UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________
Commission File Number: 001-38329

NEWMARK GROUP, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**81-4467492**
(State or other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

125 Park Avenue
New York, New York 10017
(212) 372-2000
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock, $0.01 par value	NMRK	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 6, 2025
Class A Common Stock, par value $0.01 per share	**163,266,587 shares**
Class B Common Stock, par value $0.01 per share	**21,285,533 shares**

NEWMARK GROUP, INC.

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GLOSSARY OF TERMS, ABBREVIATIONS AND ACRONYMS

The following terms, abbreviations and acronyms are used to identify frequently used terms and phrases that may be used in this report:

	DEFINITION
2023 Gosin Employment Agreement	The Amended and Restated Employment Agreement between Barry Gosin and Newmark OpCo and Newmark Holdings entered into on February 10, 2023
2024 Gosin Employment Agreement	The Second Amended and Restated Employment Agreement between Barry Gosin and Newmark OpCo and Newmark Holdings entered into on August 7, 2024
2025 Proxy Statement	Proxy statement for the Company's 2025 Annual Meeting of Stockholders
6.125% Senior Notes	The Company's 6.125% Senior Notes which were issued on November 6, 2018, in an original principal amount of $550.0 million and matured on November 15, 2023
7.500% Senior Notes	The Company's 7.500% Senior Notes due on January 12, 2029, issued on January 12, 2024, in an original principal amount of $600.0 million
AI	Artificial intelligence, including machine learning and generative artificial intelligence
ASU	FASB accounting standards update
Audit Committee	Audit Committee of the Board
Berkeley Point	Berkeley Point Financial LLC, a wholly owned subsidiary of the Company acquired on September 8, 2017, which does business as part of the Newmark multifamily capital markets business
BGC	(i) Following the closing of the Corporate Conversion, BGC Group and, where applicable, its consolidated subsidiaries and (ii) prior to the closing of the Corporate Conversion, BGC Partners and, where applicable, its consolidated subsidiaries
BGC Class A common stock	BGC Class A common stock, par value $0.01 per share
BGC Class B common stock	BGC Class B common stock, par value $0.01 per share
BGC common stock	BGC Class A common stock and BGC Class B common stock, collectively
BGC Entity Group	BGC Partners, BGC Holdings, BGC U.S. OpCo and their respective subsidiaries (other than, prior to the Spin-Off, the Newmark Entity Group), collectively, and in each case as such entities existed prior to the Corporate Conversion
BGC Group	BGC Group, Inc. (Nasdaq: BGC) and, where applicable, its consolidated subsidiaries
BGC Holdings	BGC Holdings, L.P., an entity which, prior to the Corporate Conversion, was owned by Cantor, Founding Partners, BGC employee partners and, after the Separation, Newmark employee partners
BGC Holdings Distribution	Pro rata distribution, pursuant to the Separation and Distribution Agreement, by BGC Holdings to its partners of all of the exchangeable limited partnership interests in Newmark Holdings owned by BGC Holdings immediately prior to the distribution
BGC Partners	BGC Partners, Inc., which acquired us on October 14, 2011, facilitated the Newmark IPO on December 14, 2017 and completed the Spin-Off that led to us becoming a separate publicly traded company on November 30, 2018, and, where applicable, its consolidated subsidiaries. On July 1, 2023, BGC Partners, Inc. completed its Corporate Conversion and became a wholly owned subsidiary of its public holding company successor, BGC Group, Inc.
BGC U.S. OpCo	Prior to the Separation, BGC Partners, L.P., an operating partnership which held the U.S. businesses of BGC, including Newmark Entity Group, and which is owned jointly, following the closing of the Corporate Conversion, by BGC Partners and the successor to BGC Holdings
BH2	Newmark BH2 LLP, a London-based real estate advisory firm
Board or Board of Directors	Board of Directors of the Company

Bylaws	Amended and Restated Bylaws of Newmark Group, Inc.
CAGR	Compound annual growth rate
Cantor	Cantor Fitzgerald, L.P. and, where applicable, its consolidated subsidiaries
Cantor Credit Agreement	Unsecured credit agreement entered into with Cantor on November 30, 2018, as amended by the First Cantor Credit Agreement Amendment on December 20, 2023
Cantor Entity Group	Cantor and its consolidated subsidiaries (other than any member of the BGC Entity Group or the Newmark Entity Group), Howard W. Lutnick and/or any of his immediate family members as so designated by Howard W. Lutnick and any trusts or other entities controlled by Howard W. Lutnick
Cantor Units	Limited partnership interests of Newmark Holdings or, prior to the Corporate Conversion, Newmark Holdings or BGC Holdings, held by the Cantor Entity Group, which Newmark Holdings units are exchangeable into shares of Newmark Class A common stock or Newmark Class B common stock and which BGC Holdings units were exchangeable into shares of BGC Class A common stock or BGC Class B common stock, as applicable
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act
CCRE	Cantor Commercial Real Estate Company, L.P.
CCRE Lending	Cantor Commercial Real Estate Lending, L.P., a wholly owned subsidiary of Real Estate LP
CECL	Current Expected Credit Losses
Certificate of Incorporation	Second Amended and Restated Certificate of Incorporation of Newmark
CF Secured	CF Secured, LLC
CF&Co	Cantor Fitzgerald & Co., a wholly owned broker-dealer subsidiary of Cantor
CFE	Cantor Fitzgerald Europe
CFGM	CF Group Management, Inc., the managing general partner of Cantor
CFS11	CFS11 Holdings, LLC, a subsidiary of Cantor
CIO	Chief Information Officer
CISO	Chief Information Security Officer
Class A properties	Most prestigious buildings competing for premier office users with rents above average for the area. Buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence
Class B properties	Buildings competing for a wide range of users with rents in the average range for the area. Building finishes are fair to good for the area and systems are adequate, but the building cannot compete with Class A at the same price
Class C properties	Buildings competing for tenants requiring functional space at rents below the area average
Commission-based revenues	Includes Leasing and Other Commissions, Fees from Commercial Mortgage Origination, net, Investment Sales, and Valuation & Advisory. So named because revenue-generating professionals in these businesses earn a substantial portion or all of their compensation based on their production
Company	Newmark Group, Inc. and, where applicable, its consolidated subsidiaries
Company debt securities	The 6.125% Senior Notes, 7.500% Senior Notes, and any future debt securities issued by the Company
Compensation Committee	Compensation Committee of the Board
Contractual revenues, contractual services or contractual business	Includes business for which the Company has a contract with a client that is generally for a year or longer. Contractual business, when quantified, includes all revenues related to landlord (or agency) representation leasing, loan servicing (including escrow interest income), outsourcing (including property management, facilities management, and asset management), and lease administration. It also includes certain fees under contract produced by the Company's flexible workspace and tenant representation service lines

Contribution Ratio	Ratio of shares of Newmark Common Stock that were outstanding compared to the shares of BGC common stock outstanding as of immediately prior to the Newmark IPO (not including any shares of our common stock sold in the Newmark IPO); this ratio was set initially at a fraction equal to one divided by 2.2
Corporate Conversion	A series of mergers and related transactions pursuant to which, effective at 12:02 AM Eastern Time on July 1, 2023, BGC Partners and BGC Holdings became wholly owned subsidiaries of BGC Group, transforming the organizational structure of the BGC businesses from an "Up-C" structure to a simplified "Full C-Corporation" structure
CoStar	CoStar Group Inc.
Credit Agreement	The Company's unsecured senior revolving credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders, most recently amended and restated on April 26, 2024
Credit Facility	The credit facility pursuant to the Credit Agreement, as amended and restated, with a current maximum revolving loan balance of $600.0 million, which the Company has the right to increase up to $800.0 million subject to certain conditions being met, and a maturity date of April 26, 2027, bearing interest at either SOFR or a defined base rate plus additional margin
Delayed Draw Term Loan	The previously outstanding credit facility pursuant to the Delayed Draw Term Loan Credit Agreement, with an aggregate principal amount of $420.0 million (which could have been increased, subject to certain terms and conditions, to up to $550.0 million) and a maturity date of November 14, 2026, which bore interest at SOFR or a defined base rate plus additional margin
Delayed Draw Term Loan Credit Agreement	The Company's credit agreement with Bank of America, N.A., as administrative agent, and a syndicate of lenders, dated as of August 10, 2023
Deskeo	Space Management (d/b/a "Deskeo")
DGCL	Delaware General Corporation Law
Employees	Includes both employees and those real estate brokers who qualify as statutory non-employees under Internal Revenue Code Section 3508
EPS	Earnings Per Share
Equity Plan	Amended and Restated Newmark Group, Inc. Long Term Incentive Plan
ESG	Environmental, social and governance, including sustainability or similar items
EU	European Union
Exchange Act	Securities Exchange Act of 1934, as amended
Exchange Agreement	Exchange agreement which provides (i) BGC Partners, (ii) Cantor, (iii) any entity controlled by either of them or by Howard W. Lutnick, and (iv) Howard W. Lutnick, his spouse, his estate, any of his descendants, any of his relatives, or any trust established for his benefit or for the benefit of his spouse, any of his descendants or any of his relatives, the right to exchange shares of Newmark Class A common stock into Newmark Class B common stock on a one-to-one basis up to the number then authorized but unissued
Exchange Ratio	The ratio by which a Newmark Holdings limited partnership interest can be exchanged for a number of shares of Newmark Class A common stock
FASB	Financial Accounting Standards Board
Fannie Mae	The Federal National Mortgage Association
Fannie Mae DUS	The Fannie Mae Delegated Underwriting and Servicing Program
First Cantor Credit Agreement Amendment	First Amendment to the Cantor Credit Agreement entered into on December 20, 2023
FHA	The Federal Housing Administration
FHFA	The Federal Housing Finance Agency
FOMC	Federal Open Market Committee

Forward Sales Contract	An agreement to deliver mortgages to third-party investors at a fixed price
Founding Partners	Individuals who became limited partners of Newmark Holdings in connection with the Separation who held BGC Holdings founding partner interests immediately prior to the Separation (provided that members of the Cantor Entity Group and the BGC Entity Group are not Founding Partners)
Founding Partner interests, Founding Partner units or FPUs	Founding/Working Partners units in Newmark Holdings or, prior to the closing of the Corporate Conversion, Newmark Holdings or BGC Holdings, that are generally redeemed upon termination of employment
Freddie Mac	The Federal Home Loan Mortgage Corporation
Freddie Mac Strip	A three basis point servicing fee and/or up to a one-basis point surveillance fee on certain Freddie Mac loans after the loan is securitized in a Freddie Mac pool
Freddie Mac TAH	The Freddie Mac Targeted Affordable Housing Program
GDP	Gross domestic product
GDPR	General Data Protection Regulation
Gerald Eve	Gerald Eve LLP, a London-based real estate advisory firm acquired on March 10, 2023
Ginnie Mae	The Government National Mortgage Association
GSE or GSEs	Government-sponsored enterprises (Fannie Mae and Freddie Mac)
HDUs	LPUs with capital accounts, which are liability awards recorded in “Accrued compensation” in the Company’s consolidated balance sheets
HUD	U.S. Department of Housing and Urban Development
HUD LEAN	HUD’s mortgage insurance program for senior housing
HUD MAP	HUD’s Multifamily Accelerated Processing
Investment Company Act	Investment Company Act of 1940, as amended
Knotel	Knotel, Inc.
Kastle Barometer	Security provider Kastle Systems tracks the number of employees in ten of the largest U.S. metropolitan areas that were physically in offices and reports that number every work week as a percentage of the typical number physically present during the first three weeks of February 2020
LEED	Leadership in Energy and Environmental Design
LIBOR	London Inter-Bank Offered Rate
Limited Partnership Unit Holders	The individuals who became limited partners of Newmark Holdings in connection with the Separation and who held BGC Holdings limited partnership units immediately prior to the Separation and certain individuals who became or become limited partners of Newmark Holdings from time to time after the Separation and who provide services to the Newmark Entity Group
LPA Amendment	An amendment, dated as of March 10, 2023, to the Newmark Holdings limited partnership agreement
LPUs, limited partnership units, or limited partnership interests	Certain limited partnership units in Newmark Holdings or, prior to the closing of the Corporate Conversion, Newmark Holdings or BGC Holdings, held by certain employees of BGC or Newmark and other persons who have provided services to BGC or Newmark, which units may include APSIs, APSUs, AREUs, ARPSUs, HDUs, U.K. LPUs, N Units, PLPUs, PPSIs, PPSUs, PSEs, PSIs, PSUs, REUs, RPUs, and SPUs, along with future types of limited partnership units in Newmark Holdings
MBA	Mortgage Bankers’ Association
Management Services	Newmark’s recurring businesses that are not part the Company’s Servicing and Asset Management platform. Management Services includes fees from businesses such as Occupier Solutions, Property Management, its flexible workspace platform, Valuation & Advisory, Consulting, Title and Escrow Services, and Underwriting & Due Diligence, as well as all pass through revenues
McCall & Almy	McCall & Almy, Inc.

