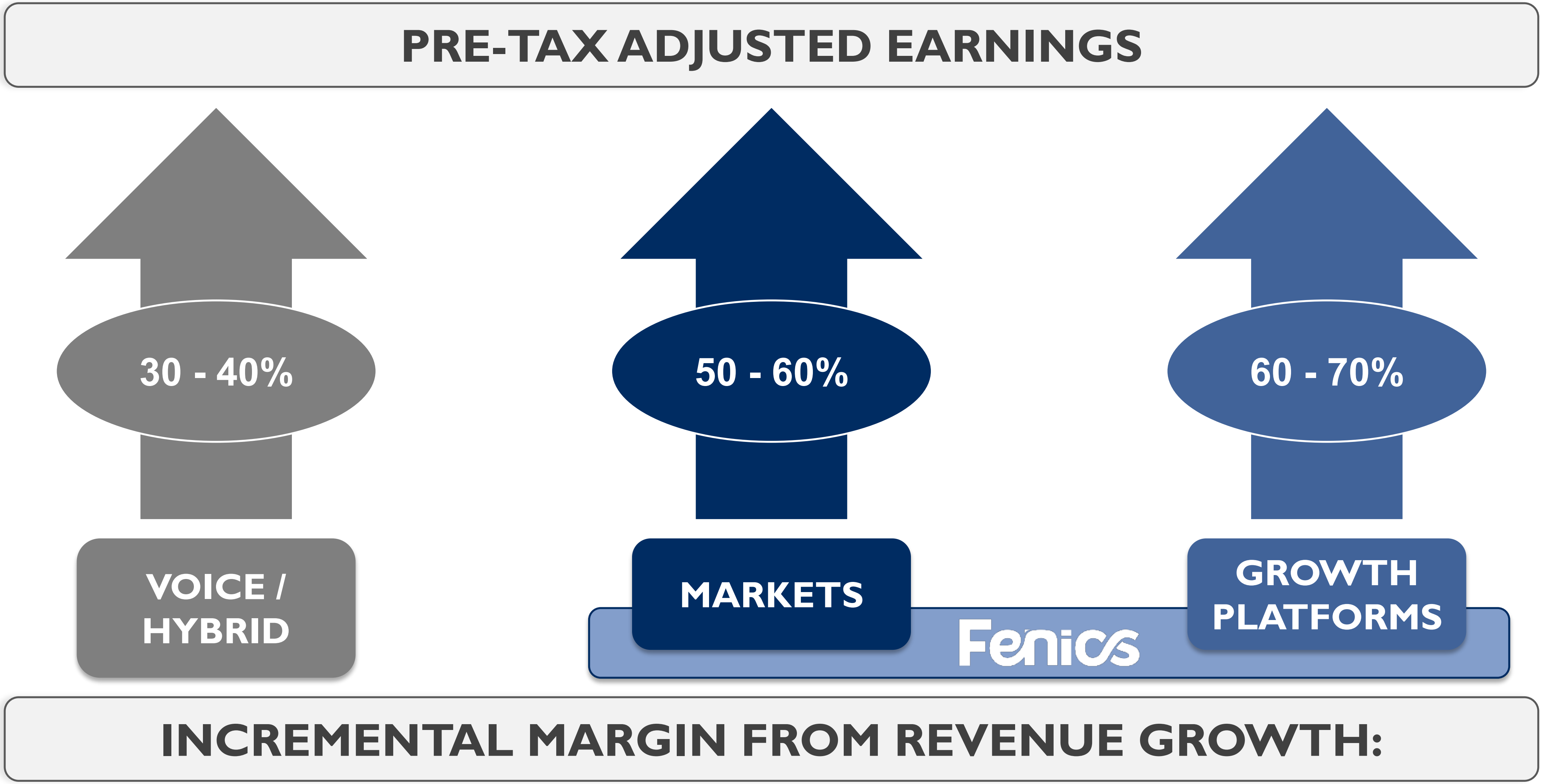
**ACCESS** — To a global distribution of highly sophisticated trading partners

**ANONYMITY** — Keep trading activities private with greater anonymity and discretion which is critical for large or sensitive transactions

**SPECIALIZED PRODUCTS** — Meet specific investment or risk management needs with a wider range of specialized products/ instruments offered over retail markets