Merkel CIC Agreement	Change of Control Agreement that Stephen Merkel entered into with the Company on February 18, 2025
MPC	Monetary Policy Committee of the Bank of England
MSCI	MSCI Real Assets (formerly known as Real Capital Analytics, or "RCA")
MSRs	Mortgage servicing rights
Nasdaq	Nasdaq, Inc. (formerly known as NASDAQ OMX Group, Inc.)
Newmark	Newmark Group, Inc., and where applicable, its consolidated subsidiaries. Also referred to as the "Company," "we," "us," or "our"
Newmark & Co.	Newmark & Company Real Estate, Inc., which for the purposes of this document is defined as all of the companies acquired by BGC Partners on October 14, 2011. Comparisons in this document to our 2011 revenues are based on unaudited full year 2011 revenues for Newmark & Co.
Newmark Common Stock	Newmark Class A common stock and Newmark Class B common stock, collectively
Newmark Class A common stock	Newmark Class A common stock, par value $0.01 per share
Newmark Class B common stock	Newmark Class B common stock, par value $0.01 per share
Newmark Entity Group	Newmark, Newmark Holdings, Newmark OpCo and their respective consolidated subsidiaries, collectively
Newmark Holdings	Newmark Holdings, L.P., which is owned jointly by Newmark, Cantor, Newmark's employee partners and other partners
NHL	Newmark Holdings Limited
Newmark Holdings limited partnership agreement	Amended and Restated Agreement of Limited Partnership of Newmark Holdings, dated as of December 13, 2017
Newmark IPO	The initial public offering of 23 million shares of Newmark Class A common stock at a price of $14.00 per share in December 2017
Newmark OpCo	Newmark Partners, L.P., an operating partnership, which is owned jointly by Newmark and Newmark Holdings and holds the businesses of Newmark
Newmark Research	A Newmark service providing real estate market reports and analysis to our professionals and clients
Newmark Revolving Loans	Certain loans that Cantor has agreed to make from time to time to Newmark pursuant to the First Cantor Credit Agreement Amendment in an aggregate outstanding principal amount of up to $150.0 million, on substantially the same terms as other loans under such agreement, except that until April 15, 2024, the Newmark Revolving Loans would bear interest at a rate equal to 25 basis points less than the interest rate borne by the revolving loans made pursuant to the Credit Facility
Newmark S11	Newmark S11 Holdings, LLC
NOL	Net operating loss
N Units	Non-distributing partnership units of Newmark Holdings that may not be allocated any item of profit or loss, and may not be made exchangeable into shares of Class A common stock, including NREUs and NPSUs
OECD	Organisation for Economic Co-operation and Development
Official Bank Rate	The rate the Bank of England charges banks and financial institutions for loans with a maturity of one day
OMSRs	Originated mortgage servicing rights
Open Realty	Open Realty Advisors, LLC and Open Realty Properties, LLC, which operate together as a retail real estate advisory firm

OS	Occupier Solutions, which was formerly known as Global Corporate Services, encompasses Newmark's consulting and outsourcing services lines focused on corporate and other occupiers.
Preferred Distribution	Allocation of net profits of BGC Holdings or Newmark Holdings to holders of Preferred Units, at a rate of either 0.6875% (i.e., 2.75% per calendar year) or such other amount as set forth in the award documentation
Preferred Units	Preferred partnership units in Newmark Holdings or, prior to the closing of the Corporate Conversion, BGC Holdings, such as PPSUs, which are settled for cash, rather than made exchangeable into shares of Class A common stock, are only entitled to a Preferred Distribution, and are not included in BGC's or Newmark's fully diluted share count
Preqin	Preqin Ltd.
Producers	Customer-facing, revenue-generating professionals, including brokers, salespersons, front-office personnel, and originators, who are directly compensated based wholly or in part on the revenues they contribute to generating
Rateable Value	The U.K.'s Valuation Office Agency calculates a rateable value for each business property in England and Wales. A rateable value is an estimate of what it would cost to rent a property for a year, on a set valuation date. The property is assumed to be vacant, in reasonable repair, and available to be rented on the open market. It is also assumed that the tenant pays for the business rates taxes, repairs and insurance. The valuation date is set by law and helps make valuations consistent
Real Estate LP	CF Real Estate Finance Holdings, L.P.
Recurring revenues	Our Management services, servicing fees and other business line, which includes all pass through revenues, as well as fees from Newmark's servicing business, OS, property management, its flexible workspace platform, and V&A, as well as Spring11. This term may be used interchangeably with "recurring businesses" or "resilient businesses"
REIT	Real estate investment trust
RSUs	BGC or Newmark restricted stock units, paid or payable in shares of BGC Class A common stock or Newmark Class A common stock, respectively, held by certain employees of BGC or Newmark and other persons who have provided services to BGC or Newmark, or issued in connection with certain acquisitions
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Separation	Principal corporate transactions pursuant to the Separation and Distribution Agreement, by which the BGC Entity Group transferred to the Newmark Entity Group the assets and liabilities of the BGC Entity Group relating to BGC's real estate services business, and related transactions, including the distribution of Newmark Holdings units to holders of units in BGC Holdings and the assumption and repayment of certain BGC indebtedness by Newmark
Separation and Distribution Agreement	The Separation and Distribution Agreement entered into prior to the completion of the Newmark IPO by Cantor, Newmark, Newmark Holdings, Newmark OpCo, BGC Partners, BGC Holdings, BGC U.S. OpCo and, for certain limited purposes described therein, BGC Global Holdings, L.P., dated December 13, 2017, as amended from time to time, and as amended on November 8, 2018 and amended and restated on November 23, 2018
Signature Transactions	Newmark acted as the exclusive financial advisor to the FDIC on the sale of approximately $60 billion of loans, formerly owned by Signature Bridge Bank, N.A. The FDIC acted in its capacity as receiver for Signature Bridge Bank, N.A. The portfolio encompassed more than 5,000 housing, retail, office, mixed-use, and bridge financing loans. A portion of the loans did not relate to real estate. The book value of the overall loan portfolio was approximately $60 billion when Newmark was retained as an advisor by the FDIC and approximately $53 billion when the Company began marketing the loans, while the completed transactions had a combined notional value of $39.5 billion. The latter figure consisted of $21.7 billion of equity placements recorded as part of the Company's Investment sales volumes and $17.8 billion of loan sales recorded as mortgage brokerage and debt placement
SOFR	Secured Overnight Financing Rate

Spin-Off	The pro rata distribution, pursuant to the Separation and Distribution Agreement, by BGC Partners to its stockholders of all of the shares of Newmark Common Stock owned by BGC Partners immediately prior to the effective time of the Spin-Off, completed on November 30, 2018
Spring11	Spring11 Holdings, LP
SPV	Special purpose vehicle
Standing Policy	In March 2018, Newmark's Compensation Committee and Audit Committee approved Mr. Howard W. Lutnick's right, subject to certain conditions, to accept or waive opportunities offered to other executive officers to monetize or otherwise provide liquidity with respect to some or all of their limited partnership units of Newmark Holdings or to accelerate the lapse of or eliminate any restrictions on equity awards
TAM	Total addressable market
TDRs	Troubled debt restructurings
Total Debt	Newmark's quarterly volumes from mortgage brokerage and GSE/FHA originations together
Trophy Building	A subset of Class A for a high-profile, prestigious, and often iconic commercial property located in a prime market area. These buildings are typically of exceptional quality and design, with state-of-the-art systems, high-end finishes, and amenities that exceed the standards of typical Class A buildings. Trophy buildings are often landmarks within their cities and attract the most prestigious tenants and command the highest rents in their respective markets. They are considered the best-in-class for office or mixed-use space and are highly sought after by institutional investors due to their status and stable cash flows
U-3	The number of unemployed individuals as a percentage of the entire labor force; considered the official unemployment rate by the U.S. Department of Labor
U.K.	United Kingdom
U.S. GAAP or GAAP	Generally Accepted Accounting Principles in the United States of America
UBT	Unincorporated Business Tax
V&A	Valuation and Advisory
Working Partners or Newmark Holdings Working Partners	The individuals who became limited partners of Newmark Holdings in connection with the Separation and who held BGC Holdings working partner interests immediately prior to the Separation, and certain individuals who became or become limited partners of Newmark Holdings from time to time from and after the Separation and who provide services to the Newmark Entity Group

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available to the public from the SEC's website at www.sec.gov.

Our website address is www.nmrk.com. Through our website, we make available, free of charge, the following documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: our Annual Reports on Form 10-K; our proxy statements for our annual and special stockholder meetings; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; Forms 3, 4 and 5 and Schedules 13D filed on behalf of Cantor, CFGM, our directors and our executive officers; and amendments to those documents. Our website also contains additional information with respect to our industry and business. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this Quarterly Report on Form 10-Q.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as "may," "will," "should," "estimates," "predicts," "possible," "potential," "continue," "strategy," "believes," "anticipates," "plans," "expects," "intends," and similar expressions are intended to identify forward-looking statements.

Our actual results and the outcome and timing of certain events may differ significantly from the expectations discussed in the forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, the factors set forth below:

- macroeconomic and other challenges and uncertainties, including those resulting from the conflict between Ukraine and Russia, conflicts in the Middle East and other ongoing or new conflicts in those or other regions, downgrades of U.S. Treasuries, fluctuating global interest rates, current or expected inflation rates and the Federal Reserve's responses thereto, stagflation, fluctuations in the value of global currencies, including the U.S. dollar, liquidity concerns regarding and changes in capital requirements for banking and financial institutions, changes in the economy, the commercial real estate services industry and the global financial markets, employment levels, global trade relations, new or increased tariffs imposed by the U.S. and foreign governments and other factors driving trade uncertainty, supply chain disruptions, reductions in government spending, recession fears, infrastructure spending, and energy costs, including such changes' effect on demand for commercial real estate and capital markets transaction volumes, office space, levels of new lease activity and renewals, distressed non-GSE commercial mortgages, frequency of loan defaults and forbearance and associated losses, and fluctuations in the mortgage-backed securities markets, as well as potential changes in these factors as a result of the current U.S. presidential administration;
- challenges relating to our repositioning of certain aspects of our business to adapt to and better address the needs of our clients in the future as a result of the acceleration of pre-existing long-term social and economic trends, fluctuating interest rates and market uncertainty, and other legal, cultural and political events and conflicts, and governmental measures taken in response thereto, uncertainty in the timing of stabilization of interest rates and the recovery of transaction volumes, changes in the mix of demand for commercial real estate space, decreased demand for urban office and retail space generally which may not be offset by increased demand for suburban office, data center, fulfillment, and distribution centers and life sciences facilities or otherwise, and which could materially reduce demand for commercial space and have a material adverse effect on the nature of and demand for our commercial real estate services, including the time and expense related to such repositioning, as well as risks related to declines in real estate values, including due to sales of loans previously held by failed financial institutions, increases in commercial real estate lending rates, and the volume of committed investment capital;
- market conditions and volatility, fluctuations in transaction volumes, including changes in leasing and lending activity and debt volumes, the level of worldwide governmental debt issuances, austerity programs, government stimulus packages, increases or decreases in deficits and the impact of changing government tax rates, repatriation rules, changes to U.S. trade or immigration policy and the impact of such policy changes on our clients' businesses, deductibility of interest, and other changes to monetary policy, changing regulatory requirements or changes in legislation, regulations and priorities, possible turmoil across regional banks and certain global investment banks, possible disruptions in transactions, and potential downturns including recessions, and similar effects, which may not be predictable in future periods;
- potential deterioration of equity and debt capital markets for commercial real estate and related services, potential unavailability of traditional sources of financing and a need for alternative sources, and our ability to access the capital markets as needed or on reasonable terms and conditions;
- pricing, commissions and fees, and market position with respect to any of our products and services and those of our competitors, some of which may have greater financial and operational resources than we do;
- the effect of industry concentration and reorganization, reduction of customers and consolidation;
- uncertainties related to our ongoing integration of Gerald Eve or any other businesses that we may acquire and the synergies and revenue growth generated from these and other acquisitions as we build out our international and domestic businesses;
- liabilities in connection with our business, including appraisal and valuation, sales and leasing and property and facilities management activities, that exceed our insurance coverage;
- liquidity, regulatory requirements and the impact of credit market events, political events and conflicts and actions taken by governments and businesses in response thereto on the credit markets and interest rates;
- our relationship and transactions with Cantor and its affiliates, including CF&Co and CCRE, Newmark's structure, including Newmark Holdings, which is owned by Newmark, Cantor, Newmark's employee partners and

other partners, and Newmark OpCo, the timing and impact of any actual or future changes to our organization or structure, any challenges to our interpretation or application of tax laws to our structure, any related party transactions, conflicts of interest, or loans to or from Newmark or Cantor, Newmark Holdings or Newmark OpCo, including the balances and interest rates thereof from time to time and any convertible or equity features of any such loans, repurchase agreements and joint ventures, and CF&Co's acting as our placement agent in connection with certain capital markets transactions;

- competition for and retention of brokers and other producers, managers and key employees, our ability to integrate newly hired producers, and the duration of the period between when we hire producers and when they achieve full productivity;
- the impact on our stock price from any future reduction of our dividend or future changes in our capital deployment priorities, including repurchases of shares, purchases of limited partnership interests, and our dividend policy, and in Newmark Holdings' distributions to partners;
- the effect of any layoffs, furloughs, salary cuts, and lower commissions or bonuses on the repayment of partner loans;
- our ability to maintain or develop relationships with independently owned offices or partners in our businesses;
- the effect on our businesses of any extraordinary transactions, mergers, acquisitions, business combinations, dispositions, divestitures, restructurings, or reorganizations, including potential dilution, taxes, costs, and other impacts;
- our ability to effectively deploy our sources of liquidity to repurchase shares or limited partnership interests, pay any excise tax that may be imposed on the repurchase of shares, reduce our debt, and invest in growing our business;
- risks related to changes in our relationships with the GSEs and HUD and related changes in the credit markets;
- risks related to changes in the administration of the GSEs, including changes in the terms of or removal from applicable conservatorships and changes in their capabilities, and in their requirements for participating in their programs and any impact on transaction volume;
- risks related to any reduction or elimination of governmental programs that provide support for mortgage loans;
- risks related to the reduction in staffing at U.S. governmental agencies;
- risks inherent in doing business in and expanding into international markets or with international partners, including economic or geopolitical conditions or uncertainties, the actions of governments or central banks, the risks of possible nationalization and/or foreign ownership restrictions, compliance with anti-corruption laws, import and export control laws, economic and trade sanctions programs and impacts to cross-border trade and travel, expropriation, price controls, capital controls, foreign currency fluctuations, regulatory and tax requirements, economic and/or political instability, geographic, time zone, language and cultural differences among personnel in different areas of the world, exchange controls and other restrictive government actions, the outbreak of hostilities, the pursuit of trade, border control or other related policies by the U.S. and/or other countries (including U.S.-China trade relations), economic volatility in the U.K. and Europe, rising political and other tensions between the U.S. and China, the conflict between Ukraine and Russia, conflicts in the Middle East and other ongoing or new conflicts or other international tensions, hostilities and instability in those or other regions, as well as potential changes in these factors as a result of the current U.S. presidential administration;
- political and/or civil unrest in the U.S. or abroad, including demonstrations, riots, boycotts, and tensions with law enforcement, the impact of elections, or other social and political developments, labor unrest, the impact of U.S. government shutdowns or political impasses, and uncertainties regarding the debt ceiling, the federal budget, and the deployment of federal funds, including on HUD, as well as potential changes in these factors as a result of the current U.S. presidential administration;
- the impact of terrorist acts, acts of war or other violence, as well as disasters or weather-related or similar events, including hurricanes, and heat waves as well as power failures, communication and transportation disruptions, and other interruptions of utilities or other essential services, and the impact of pandemics and other international health incidents;
- the effect on our business, clients, the markets in which we operate, and the economy in general of fluctuating interest rates, market volatility, and inflationary pressures and the Federal Reserve's response thereto, infrastructure spending, changes in U.S. and foreign tax and other laws, interpretation of tax law, potential policy and regulatory changes in Mexico and other countries, sequestrations, and future changes to tax and other policies resulting from elections and changes in governments;
- the impact of any claims or litigation related to compensation, or other transactions with our current and former executive officers;
- the effect on our business of leadership changes and the resulting transition following the confirmation of Howard W. Lutnick, our former Executive Chairman and principal executive officer, as U.S. Secretary of Commerce, our dependence upon our key employees, as well as the competing demands on the time of certain of our key employees who also provide services to Cantor, BGC and various other ventures and investments sponsored by Cantor or otherwise, our ability to build out successful succession plans, the impact of absence due to illness or

leave of certain officers or employees and our ability to attract, retain, motivate and integrate new employees, and our ability to enforce post-employment restrictive covenants on awards previously granted to certain of our key employees and future awards or otherwise, and the Federal Trade Commission's ban on non-compete provisions (which has been set aside pending appeal), which may impact our employment arrangements and awards if such ban ultimately comes into effect;

- the effects on our business of Howard W. Lutnick's intended divestiture of his interests in us, Cantor and CFGM;
- extensive regulation of our business and clients, changes in regulations relating to commercial real estate and other industries, changes in environmental regulations, including regulations relating to climate change and greenhouse gas emissions, and risks relating to U.S. and foreign tax and compliance matters, including regulatory examinations, inspections, audits, investigations and enforcement actions, unavailability of certain tax credits or reliefs or additional tax liabilities or assessments, and any resulting costs, increased financial and capital requirements, enhanced oversight, remediation, fines, penalties, sanctions, and changes to or restrictions or limitations on specific activities, operations, and compensatory arrangements, and growth opportunities, including acquisitions, hiring, and new businesses, products, or services, as well as risks related to our taking actions to ensure that we and our subsidiaries are not deemed investment companies under the Investment Company Act;
- factors related to specific transactions or series of transactions as well as risks related to potential counterparty failure;
- costs and expenses of developing, maintaining and protecting our intellectual property, utilizing third-party software licensed under "open source" licenses, as well as employment, regulatory and other litigation and proceedings and their related costs, including costs and expenses related to acquisitions and other matters, including judgments, fines, or settlements paid, reputational risk, requirements that we stop selling or redesign affected products or services, rebrand or restrict our products or services or pay damages to satisfy indemnification commitments with our customers, and the impact thereof on our financial results and cash flows in any given period;
- certain other financial risks, including the possibility of future losses, indemnification obligations, assumed liabilities, reduced cash flows from operations, increased leverage, reduced availability under our various credit facilities, and the need for short- or long-term borrowings, including from Cantor, our ability to refinance our indebtedness, including in the credit markets, on acceptable rates, and our ability to satisfy eligibility criteria for government-sponsored loan programs and changes to interest rates and market liquidity or our access to other sources of cash relating to acquisitions, dispositions, or other matters, potential liquidity and other risks relating to our ability to maintain continued access to credit and the availability of financing necessary to support ongoing business needs on terms acceptable to us, if at all, and risks associated with the resulting leverage, including potentially causing a reduction in our credit ratings and associated outlooks and increased borrowing costs;
- risks associated with the temporary or longer-term investment of our available cash, including in Newmark OpCo, defaults or impairments of the Company's investments (including investments in non-marketable securities), joint venture interests, stock loans or cash management vehicles and collectability of loan balances owed to us by partners, employees, Newmark OpCo or others;
- the impact of any reduction in the willingness of commercial property owners to outsource their property management needs;
- our ability to enter new markets or develop new products or services and to induce clients to use these products or services and to secure and maintain market share;
- our ability to enter into marketing and strategic alliances or business combinations and attract investors or partners or engage in restructuring, rebranding or other transactions, including mergers, acquisitions, dispositions, divestitures, reorganizations, partnering opportunities and joint ventures, the anticipated benefits of any such transactions, relationships or growth and the future impact of any such transactions, relationships or growth on other businesses and financial results for current or future periods, the integration of any completed acquisitions and the use of proceeds of any completed dispositions or divestitures, the impact of amendments and/or terminations of any strategic arrangements, and the value of any hedging entered into in connection with consideration received or to be received in connection with such dispositions and any transfers thereof;
- our estimates or determinations of potential value with respect to various assets or portions of the Company's business, including with respect to the accuracy of the assumptions or the valuation models or multiples used;
- the impact of near- or off-shoring on our business, including on our ability to manage turnover and hire, train, integrate and retain personnel, including brokerage professionals, salespeople, managers, and other professionals;
- our ability to effectively manage any growth that may be achieved, including outside of the U.S., while ensuring compliance with all applicable financial reporting, internal control, legal compliance, and regulatory requirements;
- our ability to identify and remediate any material weaknesses or significant deficiencies in internal controls that could affect our ability to properly maintain books and records, prepare financial statements and reports in a timely manner, control policies, practices and procedures, operations and assets, assess and manage the Company's operational, regulatory and financial risks, and integrate acquired businesses and brokers, salespeople, managers and other professionals;

- information technology risks, including capacity constraints, failures, or disruptions in our systems or those of clients, counterparties, or other parties with which we interact, increased demands on such systems and on the telecommunications infrastructure from remote working, including cyber security risks and incidents, compliance with regulations requiring data minimization and protection and preservation of records of access and transfers of data, privacy risk and exposure to potential liability and regulatory focus;
- the expansion of our cybersecurity processes to include new businesses, or the integration of the cybersecurity processes of acquired businesses, including internationally;
- the impact of AI on the economy, our industry, our business and the businesses of our clients and vendors;
- the effectiveness of our governance, risk management, and oversight procedures and the impact of any potential transactions or relationships with related parties;
- the impact of our ESG or “sustainability” ratings on decisions by clients, investors, potential clients and other parties with respect to our business, investments in us, our borrowing opportunities or the market for and trading price of our Class A common stock or Company debt securities, or other matters, as well as the impact and potential cost to us of any policies, legislation, or initiatives in opposition to our ESG or “sustainability” policies;
- the fact that the prices at which shares of our Class A common stock are or may be sold in offerings or other transactions may vary significantly, and purchasers of shares in such offerings or other transactions, as well as existing stockholders, may suffer significant dilution if the price they paid for their shares is higher than the price paid by other purchasers in such offerings or transactions; and
- the effect on the markets for and trading prices of our Class A common stock due to market factors, as well as of various offerings and other transactions, including offerings of Class A common stock and convertible or exchangeable debt or other securities, repurchases of shares of Class A common stock and purchases or redemptions of Newmark Holdings limited partnership interests or other equity interests in us or our subsidiaries, any exchanges by Cantor of shares of Class A common stock for shares of Class B common stock, any exchanges or redemptions of limited partnership units and issuances of shares of Class A common stock in connection therewith, including in corporate or partnership restructurings, payment of dividends on Class A common stock and distributions on limited partnership interests of Newmark Holdings and Newmark OpCo, convertible arbitrage, hedging, and other transactions engaged in by us or holders of outstanding shares, debt or other securities, share sales and stock pledges, stock loans, and other financing transactions by holders of shares or units (including by Cantor executive officers, partners, employees or others), including of shares acquired pursuant to employee benefit plans, unit exchanges and redemptions, corporate or partnership restructurings, acquisitions, conversions of shares of our Class B common stock and other convertible securities into shares of our Class A common stock, and distributions of our Class A common stock by Cantor to its partners.