**REGULATORY COMPLIANCE** — Manage operational and regulatory risks associates with trading with IDB provides compliance and reporting services

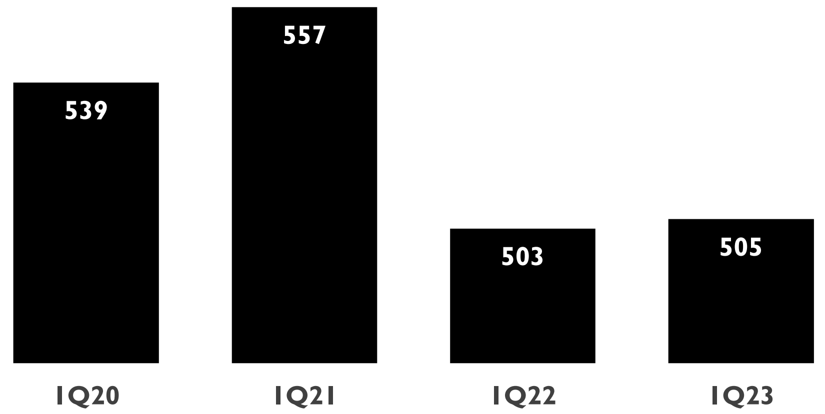
# SIGNIFICANT OPERATING LEVERAGE THROUGH SCALE & TECH



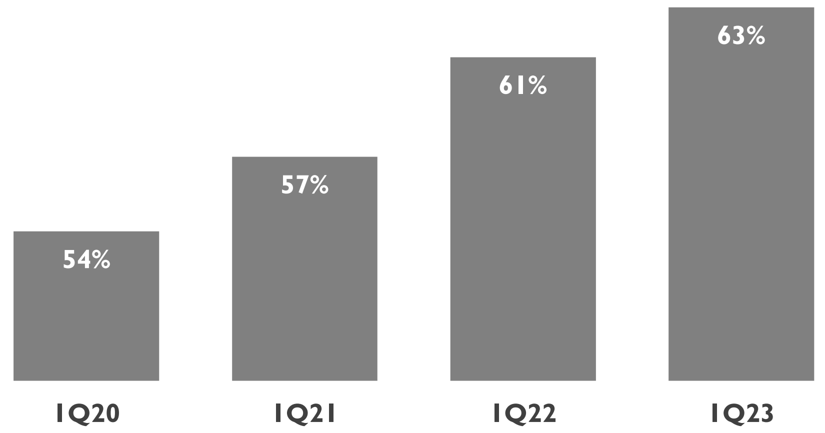
# BGC'S FULLY DILUTED SHARE COUNT SUMMARY AS OF 3/31/2023

| BGC Partners, Inc. Fully Diluted Share count Summary (as of March 31, 2023) | Fully-Diluted Shares (millions) | Ownership (%) |
|---|---|---|
| **PUBLIC** | **319.9** | **63%** |
| Class A owned by Public | 319.9 | 63% |
| **EMPLOYEES** | **81.8** | **17%** |
| Class A owned by executives, board members and employees[1] | 21.0 | 4% |
| Partnership units owned by employees[2] | 56.6 | 12% |
| Other owned by employees[3] | 4.2 | 1% |
| **CANTOR** | **103.5** | **20%** |
| Class B owned by Cantor | 45.9 | 9% |
| Partnership units owned by Cantor[4] | 57.6 | 11% |
| **TOTAL** | **505.2** | **100%** |

## FULLY DILUTED SPOT SHARE COUNT (millions)




## PUBLIC OWNERSHIP OF FULLY DILUTED SHARE COUNT




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.