The foregoing risks and uncertainties, as well as those risks and uncertainties set forth in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2024, may cause actual results and events to differ materially from the forward-looking statements. The information included herein is given as of the filing date of this Quarterly Report on Form 10-Q with the SEC, and future results or events could differ significantly from these forward-looking statements. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I
ITEM 1. FINANCIAL STATEMENTS

NEWMARK GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(unaudited)

	March 31, 2025	December 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	$ 157,078	$ 197,691
Restricted cash	110,564	107,174
Loans held for sale, at fair value	848,044	774,905
Receivables, net	560,723	604,601
Receivables from related parties	—	326
Other current assets (see Note 16)	111,072	87,976
Total current assets	1,787,481	1,772,673
Goodwill	776,626	770,886
Mortgage servicing rights, net	508,587	517,579
Loans, forgivable loans and other receivables from employees and partners, net	866,233	769,395
Right-of-use assets	513,383	500,464
Fixed assets, net	158,963	166,729
Other intangible assets, net	61,127	64,468
Other assets (see Note 16)	175,343	147,926
Total assets	$ 4,847,743	$ 4,710,120
Liabilities, Redeemable Partnership Interests, and Equity:		
Current liabilities:		
Warehouse facilities collateralized by U.S. Government Sponsored Enterprises	$ 821,165	$ 754,308
Accrued compensation	362,008	448,183
Accounts payable, accrued expenses and other liabilities (see Note 25)	575,007	577,940
Payables to related parties	6,212	—
Total current liabilities	1,764,392	1,780,431
Long-term debt	770,941	670,673
Right-of-use liabilities	502,331	489,832
Other long-term liabilities (see Note 25)	250,152	231,115
Total liabilities	3,287,816	3,172,051
Commitments and contingencies (see Note 27)		
Redeemable partnership interests	12,936	13,900
Equity:		
Class A common stock, par value of $0.01 per share: 1,000,000,000 shares authorized; 236,968,202 and 224,490,246 shares issued at March 31, 2025 and December 31, 2024, respectively, and 161,924,550 and 149,506,832 shares outstanding at March 31, 2025 and December 31, 2024, respectively	2,370	2,245
Class B common stock, par value of $0.01 per share: 500,000,000 shares authorized; 21,285,533 shares issued and outstanding at March 31, 2025 and December 31, 2024, convertible into Class A common stock	212	212
Additional paid-in capital	878,539	753,001
Retained earnings	1,193,099	1,207,285
Treasury stock at cost: 75,043,652 and 74,983,414 shares of Class A common stock at March 31, 2025 and December 31, 2024, respectively	(746,579)	(745,931)
Accumulated other comprehensive loss	(6,314)	(11,287)
Total stockholders’ equity	1,321,327	1,205,525
Noncontrolling interests	225,664	318,644
Total equity	1,546,991	1,524,169
Total liabilities, redeemable partnership interests, and equity	$ 4,847,743	$ 4,710,120

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

NEWMARK GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Revenues:		
Management services, servicing fees and other	$ 283,893	$ 256,934
Leasing and other commissions	208,074	158,799
Capital markets	173,527	130,766
Total revenues	665,494	546,499
Expenses:		
Compensation and employee benefits	399,512	328,195
Equity-based compensation and allocations of net income to limited partnership units and FPUs	74,346	51,443
Total compensation and employee benefits	473,858	379,638
Operating, administrative and other	153,977	137,943
Fees to related parties	9,570	7,541
Depreciation and amortization	46,358	43,975
Total operating expenses	683,763	569,097
Other income (loss), net	750	(14)
Income (loss) from operations	(17,519)	(22,612)
Interest expense, net	(8,483)	(7,220)
Income (loss) before income taxes and noncontrolling interests	(26,002)	(29,832)
Benefit for income taxes	(10,053)	(3,516)
Consolidated net income (loss)	(15,949)	(26,316)
Less: Net income (loss) attributable to noncontrolling interests	(7,183)	(10,062)
Net income (loss) available to common stockholders	$ (8,766)	$ (16,254)
Per share data:		
Basic earnings per share		
Net income (loss) available to common stockholders	$ (8,766)	$ (16,254)
Basic earnings per share	$ (0.05)	$ (0.09)
Basic weighted-average shares of common stock outstanding	176,352	174,774
Fully diluted earnings per share		
Net income (loss) for fully diluted shares	$ (8,766)	$ (16,254)
Fully diluted earnings per share	$ (0.05)	$ (0.09)
Fully diluted weighted-average shares of common stock outstanding	176,352	174,774

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

NEWMARK GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Consolidated net income (loss)	$ (15,949)	$ (26,316)
Foreign currency translation adjustments	5,927	(2,911)
Comprehensive income (loss), net of tax	(10,022)	(29,227)
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	(6,229)	(10,646)
Comprehensive income (loss) available to common stockholders	$ (3,793)	$ (18,581)

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

NEWMARK GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except share and per share amounts)
(unaudited)

	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balance, January 1, 2025	$ 2,245	$ 212	$ 753,001	$ (745,931)	$ 1,207,285	$ (11,287)	$ 318,644	$ 1,524,169
Consolidated net income (loss)	—	—	—	—	(8,766)	—	(7,183)	(15,949)
Foreign currency translation adjustments	—	—	—	—	—	4,973	954	5,927
Dividends to common stockholders	—	—	—	—	(5,420)	—	—	(5,420)
Exchange of Cantor Units for Newmark Class A common stock, 7,221,277 shares	72	—	90,030	—	—	—	(90,102)	—
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	(11,198)	(11,198)
Grant of exchangeability, redemption and issuance of Class A common stock, 5,256,679 shares	53	—	23,634	—	—	—	12,492	36,179
Contributions of capital to and from Cantor for equity-based compensation	—	—	(700)	—	—	—	(128)	(828)
Forfeiture of Class A common stock, 60,238 shares	—	—	23	(648)	—	—	(115)	(740)
Restricted stock units compensation	—	—	9,940	—	—	—	1,821	11,761
Other	—	—	2,611	—	—	—	479	3,090
Balance, March 31, 2025	$ 2,370	$ 212	$ 878,539	$ (746,579)	$ 1,193,099	$ (6,314)	$ 225,664	$ 1,546,991

	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balance, January 1, 2024	$ 2,095	$ 212	$ 657,736	$ (569,235)	$ 1,166,675	$ (4,555)	$ 325,754	$ 1,578,682
Consolidated net income (loss)	—	—	—	—	(16,254)	—	(10,062)	(26,316)
Foreign currency translation adjustments	—	—	—	—	—	(2,327)	(584)	(2,911)
Dividends to common stockholders	—	—	—	—	(5,232)	—	—	(5,232)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	(515)	(515)
Grant of exchangeability, redemption and issuance of Class A common stock, 3,505,636 shares	36	—	26,850	—	—	—	10,534	37,420
Contributions of capital to and from Cantor for equity-based compensation	—	—	(243)	—	—	—	(58)	(301)
Repurchase of 3,463,399 shares of Class A Common Stock	—	—	—	(29,993)	—	—	(7,168)	(37,161)
Restricted stock units compensation	—	—	5,999	—	—	—	1,433	7,432
Balance, March 31, 2024	$ 2,131	$ 212	$ 690,342	$ (599,228)	$ 1,145,189	$ (6,882)	$ 319,334	$ 1,551,098

	Three Months Ended March 31,	
	2025	**2024**
Dividends declared per share of common stock	$ 0.03	$ 0.03
Dividends declared and paid per share of common stock	$ 0.03	$ 0.03

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

NEWMARK GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income (loss)	$ (15,949)	$ (26,316)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Gains on originated mortgage servicing rights	(18,711)	(19,552)
Depreciation and amortization	46,358	43,975
Provision (benefit) for credit losses on the financial guarantee liability	1,503	1,251
Provision (reversal) for doubtful accounts	1,559	(910)
Equity-based compensation and allocation of net income to limited partnership units and FPUs	74,346	51,443
Employee loan amortization and other non-cash compensation expense	32,359	31,198
Deferred tax provision (benefit)	—	(136)
Non-cash changes in acquisition related earn-outs	188	383
Unrealized (gains) on loans held for sale	(20,121)	(9,203)
Loan originations—loans held for sale	(1,737,433)	(1,567,047)
Loan sales—loans held for sale	1,684,416	1,599,527
Other	(42)	6,287
Consolidated net income (loss), adjusted for non-cash and non-operating items	48,473	110,900
Changes in operating assets and liabilities:		
Receivables, net	42,320	99,005
Loans, forgivable loans and other receivables from employees and partners, net	(122,330)	(161,074)
Right-of-use assets	(12,919)	28,244
Receivable from related parties	326	—
Other assets	(62,464)	(4,271)
Accrued compensation	(115,978)	(96,503)
Right-of-use liability	10,178	(32,192)
Accounts payable, accrued expenses and other liabilities	26,778	(15,820)
Payables to related parties	6,212	2,928
Net cash used in operating activities	(179,404)	(68,783)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of non-marketable investments	—	(312)
Purchases of fixed assets	(5,444)	(7,042)
Net cash used in investing activities	(5,444)	(7,354)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from warehouse facilities	1,737,433	1,567,047
Principal payments on warehouse facilities	(1,670,576)	(1,572,251)
Borrowing of debt	115,000	700,000
Repayment of debt	(15,000)	(575,000)
Treasury stock repurchases	—	(37,161)
Earnings and tax distributions to limited partnership interests and other noncontrolling interests	(12,869)	(16,225)
Dividends to stockholders	(5,420)	(5,232)
Payments on acquisition earn-outs	(943)	—
Deferred financing costs	—	(5,038)
Net cash provided by financing activities	147,625	56,140
Net increase (decrease) in cash and cash equivalents and restricted cash	(37,223)	(19,997)
Cash and cash equivalents and restricted cash at beginning of period	304,865	258,706
Cash and cash equivalents and restricted cash at end of period	$ 267,642	$ 238,709

	Three Months Ended March 31,	
	2025	2024
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 24,337	$ 2,838
Taxes	$ 4,700	$ 5,259
Supplemental disclosure of non-cash operating, investing and financing activities:		
Right-of-use assets and liabilities	$ 46,715	$ 3,535

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

NEWMARK GROUP, INC.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

(1) Organization and Basis of Presentation

Newmark Group, Inc., a Delaware corporation, was formed as NRE Delaware, Inc. on November 18, 2016. Newmark changed its name to Newmark Group, Inc. on October 18, 2017. Newmark Holdings, L.P. is a consolidated subsidiary of Newmark for which Newmark is the general partner. Newmark and Newmark Holdings jointly own Newmark Partners, L.P., the operating partnership. Newmark is a leading commercial real estate advisor and service provider to large institutional investors, global corporations, and other owners and occupiers. Newmark offers a diverse array of integrated services and products designed to meet the full needs of its clients. Newmark's investor/owner services and products include capital markets, which consists of investment sales and commercial mortgage origination (including the placement of debt, equity raising, structured finance, and loan sales on behalf of third parties), landlord (or agency) representation leasing, valuation and advisory, property management and flexible workspace solutions for owners, a leading commercial real estate technology platform and capabilities for owners, due diligence consulting and other advisory services, GSEs and FHA multifamily lending and loan servicing, limited and special loan servicing and asset management, and business rates for U.K. property owners. Newmark's corporate or occupier services and products include tenant representation leasing, OS, which provides integrated client solutions typically under long-term agreements, including project management, transaction management, lease administration, and facilities management, as well as corporate consulting services with respect to clients' needs across real estate and supply chain optimization, site selection, workplace strategy, and occupancy, flexible workspace solutions for occupiers, and business rates for U.K. occupiers. Newmark has relationships with many of the world's largest commercial property owners, real estate developers and investors, as well as Fortune 500 and Forbes Global 2000 companies.