# STRONGLY CAPITALIZED; INVESTMENT GRADE CREDIT PROFILE

| BGC Partners, Inc. | As of 3/31/2023 |
|---|---|
| **Total Liquidity**[1] | **$534,798** |
| Unsecured senior revolving credit agreement | $73,295 |
| 5.375% Senior Notes due July 24, 2023 | $449,577 |
| 3.750% Senior Notes due October 1, 2024 | $298,765 |
| 4.375% Senior Notes due December 15, 2025 | $298,321 |
| Collateralized borrowings | $1,630 |
| **Total Notes Payable and Other Borrowings** | **$1,121,588** |
| **Net Notes Payable and Other Borrowings (after adjusting for Total Liquidity)** | **$586,790** |
| **Total Capital**[2] | **$816,441** |
| **Credit Ratios (Adj. EBITDA and Ratios as of LTM 1Q 2023)** | |
| Adjusted EBITDA | $496,036 |
| Leverage Ratio: Total Notes Payable and Other Borrowings / Adjusted EBITDA | 2.3x |
| Net Leverage Ratio: Net Notes Payable and Other Borrowings (after adjusting for Total Liquidity) / Adjusted EBITDA | 1.2x |
| Interest Coverage Ratio: Adjusted EBITDA / Interest Expense | 8.4x |
| Total Notes Payable and Other Borrowings / Total Capital[2] | 1.4x |
| Total Net Notes Payable and Other Borrowings (after adjusting for Liquidity) / Total Capital[2] | 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
- BGC continues to manage its business to maintain its Investment Grade rating

## BALANCE SHEET STRENGTH

- Liquidity of $534.8 million[1] as of March 31, 2023
- $300 million available of undrawn capacity under BGC's revolving credit facility, as of March 31, 2023

1. Includes Cash and Cash Equivalents of $493.5 million, and Financial instruments owned, at fair value of $41.3 million as of March 31, 2023.
2. 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.

# FENICS ECOSYSTEM

bgc

## MULTIPLE TRADING PROTOCOLS ACROSS A COMPREHENSIVE SET OF FINANCIAL INSTRUMENTS

| | RATES | CREDIT | FX | EQUITIES | DATA, SOFTWARE & POST-TRADE |
|---|---|---|---|---|---|
| **Fenics MARKETS**<br>*Revenue:* **$123M**<br>*Change:* **+10%**<br>*(1Q 2023)* | **KEY PRODUCTS:**<br>• Interest Rate Derivatives<br>• EGBs<br>• GILTs<br>• Inflation Products<br>• EM Government Bonds | **KEY PRODUCTS:**<br>• Investment Grade Bonds (IG)<br>• High Yield Bonds (HY)<br>• Sovereign Credit<br>• Financial Credit<br>• Emerging Market Credit<br>• Index & Single Name CDS | **KEY PRODUCTS:**<br>• FX Spot<br>• FX Options<br>• Asian / LatAm NDFs<br>• FX Forwards<br>**FENICS PLATFORMS:**<br>• Fenics MIDFX<br>• Fenics Direct | **KEY PRODUCTS:**<br>• LatAm Equities | Fenics MarketData<br>(Fenics Markets associated Market Data)<br>KACE<br>CAPITALAB<br>(NDF Matching) |
| **Fenics GROWTH PLATFOMS**<br>*Revenue:* **$17M**<br>*Change:* **+33%**<br>*(1Q 2023)* | Fenics UST<br>**PRODUCTS:**<br>• U.S. Treasuries<br>• U.S. Treasury Bills<br>• U.S. Repos<br>• Off-the-runs<br>• Futures (upon launch)[1] | **PORTFOLIO MATCH**<br>**PRODUCTS:**<br>• U.S. Credit (IG & HY)<br>• European Credit (IG & HY) | Fenics FX<br>**PRODUCTS:**<br>• FX Spot<br>• Asian NDFs | Fenics GO<br>**PRODUCTS:**<br>• European Index Options<br>• Asian Index Options<br>• Equity Total Return Swaps | Fenics MarketData<br>(Fenics Growth Platforms associated Market Data)<br>LUCERA<br>CAPITALAB<br>(Compression & IMO) |
| **PROTOCOLS** | • CLOB<br>• Matching<br>*(continuous & session-based)*<br>• Streaming<br>• Volume Clearing | • CLOB<br>• Matching<br>*(continuous & session-based)*<br>• Volume Clearing | • CLOB<br>• Matching<br>*(continuous & session-based)*<br>• Streaming<br>• RFQ | • CLOB<br>• RFQ | |