(a) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC and in conformity with U.S. GAAP. Certain reclassifications have been made to previously reported amounts to conform to the current presentation.

"Equity-based compensation and allocations of net income to limited partnership units and FPUs" reflects the following items related to cash and equity-based compensation:

- Charges with respect to the grant of shares of common stock or limited partnership units, including in connection with the redemption of non-exchangeable limited partnership units, including PSUs;
- Charges with respect to grants of exchangeability, such as the right of holders of limited partnership units with no capital accounts, such as PSUs, to exchange the units into shares of common stock, or HDUs, as well as the cash paid in the settlement of the related Preferred Units to pay withholding taxes owed by the unit holder upon such exchange;
- Preferred Units granted in connection with the grant of certain limited partnership units, such as PSUs, that may be granted exchangeability to cover the withholding taxes owed by the unit holder, rather than issuing the gross amount of shares to employees, subject to cashless withholding of shares to pay applicable withholding taxes;
- Charges related to the amortization of RSUs and REUs; and
- Allocations of net income to limited partnership units and FPUs, including the Preferred Distribution.

Intercompany balances and transactions within Newmark have been eliminated. Transactions between Cantor and Newmark pursuant to services agreements with Cantor (see Note 23 — "Related Party Transactions"), representing valid receivables and liabilities of Newmark which are periodically cash settled, have been included on the accompanying unaudited condensed consolidated financial statements as either receivables from or payables to related parties.

Newmark receives administrative services to support its operations, and in return, Cantor allocates certain of its expenses to Newmark. Such expenses represent costs related to, but not limited to, treasury, legal, accounting, information technology, payroll administration, human resources, incentive compensation plans and other services. These costs, together with an allocation of Cantor's overhead costs, are included as Fees to related parties expenses on the accompanying unaudited condensed consolidated statements of operations. Where it is possible to specifically attribute such expenses to activities of Newmark, these amounts have been expensed directly to Newmark. Allocation of all other such expenses is based on services agreements with Cantor which reflect the utilization of services provided or benefits received by Newmark during the periods presented on a consistent basis, such as headcount, square footage, revenue, etc. Management believes the assumptions underlying the stand-alone financial statements, including the assumptions regarding allocated expenses, reasonably reflect the utilization of services provided to or the benefit received by Newmark during the periods presented. However, these shared expenses may not represent the amounts that would have been incurred had Newmark operated independently from Cantor. Actual costs that would have been incurred if Newmark had performed the services itself would depend on multiple factors, including organizational structure and strategic decisions in various areas, including information technology and infrastructure (see Note 23 — “Related Party Transactions” for an additional discussion of expense allocations).

Transfers of cash, except as related to the Cantor Credit Agreement, both to and from Cantor, as well as any amounts due to Newmark from BGC, are included in “Receivables from related parties” or “Payables to related parties” on the accompanying unaudited condensed consolidated balance sheets and in the operating section on the accompanying unaudited condensed consolidated statements of cash flows.

The accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal and recurring adjustments) that, in the opinion of management, are necessary for a fair presentation of the accompanying unaudited condensed consolidated balance sheets, unaudited condensed consolidated statements of operations, unaudited condensed consolidated statements of comprehensive income, unaudited condensed consolidated statements of cash flows and unaudited condensed consolidated statements of changes in equity of Newmark for the periods presented.

(b) Recently Adopted Accounting Pronouncements

In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*. ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* provided optional guidance to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The ASU was effective upon issuance and generally could be applied through December 31, 2022. Because the relief in ASC 848, *Reference Rate Reform* may not cover a period of time during which a significant number of modifications may take place, the amendments in ASU No. 2022-06 deferred the sunset date from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in ASC 848. The ASU was effective upon issuance. The adoption of this guidance did not have an impact on the accompanying unaudited condensed consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The guidance was issued in response to requests from investors for companies to disclose more information about their financial performance at the segment level. The ASU does not change how a public entity identifies its operating segments, aggregates them or applies the quantitative thresholds to determine its reportable segments. The standard requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis, and to provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually. Public entities with a single reportable segment are required to provide the new disclosures and all the disclosures previously required under ASC 280. Newmark adopted the standard on the required effective date for the financial statements issued for the annual reporting periods beginning on January 1, 2024 and applies the guidance for the interim periods beginning on January 1, 2025. Refer to Note 3—“Summary of Significant Accounting Policies.” The adoption of this guidance did not have an impact on the accompanying unaudited condensed consolidated financial statements.

In March 2024, the FASB issued ASU No. 2024-01, *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*. The standard is intended to reduce the complexity in determining whether profits interests and similar awards are in the scope of ASC 718 and to reduce diversity in practice. The new guidance applies to all reporting entities that grant profits interest awards or similar awards to employees or nonemployees in exchange for goods or services. The ASU adds an example to ASC 718 that illustrates how to apply the scope guidance to determine whether a profits interest award should be accounted for as a share-based payment arrangement under ASC 718 or another accounting standard. Newmark adopted the standard on the required effective date beginning on January 1, 2025 using a prospective transition method for profits interest awards granted or modified on or after the effective date. The adoption of this guidance did not have a material impact on the accompanying unaudited condensed consolidated financial statements.

In March 2024, the FASB issued ASU No. 2024-02, *Codification Improvements—Amendments to Remove References to the Concepts Statements*. The Conceptual Framework establishes concepts that the Board considers in developing standards. The ASU was issued to remove references to the Conceptual Framework in the Codification. The FASB noted that references to the Concepts Statements in the Codification could have implied that the Concepts Statements are authoritative. Also, some of the references removed were to Concepts Statements that are superseded. Newmark adopted the standard on the required effective date beginning on January 1, 2025 using a prospective transition method for all new transactions recognized on or after the effective date. The adoption of this guidance did not have a material impact on the accompanying unaudited condensed consolidated financial statements.

(c) New Accounting Pronouncements

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements—Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative.* The standard is expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. The effective date for the guidance will be the date on which the SEC's removal of the related disclosure from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027 the SEC has not removed the applicable requirements from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. Management is currently evaluating the impact of the new standard on the accompanying unaudited condensed consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The standard improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The ASU also includes certain other amendments to improve the effectiveness of income tax disclosures. The new guidance will become effective for Newmark's financial statements issued for annual reporting periods beginning on January 1, 2025, will require prospective presentation with an option for entities to apply it retrospectively for each period presented, and early adoption is permitted. Management is currently evaluating the impact of the new standard on the accompanying unaudited condensed consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The standard improves financial reporting and responds to investor input that additional expense detail is fundamental to understanding the performance of an entity, assessing its prospects for future cash flows, and comparing its performance over time and with that of other companies. The new guidance requires public business entities to disclose in the notes to financial statements specified information about certain costs and expenses at each interim and annual reporting period, including the amounts of employee compensation, depreciation, and intangible asset amortization for each income statement line item that contains those expenses. Specified expenses, gains or losses that are already disclosed under existing U.S. GAAP will be required by the ASU to be included in the disaggregated income statement expense line item disclosures, and any remaining amounts will need to be described qualitatively. Separate disclosures of total selling expenses and an entity's definition of those expenses will also be required. The new guidance will become effective for Newmark's financial statements issued for annual reporting periods beginning on January 1, 2027 and interim reporting periods beginning on January 1, 2028, will require either prospective or retrospective presentation, and early adoption is permitted. Management is currently evaluating the impact of the new standard on the accompanying unaudited condensed consolidated financial statements.

SEC Rule on Climate-Related Disclosures

In March 2024, the SEC adopted the final rules, *The Enhancement and Standardization of Climate-Related Disclosures for Investors,* that would require registrants to provide climate-related disclosures in a note to the audited financial statements. The disclosures would include certain effects of severe weather events and other natural conditions, including the aggregate amounts and where in the financial statements they are presented. If carbon offsets or renewable energy credits or certificates (RECs) are deemed a material component of the registrant's plans to achieve its disclosed climate-related targets, registrants would be required to disclose information about the offsets and RECs. Registrants would also be required to disclose whether and how (1) exposures to risks and uncertainties associated with, or known impacts from, severe weather events and other natural conditions and (2) any disclosed climate-related targets or transition plans materially impacted the estimates and assumptions used in preparing the financial statements. Finally, registrants would be required to disclose additional contextual information about the above disclosures, including how each financial statement effect was derived and the accounting policy decisions made to calculate the effects, for the most recently completed fiscal year and, if previously disclosed or required to be disclosed, for the historical fiscal year for which audited consolidated financial statements are included in the filing. In April 2024, the SEC released an order staying the rules pending judicial review of all of the petitions challenging the rules and in March 2025, the SEC voted to end its defense of the rules. Absent these developments, the rules would have been effective for Newmark on May 28, 2024 and phased in starting in 2025. Management is continuing to monitor the developments pertaining to the rules and any resulting potential impacts on the accompanying unaudited condensed consolidated financial statements.

(2) Limited Partnership Interests in Newmark Holdings and BGC Holdings

Newmark is a holding company with no direct operations and conducts substantially all of its operations through its operating subsidiaries. Virtually all of Newmark's consolidated net assets and net income are those of consolidated variable interest entities. Newmark Holdings is a consolidated subsidiary of Newmark for which Newmark is the general partner. Newmark and Newmark Holdings jointly own Newmark OpCo, the operating partnership. In connection with the Separation and BGC Holdings Distribution, holders of BGC Holdings partnership interests received partnership interests in Newmark

Holdings, described below (see Note 23 — “Related Party Transactions”). These collectively represented all of the limited partnership interests in BGC Holdings and Newmark Holdings at the time.

As a result of the Separation, the limited partnership interests in Newmark Holdings were distributed to the holders of limited partnership interests in BGC Holdings, whereby each holder of BGC Holdings limited partnership interests at that time received a corresponding Newmark Holdings limited partnership interest, determined by the Contribution Ratio, which was equal to a BGC Holdings limited partnership interest multiplied by one divided by 2.2, divided by the Exchange Ratio. Initially, the Exchange Ratio equaled one, so that each Newmark Holdings limited partnership interest was exchangeable for one share of Newmark Class A common stock; however, such Exchange Ratio is subject to adjustment. For reinvestment, acquisition or other purposes, Newmark may determine on a quarterly basis to distribute to its stockholders a smaller percentage of its income than Newmark Holdings distributes to its equity holders (excluding tax distributions from Newmark Holdings) of the cash that it received from Newmark OpCo. In such circumstances, the Separation and Distribution Agreement provides that the Exchange Ratio will be reduced to reflect the amount of additional cash retained by Newmark as a result of the distribution of such smaller percentage, after the payment of taxes. As of March 31, 2025, the Exchange Ratio equaled 0.9271.

On November 15, 2022, BGC Group, BGC Partners, and BGC Holdings and other affiliated entities entered into a corporate conversion agreement, which was amended as of March 29, 2023, in order to reorganize and simplify the organizational structure of the BGC entities by converting BGC Partners from an “Up-C” to a “Full C-Corporation” through the Corporate Conversion. On July 1, 2023, the Corporate Conversion was completed. As a result of the Corporate Conversion, BGC Group became the public holding company for, and successor to, BGC Partners, and its Class A common stock began trading on Nasdaq, in place of BGC Partners’ Class A common stock, under the ticker symbol “BGC.” Upon completion of the Corporate Conversion, the former stockholders of BGC Partners, Inc. and the former limited partners of BGC Holdings, L.P. now participate in the economics of the BGC businesses through BGC Group, Inc. There are no longer any BGC Holdings units outstanding.

As a result of a series of transactions prior to and in anticipation of the Corporate Conversion, all BGC Holdings units held by Newmark employees were redeemed or exchanged, in each case, for shares of BGC Class A common stock.