1. FMX Futures Exchange continues to make progress with the CFTC on the final approval of its futures exchange.

# BGC REVENUE CORRELATION & INDUSTRY VOLUMES

| REVENUE CORRELATION BY ASSET CLASS | CORRELATION[1] | 1Q23 VS 1Q22 INDUSTRY METRIC VOLUME CHANGE |
|---|---|---|
| **RATES** | | |
| Eurex Interest Rate Derivatives (Total Contracts Traded) | 0.73 | 12% |
| Primary Dealer U.S. Govt Securities Trading Volume (ADV) | 0.77 | (2)% |
| **CREDIT** | | |
| FINRA IG & HY Bonds Trading Volume (ADV) | 0.75 | 13% |
| **FX** | | |
| Euronext FX (Total Volume) | 0.64 | (13)% |
| Refinitiv FX (Total Volume) | 0.52 | (3)% |
| **ENERGY & COMMODITIES** | | |
| CME Energy & Commodities Futures & Options (Total Contracts Traded) | 0.70 | (10)% |
| ICE Energy & Commodities Futures & Options (Total Contracts Traded) | 0.69 | (2)% |
| **EQUITIES** | | |
| Eurex Index & Equity Derivatives (Total Contracts Traded) | 0.57 | (5)% |

- BGC's revenues across each asset class are generally correlated over time 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 half of the year and slower in the second half
- 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

1. Correlations are calculated using quarterly values for BGC asset class revenues and the relevant industry metrics starting 1Q2013, apart from FINRA IG & HY Bonds Trading Volume which begins 3Q2014.

# SHAREHOLDER VALUE CREATION

## BGC HAS A STRONG HISTORY OF CREATING VALUE FOR SHAREHOLDERS THROUGH ORGANIC GROWTH, ACQUISITIONS & INVESTMENTS IN TECHNOLOGY

**1999** – eSpeed, leading electronic UST platform, IPOs

**2004** – Cantor forms BGC Partners, separating its brokerage business from its sales & trading business

**2008** – BGC Partners merges with eSpeed to form BGC Partners, Inc. (Nasdaq: BGCP)

**2011** – Acquired Newmark Knight Frank, entering commercial real estate business

**2013** – Sold eSpeed to Nasdaq for **$1.2B**[1], equivalent to the entire market cap of BGCP

**2015/2016** – Acquired GFI

**2016** – Completed sale of Trayport to ICE for **$650M**[2]

**2017** – Acquired Besso, entering the insurance brokerage business

**2018** – Successfully completed tax-free spin-off of Newmark (Nasdaq: NMRK) for **$1.9B**[3]

**2021** – Sold Insurance Brokerage business to The Ardonagh Group for **$535M** in gross proceeds[4]

**2022** – Fenics eclipsed **$449M** in revenue

**TODAY** – Working towards launch of FMX Futures Exchange[5]

**2023** – Expected close of corporate conversion (conversion from current Up-C structure to Full C-Corp structure) immediately after the close of 2Q 2023 on June 30[6]

1999 — 2023

1. 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.
2. 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.
3. 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.
4. 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.
5. 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, 2022.
6. Refer to the Form S-4 filed on April 6, 2023, with the SEC by BGC Group, Inc.

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)

| | Q1 2023 | Q1 2022 |
|---|---|---|
| **GAAP income (loss) from operations before income taxes** | $ 33,231 | $ 45,358 |
| Pre-tax adjustments: | | |
| Compensation adjustments: | | |
| Equity-based compensation and allocations of net income to limited partnership units and FPUs (1) | 81,373 | 57,876 |
| Other Compensation charges (2) | 413 | 508 |
| Total Compensation adjustments | 81,786 | 58,384 |
| Non-Compensation adjustments: | | |
| Amortization of intangibles (3) | 3,684 | 4,310 |
| Impairment charges | 1,770 | 2,120 |
| Other (4) | 4,041 | 5,733 |
| Total Non-Compensation adjustments | 9,495 | 12,163 |
| Other income (losses), net adjustments: | | |
| Fair value adjustment of investments (5) | 1,321 | (140) |
| Other net (gains) losses (6) | (1,223) | (2,644) |
| Total other income (losses), net adjustments | 98 | (2,784) |
| Total pre-tax adjustments | 91,379 | 67,763 |
| **Adjusted Earnings before noncontrolling interest in subsidiaries and taxes** | **$ 124,610** | **$ 113,121** |
| GAAP net income (loss) available to common stockholders | $ 18,978 | $ 25,972 |
| Allocation of net income (loss) to noncontrolling interest in subsidiaries (7) | 2,299 | 3,821 |
| Total pre-tax adjustments (from above) | 91,379 | 67,763 |
| Income tax adjustment to reflect adjusted earnings taxes (8) | 2,964 | 5,607 |
| **Post-tax adjusted earnings** | **$ 115,620** | **$ 103,163** |
| ***Per Share Data*** | | |
| **GAAP fully diluted earnings (loss) per share** | $ 0.05 | $ 0.07 |
| Less: Allocations of net income (loss) to limited partnership units, FPUs, and noncontrolling interest in subsidiaries, net of tax | (0.01) | — |
| Total pre-tax adjustments (from above) | 0.18 | 0.13 |
| Income tax adjustment to reflect adjusted earnings taxes | 0.01 | 0.01 |
| **Post-tax adjusted earnings per share** | $ 0.23 | $ 0.21 |
| Fully diluted weighted-average shares of common stock outstanding | 501,067 | 502,877 |
| Dividends declared per share of common stock | $ 0.01 | $ 0.01 |
| Dividends declared and paid per share of common stock | $ 0.01 | $ 0.01 |

Please see footnotes to this table on the next page.

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

| | Q1 2023 | Q1 2022 |
|---|---|---|
| Issuance of common stock and grants of exchangeability | $ 51,966 | $ 30,135 |
| Allocations of net income | 2,380 | 3,690 |
| LPU amortization | 21,431 | 19,023 |
| RSU amortization | 5,596 | 5,028 |
| Equity-based compensation and allocations of net income to limited partnership units and FPUs | **$ 81,373** | **$ 57,876** |

(2) GAAP Expenses in the first quarter of 2023 included $0.2 million of certain acquisition-related compensation expenses, and $0.2 million of other compensation related adjustments. GAAP Expenses in the first quarter of 2022 included certain acquisition-related compensation expenses of $0.7 million and $0.1 million of employee loan impairments related to the cost reduction program.

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

(4) GAAP expenses in the first quarter of 2023 and 2022 included various other GAAP items. GAAP expenses for the first quarter of 2023 and 2022 included $2.0 million and $6.0 million, respectively, of reserves in connection with unsettled trades and receivables with sanctioned Russian entities. 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 a non-cash loss of ($1.3) million and a non-cash gain of $0.1 million, respectively, related to fair value adjustments of investments held by BGC in the first quarter of 2023 and 2022.

(6) For the first quarter of 2023 and 2022, includes non-cash gains of $2.1 million and $2.8 million, respectively, related to BGC's investments accounted for under the equity method. The first quarter of 2023 also included a net loss of ($0.8) million related to other recoveries and various other GAAP items, while the first quarter of 2022 also included a net loss of ($0.2) million related to various other GAAP items.

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

(8) BGC's GAAP provision (benefit) for income taxes is calculated based on an annualized methodology. The Company's GAAP provision (benefit) for income taxes was $12.1 million and $14.7 million for the first quarters of 2023 and 2022, 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 $3.0 million and $5.6 million for the first quarters of 2023 and 2022, respectively. As a result, the provision (benefit) for income taxes with respect to Adjusted Earnings was $9.1 million for both the first quarters of 2023 and 2022.

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

| | Q1 2023 | Q1 2022 |
|---|---|---|
| **GAAP net income (loss) available to common stockholders** | **$ 18,978** | **$ 25,972** |
| **Add back:** | | |
| Provision (benefit) for income taxes | 12,061 | 14,657 |
| Net income (loss) attributable to noncontrolling interest in subsidiaries (1) | 2,192 | 4,729 |
| Interest expense | 15,742 | 14,303 |
| Fixed asset depreciation and intangible asset amortization | 19,059 | 18,399 |
| Impairment of long-lived assets | 1,770 | 2,120 |
| Equity-based compensation and allocations of net income to limited partnership units and FPUs (2) | 81,373 | 57,876 |
| (Gains) losses on equity method investments (3) | (2,062) | (2,803) |
| Other non-cash GAAP expenses (4) | 2,000 | 6,000 |
| **Adjusted EBITDA** | **$ 151,113** | **$ 141,253** |

(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 first quarters of both 2023 and 2022, includes non-cash gains of $2.1 million and $2.8 million, respectively, related to BGC's investments accounted for under the equity method.

(4) The first quarters of 2023 and 2022 includes $2.0 million and $6.0 million, respectively, of non-cash reserves in connection with unsettled trades and receivables with sanctioned Russian entities.