Redeemable Partnership Interests

Founding/Working Partners have limited partnership interests in Newmark Holdings. Newmark accounts for FPUs outside of permanent capital as “Redeemable partnership interests” on the accompanying unaudited condensed consolidated balance sheets. This classification is applicable to FPUs because these units are redeemable upon termination of a partner, including a termination of employment, which can be at the option of the partner and not within the control of the issuer. On June 30, 2023, in connection with the Corporate Conversion, all FPUs of BGC Holdings were redeemed or exchanged. The Corporate Conversion had no impact on FPUs held by partners of Newmark Holdings.

FPUs generally receive quarterly allocations of net income. Upon termination of employment or otherwise ceasing to provide substantive services, the FPUs are generally redeemed, and the unit holders are no longer entitled to participate in the quarterly allocations of net income. These quarterly allocations of net income are contingent upon services being provided by the unit holder and are reflected as a component of compensation expense under “Equity-based compensation and allocations of net income to limited partnership units and FPUs” on the accompanying unaudited condensed consolidated statements of operations to the extent they relate to FPUs held by Newmark employees. There is no compensation expense related to FPUs held by BGC employees.

Limited Partnership Units

Certain employees of Newmark hold limited partnership interests in Newmark Holdings (e.g., REUs, RPUs, PSUs, PSIs, HDUs, and LPUs, collectively the limited partnership units). Prior to the Corporate Conversion, any active employees of Newmark who held limited partnership interests in BGC Holdings had those units redeemed or exchanged for cash or restricted or unrestricted shares of BGC Class A common stock. The Corporate Conversion had no impact on LPUs in Newmark Holdings held by BGC employees.

Prior to the Separation, certain employees of both BGC and Newmark generally received limited partnership units in BGC Holdings. As a result of the Separation, these employees were distributed limited partnership units in Newmark Holdings equal to a BGC Holdings limited partnership unit multiplied by the Contribution Ratio. In addition, in the BGC Holdings Distribution, these employees also received additional limited partnership units in Newmark Holdings. Subsequent to the Separation, Newmark employees generally have been granted limited partnership units in Newmark Holdings.

Generally, such limited partnership units receive quarterly allocations of net income and generally are contingent upon services being provided by the unit holders. As prescribed in U.S. GAAP guidance the quarterly allocations of net income on BGC Holdings and Newmark Holdings limited partnership units held by Newmark employees are reflected as a component of compensation expense under “Equity-based compensation and allocations of net income to limited partnership units and FPUs” on the accompanying unaudited condensed consolidated statements of operations, and the quarterly allocations of net income on Newmark Holdings limited partnership units held by BGC employees are reflected as a component of “Net income (loss) attributable to noncontrolling interests” on the accompanying unaudited condensed consolidated statements of operations. From time to time, Newmark issues limited partnership units as part of the consideration for acquisitions.

Certain of these limited partnership units held by Newmark employees entitle the holders to receive post-termination payments equal to the notional amount of the units in four equal yearly installments after the holder’s termination. These limited partnership units are accounted for as post-termination liability awards and are included on the accompanying unaudited condensed consolidated balance sheets as part of “Accrued compensation,” and in accordance with U.S. GAAP guidance, Newmark records compensation expense for the awards based on the change in value at each reporting date on the accompanying unaudited condensed consolidated statements of operations as part of “Equity-based compensation and allocations of net income to limited partnership units and FPUs.”

Certain Newmark employees hold Preferred Units. Each quarter, the net profits of Newmark Holdings are allocated to such units at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation. These allocations are deducted before the calculation and distribution of the quarterly partnership distribution for the remaining partnership units and are generally contingent upon services being provided by the unit holder. The Preferred Units are not entitled to participate in partnership distributions other than with respect to the Preferred Distribution. Preferred Units may not be made exchangeable into Newmark’s Class A common stock and are only entitled to the Preferred Distribution, and accordingly are not included in Newmark’s fully diluted share count. The quarterly allocations of net income on Preferred Units are reflected in compensation expense under “Equity-based compensation and allocations of net income to limited partnership units and FPUs” on the accompanying unaudited condensed consolidated statements of operations. After deduction of the Preferred Distribution, the remaining partnership units generally receive quarterly allocation of net income based on their weighted-average pro rata share of economic ownership of the operating subsidiaries. In addition, Preferred Units are granted in connection with the grant of certain limited partnership units, such as PSUs, that may be granted exchangeability to cover the withholding taxes owed by the unit holder, rather than issuing the gross amount of shares to employees, subject to cashless withholding of shares to pay applicable withholding taxes.

Certain Newmark employees hold “N Units” that do not participate in quarterly partnership distributions and are not allocated any items of profit or loss. N Units become distribution earning limited partnership units either on a discretionary basis or ratably over a vesting term, if certain revenue thresholds are met at the end of each vesting term.

Cantor Units

Cantor holds limited partnership interests in Newmark Holdings. Cantor Units are reflected as a component of “Noncontrolling interests” on the accompanying unaudited condensed consolidated balance sheets. Cantor receives quarterly allocations of net income (loss) which are reflected as a component of “Net income (loss) attributable to noncontrolling interests” on the accompanying unaudited condensed consolidated statements of operations.

General

Certain of the limited partnership interests, as described above, have been granted exchangeability into BGC Class A common stock, prior to the Corporate Conversion, or shares of Newmark Class A common stock, and additional limited partnership interests may become exchangeable for Newmark Class A common stock. At the time exchangeability is granted, Newmark recognizes an expense based on the fair value of the award on that date, which is included in “Equity-based compensation and allocations of net income to limited partnership units and FPUs” on the accompanying unaudited condensed consolidated statements of operations. In addition, certain limited partnership interests have been granted the right to exchange into a Newmark partnership unit with a capital account, such as HDUs. HDUs have a stated capital account which is initially based on the closing trading price of Newmark Class A common stock at the time the HDU is granted and are included in “Accrued compensation” on the accompanying unaudited condensed consolidated balance sheets. HDUs participate in quarterly partnership distributions and are not exchangeable into shares of Class A common stock. Limited partnership interests held by Cantor in Newmark Holdings as of March 31, 2025 are exchangeable for up to 18.3 million shares of Newmark Class B common stock, which are convertible into Class A common stock. Limited partnership interests in Newmark Holdings held by a partner or Cantor may become exchangeable for a number of shares of Newmark Class A or Class B common stock equal to the number of limited partnership interests multiplied by the Exchange Ratio at that time. As of March 31, 2025, the Exchange Ratio equaled 0.9271.

Each quarter, net income (loss) is allocated between the limited partnership interests and the common stockholders. In quarterly periods in which Newmark has a net loss, the loss is allocated to Cantor and reflected as a component of “Net income (loss) attributable to noncontrolling interests” on the accompanying unaudited condensed consolidated statements of operations. In subsequent quarters in which Newmark has net income, the initial allocation of income to the limited partnership interests is allocated to Cantor, and reflected in, “Net income (loss) attributable to noncontrolling interests,” to recover any losses taken in earlier quarters, with the remaining income allocated to the limited partnership interests. This loss allocation process between limited partners and Cantor has no material impact on the net income (loss) allocated to common stockholders.

(3) Summary of Significant Accounting Policies

For a detailed discussion about Newmark's significant accounting policies, see Note 3 — "Summary of Significant Accounting Policies" in Newmark's consolidated financial statements included in Part II, Item 8 of Newmark's Annual Report on Form 10-K for the year ended December 31, 2024. There were no significant changes made to Newmark's significant accounting policies during the three months ended March 31, 2025.

Revenue Recognition:

Management Services, Servicing Fees and Other:

Management services revenues include property management, facilities management, project management and valuation and appraisal. Management fees are recognized at the time the related services have been performed, unless future contingencies exist. This also includes revenue from the licensing of flexible workspaces to its customers by Knotel and Deskeo. In addition, in regard to management and facility service contracts, the owner of the property will typically reimburse Newmark for certain expenses that are incurred on behalf of the owner, which comprise primarily on-site employee salaries and related benefit costs. The amounts which are to be reimbursed per the terms of the services contract are recognized as revenue in the same period as the related expenses are incurred. In certain instances, Newmark subcontracts property management services to independent property managers, in which case Newmark passes a portion of its property management fee on to the subcontractor, and Newmark retains the balance. Accordingly, Newmark records these fees gross of the amounts paid to subcontractors, and the amounts paid to subcontractors are recognized as expenses in the same period.

Newmark also uses third party service providers in the provision of its services to customers. In instances where a third-party service provider is used, Newmark performs an analysis to determine whether it is acting as a principal or an agent with respect to the services provided. To the extent that Newmark determines that it is acting as a principal, the revenue and the expenses incurred are recorded on a gross basis. In instances where Newmark has determined that it is acting as an agent, the revenue and expenses are presented on a net basis within the revenue line item.

In some instances, Newmark performs services for customers and incurs out-of-pocket expenses as part of delivering those services. Newmark's customers agree to reimburse Newmark for those expenses, and those reimbursements are part of the contract's transaction price. Consequently, these expenses and the reimbursements of such expenses from the customer are presented on a gross basis because the services giving rise to the out-of-pocket expenses do not transfer a good or service. The reimbursements are included in the transaction price when the costs are incurred, and the reimbursements are due from the customer.

Servicing fees are earned for servicing mortgage loans and are recognized on an accrual basis over the lives of the related mortgage loans. Also included in servicing fees are the fees earned on prepayments, interest and placement fees on borrowers' escrow accounts and other ancillary fees. Other revenues include interest income on loans held for sale.

***Leasing and Other Commissions*:**

Commissions from real estate lease brokerage transactions are typically recognized at a point in time on the date the lease is signed, if deemed not subject to significant reversal. The date the lease is signed represents the transfer of control and satisfaction of the performance obligation as the tenant has been secured. Commission payments may be due entirely upon lease execution or may be paid in installments upon the resolution of a future contingency (e.g., tenant move-in or payment of first month's rent).

Newmark also uses third party service providers in the provision of its services to customers. In instances where a third-party service provider is used, Newmark performs an analysis to determine whether it is acting as a principal or an agent with respect to the services provided. To the extent that Newmark determines that it is acting as a principal, the revenue and the expenses incurred are recorded on a gross basis. In instances where Newmark has determined that it is acting as an agent, the revenue and expenses are presented on a net basis within the revenue line item.

Capital Markets:

Capital markets consists of investment sales and commercial mortgage brokerage. Investment sales revenue from real estate sales brokerage and equity placement transactions are recognized at the time the service has been provided and the commission becomes legally due, except when future contingencies exist. In most cases, close of escrow or transfer of title is a future contingency, and revenue recognition is deferred until all contingencies are satisfied. Commercial mortgage origination revenue is generated from loan origination fees, sales premiums, mortgage brokerage, debt placement, loan sales, and the estimated fair value of the expected net servicing cash flows. The fair value of expected net future cash flows from servicing and loan originations and related fees and sales premiums, net, is recognized when a derivative asset or liability is recorded upon the commitment to originate a loan with a borrower and sell the loan to an investor. The derivative is recorded at fair value and includes loan origination fees, sales premiums, and the estimated fair value of the expected net servicing cash flows. The revenue is recognized net of related fees and commissions to third-party brokers. Mortgage brokerage and debt placement revenue is earned and recognized when the sale of a property closes, and title passes from seller to buyer.

Goodwill and Other Intangible Assets, net:

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. As prescribed in U.S. GAAP guidance on *Intangibles—Goodwill and Other*, goodwill and other indefinite-lived intangible assets are not amortized, but instead are periodically tested for impairment. The Company reviews goodwill and other indefinite-lived intangible assets for impairment on an annual basis during the fourth quarter of each fiscal year or whenever an event occurs or circumstances change that could reduce the fair value of a reporting unit below its carrying amount. When reviewing goodwill for impairment, Newmark first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill.

Intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives. Definite-lived intangible assets arising from business combinations include trademarks and trade names, non-contractual customers, license agreements, non-compete agreements, and contractual customers.