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

## FULLY DILUTED WEIGHTED AVERAGE SHARE COUNT

| | Q1 2023 | Q1 2022 |
|---|---|---|
| Common stock outstanding | 375,220 | 368,323 |
| Limited partnership units | 55,736 | 64,882 |
| Cantor units | 57,605 | 56,772 |
| Founding partner units | 7,110 | 8,026 |
| RSUs | 4,008 | 3,681 |
| Other | 1,388 | 1,193 |
| **Fully diluted weighted-average share count under GAAP and Adjusted Earnings** | **501,067** | **502,877** |

## LIQUIDITY ANALYSIS

| | March 31, 2023 | December 31, 2022 |
|---|---|---|
| Cash and cash equivalents | $ 493,496 | $ 484,989 |
| Financial instruments owned, at fair value | 41,302 | 39,319 |
| **Total Liquidity** | **$ 534,798** | **$ 524,308** |

# 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”; “Liquidity”; and "Constant Currency". 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 FPUs” (or “equity-based compensation” for purposes of defining the Company’s non-GAAP results) as recorded on the Company’s GAAP Consolidated Statements of Operations and GAAP Consolidated Statements of Cash Flows. These GAAP equity-based compensation charges reflect the following items:

- Charges with respect to grants of exchangeability, which reflect the right of holders of limited partnership units with no capital accounts, such as LPUs and PSUs, to exchange these units into shares of common stock, or into partnership units with capital accounts, such as HDUs, as well as cash paid with respect to taxes withheld or expected to be owed by the unit holder upon such exchange. The withholding taxes related to the exchange of certain non-exchangeable units without a capital account into either common shares or units with a capital account may be funded by the redemption of preferred units such as PPSUs.
- Charges with respect to preferred units. Any preferred units would not be included in the Company’s fully diluted share count because they cannot be made exchangeable into shares of common stock and are entitled only to a fixed distribution. Preferred units are granted in connection with the grant of certain limited partnership units that may be granted exchangeability or redeemed in connection with the grant of shares of common stock at ratios designed to cover any withholding taxes expected to be paid. This is an alternative to the common practice among public companies of issuing the gross amount of shares to employees, subject to cashless withholding of shares, to pay applicable withholding taxes.
- GAAP equity-based compensation charges with respect to the grant of an offsetting amount of common stock or partnership units with capital accounts in connection with the redemption of non-exchangeable units, including PSUs and LPUs.
- Charges related to amortization of RSUs and limited partnership units.
- Charges related to grants of equity awards, including common stock or partnership units with capital accounts.
- Allocations of net income to limited partnership units and FPUs. 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.

All share equivalents that are part of the Company’s equity-based compensation program, including REUs, PSUs, LPUs, 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 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.

# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

## (CONTINUED)

### *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.

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.

# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS
## (CONTINUED)

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, when the impact would be anti-dilutive.

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" in the Company's most recent financial results press release.

### 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 in 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.

### 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 FPUs;
- 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 U.K. based headquarters.

# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS
## (CONTINUED)

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 in 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), financial instruments owned, at fair value, 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 in 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.

### CONSTANT CURRENCY DEFINED

BGC generates a significant amount of its revenues in non-U.S. dollar denominated currencies, particularly in the euro and pound sterling. In order to present a better comparison of the Company's revenues during the period, which exhibited highly volatile foreign exchange movements, BGC provides revenues year-over-year comparisons on a "Constant Currency" basis. BGC uses a Constant Currency financial metric to provide a better comparison of the Company's underlying operating performance by eliminating the impacts of foreign currency fluctuations between comparative periods. Since BGC's consolidated financial statements are presented in U.S. dollars, fluctuations in non-U.S. dollar denominated currencies have an impact on the Company's GAAP results. The Company's Constant Currency metric, which is a non-GAAP financial measure, assumes the foreign exchange rates used to determine the Company's comparative prior period revenues, apply to the current period revenues. Constant Currency revenue percentage change is calculated by determining the change in current quarter non-GAAP Constant Currency revenues over prior period revenues. Non-GAAP Constant Currency revenues are total revenues excluding the effect of foreign exchange rate movements and are calculated by remeasuring and/or translating current quarter revenues using prior period exchange rates. BGC presents certain non-GAAP Constant Currency percentage changes in Constant Currency revenues as a supplementary measure because it facilitates the comparison of the Company's core operating results. This information should be considered in addition to, and not as a substitute for, results reported in accordance with GAAP.

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