Current Expected Credit Losses:

In accordance with the guidance in ASC 326, Newmark presents its financial assets that are measured at amortized cost, net of an allowance for credit losses, which represents the amount expected to be collected over their estimated life. Expected credit losses for newly recognized financial assets carried at amortized cost and credit exposures on off-balance sheet financial guarantees, as well as changes to expected lifetime credit losses during the period, are recognized in earnings. The CECL methodology represents a significant change from prior U.S. GAAP and replaced the prior multiple impairment methods, which generally required that a loss be incurred before it was recognized. Within the life cycle of a loan or other financial asset in scope, the CECL methodology generally results in the earlier recognition of the provision for credit losses and the related allowance for credit losses than under prior U.S. GAAP. The CECL methodology's impact on expected credit losses, among other things, reflects Newmark's view of the current state of the economy, forecasted macroeconomic conditions and Newmark's portfolios.

Financial Guarantee Liability:

Newmark has adopted ASC 326 which impacted the expected credit loss reserving methodology for the financial guarantee liability provided under the Fannie Mae DUS and Freddie Mac TAH. The expected credit loss is modeled based on Newmark's historical loss experience adjusted to reflect current economic conditions. A significant amount of judgment is required in the determination of the appropriate reasonable and supportable period, the methodology used to incorporate current and future macroeconomic conditions, determination of the probability of and exposure at default or non-payment, current delinquency status, loan size, terms, amortization types, and the forward-looking view of the primary risk drivers (debt-service coverage ratio and loan-to-value), all of which are ultimately used in measuring the quantitative components of the reserve. Beyond the reasonable and supportable period, Newmark estimates expected credit losses using its historical loss rates. In addition, Newmark reviews the reserves periodically and makes adjustments for certain external and internal qualitative factors, which may increase or decrease the reserves for credit losses. In order to estimate credit losses, assumptions about current and future economic conditions are incorporated into the model using multiple economic scenarios that are weighted to reflect the conditions at each measurement date. During the three months ended March 31, 2025 and 2024, there was an increase in the CECL related provision of $1.5 million and $1.2 million, respectively. The balance of the financial guarantee liabilities was $27.8 million and $26.3 million as of March 31, 2025 and December 31, 2024, respectively, and is included in "Other long-term liabilities" on the accompanying unaudited condensed consolidated balance sheets.

Receivables, net:

Newmark has accrued commissions receivable from real estate brokerage transactions, management services and other receivables from contractual management assignments. Receivables are presented net of the CECL allowance as discussed above and are included in "Receivables, net" on the accompanying unaudited condensed consolidated balance sheets. For its CECL reserve, Newmark segregated its receivables into certain pools based on similar risk characteristics and further defined a range of potential loss rates for each pool based on aging. Newmark designed its methodology to allow for a range of loss rates in each pool such that changes in forward-looking conditions can be incorporated into the estimate. Each pool is assigned a loss rate that incorporates management's view of current conditions and forward-looking conditions that inform the level of expected credit losses in each pool. The credit loss estimate includes specifically identified amounts for which payment has become unlikely. During the three months ended March 31, 2025 and 2024, there was a decrease in the CECL related provision of $2.0 million and $1.6 million, respectively. The balance of the reserve was $12.4 million and $14.4 million, respectively, as of March 31, 2025 and December 31, 2024 and is included in “Receivables, net” on the accompanying unaudited condensed consolidated balance sheets.

Loans, Forgivable Loans and Other Receivables from Employees and Partners, net:

Newmark has entered into various agreements with certain of its employees and partners, whereby these individuals receive loans which may be either wholly or in part repaid from the distribution earnings that the individual receives on some or all of their limited partnership units and from proceeds of the sales of the employees’ shares of our Class A common stock or may be forgiven over a period of time. The forgivable portion of these loans is not included in Newmark’s estimate of expected credit losses when employees meet the conditions for forgiveness through their continued employment over the specified time period and is recognized as compensation expense over the life of the loan. The amounts due from terminated employees that Newmark does not expect to collect are included in the allowance for credit losses. As of both March 31, 2025 and December 31, 2024, the balance of this reserve was $8.8 million and is included in “Loans, forgivable loans and other receivables from employees and partners, net” on the accompanying unaudited condensed consolidated balance sheets.

From time to time, Newmark may also enter into agreements with employees and partners to grant bonus and salary advances or other types of loans. These advances and loans are repayable in the time frame outlined in the underlying agreements. Newmark reviews loan balances each reporting period for collectability. If Newmark determines that the collectability of a portion of the loan balances is not expected, Newmark recognizes a reserve against the loan balances as compensation expense.

Reclassifications:

The Company has made reclassifications to prior period amounts to conform to current period presentation. These reclassifications had no effect on the reported results of operations. “Commercial mortgage origination, net” and “Investment sales” have been combined into one line, “Capital markets.” For the three months ended March 31, 2024, $70.8 million of Investment sales, and $59.9 million of Commercial mortgage origination, net, was combined into $130.8 million of Capital markets.

Segment and Geographic Information:

Segment Information

Newmark’s operations consist of one reportable segment, real estate services, as the Company is managed on a consolidated basis. Newmark is a real estate services firm offering services to commercial real estate tenants, investors, owners, occupiers, and developers. Newmark’s services include leasing and corporate advisory, investment sales and real estate finance, consulting, origination and servicing of commercial mortgage loans, valuation, project and development management and property and facility management. As of March 31, 2025, the Company has identified the Chief Executive Officer as the chief operating decision maker, who uses revenues and net income to evaluate the results of the business. The chief operating decision maker also uses revenues to allocate resources and compensation.

For the three months ended March 31, 2025 and 2024, the Company had total revenue of $665.5 million and $546.5 million, respectively (which included $8.3 million and $6.9 million, respectively, of interest income on loans held for sale). For the three months ended March 31, 2025 and 2024, the Company’s significant expenses included $473.9 million and $379.6 million, respectively, of Compensation and employee benefits (which included $74.3 million and $51.4 million, respectively, of Equity-based compensation and allocations of net income to limited partnership units and FPUs) and $209.9 million and $189.5 million, respectively, of non-compensation related operating expenses (which included $46.4 million and $44.0 million, respectively, of depreciation and amortization and $9.6 million and $7.5 million, respectively, of fees to related parties). For the three months ended March 31, 2025 and 2024, the company had Interest expense, net of $8.5 million and $7.2 million, respectively, and other income (loss) of $750.0 thousand and $(14.0) thousand, respectively, and these are included on the accompanying unaudited condensed consolidated statements of operations.

As of March 31, 2025 and December 31, 2024, the Company had total assets of $4.8 billion and $4.7 billion, respectively. See the Company’s consolidated balance sheets for more information.

The chief operating decision-maker evaluates the operating results and revenue of Newmark regardless of geographic location as total real estate services and allocates resources accordingly. Newmark recognized revenues as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Management services, servicing fees and other	$ 283,893	$ 256,934
Leasing and other commissions	208,074	158,799
Capital markets	173,527	130,766
Revenues	$ 665,494	$ 546,499

Geographic Information

The Company offers products and services in the U.S., U.K., Asia, Other Europe, and Other Americas. Information regarding revenues is as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
U.S.	$ 574,950	$ 461,462
U.K.	54,631	50,373
Other [1]	35,913	34,664
Revenues	$ 665,494	$ 546,499

(1) Other includes Asia, Other Europe and Other Americas.

(4) Earnings Per Share and Weighted-Average Shares Outstanding

U.S. GAAP guidance — *Earnings (Loss) Per Share* provides guidance on the computation and presentation of earnings (loss) per share. Basic EPS excludes dilution and is computed by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding and contingent shares for which all necessary conditions have been satisfied except for the passage of time. Net income (loss) is allocated to Newmark's outstanding common stock, FPUs, limited partnership units and Cantor Units (see Note 2 — "Limited Partnership Interests in Newmark Holdings and BGC Holdings").

The following is the calculation of Newmark's basic EPS (in thousands, except per share data):

	Three Months Ended March 31,	
	2025	2024
Basic earnings per share:		
Net income (loss) available to common stockholders	$ (8,766)	$ (16,254)
Basic weighted-average shares of common stock outstanding	176,352	174,774
Basic earnings per share	$ (0.05)	$ (0.09)

Fully diluted EPS is calculated utilizing net income (loss) available to common stockholders plus net income allocations to the limited partnership interests in Newmark Holdings as the numerator. The denominator comprises Newmark's weighted-average number of outstanding shares of Newmark Common Stock and, if dilutive, the weighted-average number of limited partnership interests and other contracts to issue shares of common stock, stock options and RSUs. The limited partnership interests generally are potentially exchangeable into shares of Newmark Class A common stock and are entitled to remaining earnings after the deduction for the Preferred Distribution; as a result, they are included in the fully diluted EPS computation to the extent that the effect would be dilutive.

The following is the calculation of Newmark's fully diluted EPS (in thousands, except per share data):

	Three Months Ended March 31,	
	2025	2024
Fully diluted earnings per share:		
Net income (loss) available to common stockholders	$ (8,766)	$ (16,254)
Allocations of net income to limited partnership interests in Newmark Holdings, net of tax	—	—
Net income (loss) for fully diluted shares	$ (8,766)	$ (16,254)
Weighted-average shares:		
Common stock outstanding	176,352	174,774
Partnership units[(1)]	—	—
RSUs (Treasury stock method)	—	—
Newmark exchange shares	—	—
Fully diluted weighted-average shares of common stock outstanding	176,352	174,774
Fully diluted earnings per share	$ (0.05)	$ (0.09)

(1) Partnership units collectively include FPUs, limited partnership units, and Cantor Units (see Note 2 — "Limited Partnership Interests in Newmark Holdings and BGC Holdings" for more information).

For the three months ended March 31, 2025 and 2024, 79.0 million and 81.1 million potentially dilutive securities, respectively, were excluded from the computation of fully diluted EPS because their effect would have been anti-dilutive.

(5) Stock Transactions and Unit Purchases

As of March 31, 2025, Newmark has two classes of authorized common stock: Class A common stock and Class B common stock.

Class A Common Stock

Each share of Class A common stock is entitled to one vote. Newmark has 1.0 billion authorized shares of Class A common stock at $0.01 par value per share.

Changes in shares of Newmark's Class A common stock outstanding were as follows:

	Three Months Ended March 31,	
	2025	2024
Shares outstanding at beginning of period	149,506,832	152,639,359
Share issuances:		
LPU redemption/exchange	10,550,529	2,189,183
Issuance of Class A common stock for Newmark RSUs	1,370,555	1,070,027
Other	496,634	246,426
Treasury stock repurchases	—	(3,463,399)
Shares outstanding at end of period	161,924,550	152,681,596

Class B Common Stock

Each share of Class B common stock is entitled to 10 votes and is convertible at any time into one share of Class A common stock.

As of both March 31, 2025 and December 31, 2024, there were 21.3 million shares of Newmark Class B common stock outstanding.

Share Repurchases and Unit Purchases

On November 4, 2024, Newmark's Board re-authorized share repurchases of Newmark Class A common stock and purchases of limited partnership interests in Newmark's subsidiaries by Newmark in an aggregate amount up to $400.0 million.

From time to time, Newmark may actively continue to repurchase shares and/or purchase units. During the three months ended March 31, 2025, Newmark did not make any repurchases of shares or units. During the three months ended March 31, 2024, Newmark repurchased 3.5 million shares of Class A common stock at an average price of $10.73 per share. As of March 31, 2025, Newmark had 371.9 million remaining from its share repurchase and unit purchase authorization.

Redeemable Partnership Interests

The changes in the carrying amount of FPUs follow (in thousands):

	March 31, 2025	December 31, 2024
Balance at beginning of period:	$ 13,900	$ 16,244
Income allocation	—	1,428
Distributions of income	(385)	(1,196)
Issuance and other	(579)	(2,576)
Balance at end of period	$ 12,936	$ 13,900

(6) Investments

Investments Carried Under Measurement Alternatives

Newmark has acquired investments in entities for which it does not have the ability to exert significant influence over operating and financial policies.

The carrying values of these investments were $5.2 million as of March 31, 2025 and December 31, 2024, and are included in “Other assets” on the accompanying unaudited condensed consolidated balance sheets. Newmark did not recognize any realized and unrealized gains (losses) for the three months ended March 31, 2025 and 2024. Additionally, the Company made no additional investments during the three months ended March 31, 2025 and 2024.

(7) Capital and Liquidity Requirements

Newmark is subject to various capital requirements in connection with seller/servicer agreements that Newmark has entered into with the various GSEs. Failure to maintain minimum capital requirements could result in Newmark’s inability to originate and service loans for the respective GSEs and could have a direct material adverse effect on the accompanying unaudited condensed consolidated financial statements. Management believes that, as of March 31, 2025 and December 31, 2024, Newmark had met all capital requirements. As of March 31, 2025 and December 31, 2024, the most restrictive capital requirement was the net worth requirement of Fannie Mae. Newmark exceeded the minimum requirement by $395.0 million and $370.2 million, respectively, as of March 31, 2025 and December 31, 2024.

Certain of Newmark’s agreements with Fannie Mae allow Newmark to originate and service loans under the Fannie Mae DUS program. These agreements require Newmark to maintain sufficient collateral to meet Fannie Mae’s restricted and operational liquidity requirements based on a pre-established formula. Certain of Newmark’s agreements with Freddie Mac allow Newmark to service loans under the Freddie Mac TAH. These agreements require Newmark to pledge sufficient collateral to meet Freddie Mac’s liquidity requirement of 8% of the outstanding principal of Freddie Mac TAH loans serviced by Newmark. Management believes that, as of March 31, 2025 and December 31, 2024, Newmark had met all liquidity requirements.

In addition, as a servicer for Fannie Mae, Ginnie Mae and FHA, Newmark is required to advance to investors any uncollected principal and interest due from borrowers. Outstanding borrower advances were $0.4 million and $0.5 million as of March 31, 2025 and December 31, 2024, respectively, and are included in “Other assets” on the accompanying unaudited condensed consolidated balance sheets.

(8) Loans Held for Sale, at Fair Value

Loans held for sale, at fair value represent originated loans that are typically financed by short-term warehouse facilities (see Note 17 — “Warehouse Facilities Collateralized by U.S. Government Sponsored Enterprises”) and sold within 45 days from the date the mortgage loan is funded. Newmark initially and subsequently measures all loans held for sale at fair value on the accompanying unaudited condensed consolidated balance sheets. The fair value measurement falls within the definition of a Level 2 measurement (significant other observable inputs) within the fair value hierarchy. Electing to use fair value allows a better offset of the change in the fair value of the loans and the change in fair value of the derivative instruments used as economic hedges. Loans held for sale had a cost basis and fair value as follows (in thousands):

	March 31, 2025	December 31, 2024
Cost Basis	$ 827,923	$ 764,667
Fair Value	848,044	774,905

As of March 31, 2025 and December 31, 2024, all of the loans held for sale were either under commitment to be purchased by Freddie Mac or had confirmed forward trade commitments for the issuance and purchase of Fannie Mae or Ginnie Mae mortgage-backed securities that will be secured by the underlying loans. As of both March 31, 2025 and December 31, 2024, there were no loans held for sale that were 90 days or more past due or in nonaccrual status.

Newmark records interest income on loans held for sale, in accordance with the terms of the individual loans, during the period prior to sale. Interest income on loans held for sale is included in "Management services, servicing fees and other" on the accompanying unaudited condensed consolidated statements of operations. Gains (losses) for fair value adjustments on loans held for sale is included in "Capital markets" on the accompanying unaudited condensed consolidated statements of operations. Interest income and gains (losses) for fair value adjustments on loans held for sale were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Interest income on loans held for sale	$ 8,307	$ 6,882
Gains (losses) recognized on change in fair value on loans held for sale	20,121	9,203

(9) Derivatives

Newmark accounts for its derivatives at fair value and recognizes all derivatives as either assets or liabilities on the accompanying unaudited condensed consolidated balance sheets. In its normal course of business, Newmark enters into commitments to extend credit for mortgage loans at a specific rate (rate lock commitments) and commitments to deliver these loans to third-party investors at a fixed price (Forward Sales Contracts).

The fair value of derivative contracts, computed in accordance with Newmark's netting policy, is set forth below (in thousands):

	March 31, 2025			December 31, 2024		
Derivative contract	Assets	Liabilities	Notional Amounts(1)	Assets	Liabilities	Notional Amounts(1)
Rate lock commitments	$ 4,679	$ 295	$ 265,848	$ 1,010	$ 1,350	$ 81,717
Forward Sales Contracts	1,463	8,715	1,093,771	7,491	3,253	846,384
Total	$ 6,142	$ 9,010	$ 1,359,619	$ 8,501	$ 4,603	$ 928,101

(1) Notional amounts represent the sum of gross long and short derivative contracts, an indication of the volume of Newmark's derivative activity, and do not represent anticipated losses.

The changes in fair value of rate lock commitments and Forward Sales Contracts related to mortgage loans are reported as part of "Capital markets" on the accompanying unaudited condensed consolidated statements of operations. The changes in fair value of rate lock commitments are disclosed net of $1.0 million and $0.5 million of expenses for the three months ended March 31, 2025 and 2024, respectively. The changes in fair value of rate lock commitments are reported as part of "Compensation and employee benefits" on the accompanying unaudited condensed consolidated statements of operations.

Gains and losses on derivative contracts, which are included on the accompanying unaudited condensed consolidated statements of operations were as follows (in thousands):

	Location of gains (losses) recognized in income for derivatives	Three Months Ended March 31,	
		2025	2024
Derivatives not designed as hedging instruments:			
Rate lock commitments	Capital markets	5,418	2,029
Rate lock commitments	Compensation and employee benefits	(1,034)	(470)
Forward Sale Contracts	Capital markets	(7,252)	1,275
Total		$ (2,868)	$ 2,834

Derivative assets and derivative liabilities are included in "Other current assets" and "Accounts payable, accrued expenses and other liabilities," on the accompanying unaudited condensed consolidated balance sheets.

(10) Revenues from Contracts with Customers

The following table presents Newmark's total revenues separately for its revenues from contracts with customers and other sources of revenues (in thousands):

	Three Months Ended March 31,	
	2025	2024
Revenues from contracts with customers:		
Leasing and other commissions	$ 208,074	$ 158,799
Investment sales	92,858	70,823
Mortgage brokerage and debt placement	37,186	27,100
Management services	218,112	193,437
Total	$ 556,230	$ 450,159
Other sources of revenue[1]:		
Fair value of expected net future cash flows from servicing recognized at commitment, net	$ 21,403	$ 16,144
Loan originations related fees and sales premiums, net	22,080	16,699
Servicing fees and other	65,781	63,497
Total	$ 665,494	$ 546,499

[1] Although these items have customers under contract, they were recorded as other sources of revenue as they were excluded from the scope of ASU No. 2014-9.

Disaggregation of Revenues

Newmark's chief operating decision-maker, regardless of geographic location, evaluates the operating results, including revenues, of Newmark as total real estate services (see Note 3 — "Summary of Significant Accounting Policies" for further discussion).

Contract Balances

The timing of Newmark's revenue recognition may differ from the timing of payment by its customers. Newmark records a receivable when revenue is recognized prior to payment and Newmark has an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, Newmark records deferred revenue until the performance obligations are satisfied.

Newmark's deferred revenue primarily relates to customers paying in advance or billed in advance where the performance obligation has not yet been satisfied. Deferred revenue is recorded as a contract liability. Deferred revenue at March 31, 2025 and December 31, 2024 was $0.8 million and $1.3 million, respectively. During the three months ended March 31, 2025 and 2024, Newmark recognized revenue of $0.5 million and $0.3 million, respectively, that was recorded as deferred revenue at the beginning of the period.

For Knotel and Deskeo, the Company's remaining performance obligations that represent contracted customer revenues, that have not yet been recognized as revenue as of March 31, 2025 and that will be recognized as revenue in future periods over the life of the customer contracts in accordance with ASC 606, are approximately $165.2 million. Over half of the remaining performance obligations as of March 31, 2025 are scheduled to be recognized as revenue within the next twelve months, with the remaining to be recognized over the remaining life of the customer contracts, which extends through 2030.

Approximate future cash flows to be received over the next five years as of March 31, 2025 are as follows (in thousands):

2025	$ 86,292
2026	53,094
2027	18,336
2028	6,761
2029	752
Thereafter	—
Total	$ 165,235

(11) Capital markets

Capital markets consists of the following activity (in thousands):

	Three Months Ended March 31,	
	2025	2024
Investment sales	$ 92,858	$ 70,823
Fair value of expected net future cash flows from servicing recognized at commitment, net	21,403	16,144
Loan originations related fees and sales premiums, net	22,080	16,699
Mortgage brokerage and debt placement	37,186	27,100
Total	$ 173,527	$ 130,766

(12) Mortgage Servicing Rights, Net

The changes in the carrying amount of MSRs were as follows (in thousands):

	Three Months Ended March 31,	
Mortgage Servicing Rights	2025	2024
Beginning Balance	$ 520,487	$ 534,390
Additions	18,711	19,552
Amortization	(28,393)	(28,363)
Ending Balance	$ 510,805	$ 525,579
Valuation Allowance		
Beginning Balance	$ (2,908)	$ (3,187)
Decrease (increase)	690	(520)
Ending Balance	$ (2,218)	$ (3,707)
Net Balance	$ 508,587	$ 521,872

Servicing fees are included in "Management services, servicing fees and other" on the accompanying unaudited condensed consolidated statements of operations and were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Servicing fees	$ 44,543	$ 41,956
Escrow interest and placement fees	12,242	14,190
Ancillary fees	689	468
Total	$ 57,474	$ 56,614

Newmark's primary servicing portfolio as of March 31, 2025 and December 31, 2024 was $68.5 billion and $67.4 billion, respectively. Newmark's limited servicing portfolio with recorded MSRs as of March 31, 2025 and December 31, 2024 was $6.1 billion and $6.5 billion, respectively. Also, Newmark is the named special servicer for a number of commercial mortgage-backed securitizations. Upon certain specified events (such as, but not limited to, loan defaults and loan assumptions), the administration of the loan is transferred to Newmark. Newmark's special servicing portfolio was $2.5 billion as of both March 31, 2025 and December 31, 2024, respectively.

The estimated fair value of the MSRs as of March 31, 2025 and December 31, 2024 was $656.8 million and $658.1 million, respectively.

Fair values are estimated using a valuation model that calculates the present value of the future net servicing cash flows. The cash flows assumptions used are based on assumptions Newmark believes market participants would use to value the portfolio. Significant assumptions include estimates of the cost of servicing per loan, discount rate, earnings rate on escrow deposits and prepayment speeds.

The discount rates used in measuring fair value for the three months ended March 31, 2025 and year ended December 31, 2024 were between 6.1% and 13.5% and varied based on investor type. An increase in discount rate of 100 basis points or 200 basis points would result in a decrease in fair value by $16.3 million and $32.0 million, respectively, as of March 31, 2025, and by $16.6 million and $32.5 million, respectively, as of December 31, 2024.

(13) Goodwill and Other Intangible Assets, Net

The changes in the carrying amount of goodwill were as follows (in thousands):

Balance, January 1, 2024	$ 776,547
Measurement period and currency translation adjustments	(5,661)
Balance, December 31, 2024	$ 770,886
Measurement period and currency translation adjustments	5,740
Balance, March 31, 2025	$ 776,626

Goodwill is not amortized and is reviewed annually for impairment or more frequently if impairment indicators arise, in accordance with U.S. GAAP guidance on *Goodwill and Other Intangible Assets*. Newmark completed its annual goodwill impairment testing for the year ended December 31, 2024, which did not result in a goodwill impairment.

Other intangible assets consisted of the following (in thousands, except weighted-average life):

	March 31, 2025			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Indefinite life:				
Trademark and trade names	$ 12,850	$ —	$ 12,850	N/A
License agreements (GSE)	5,390	—	5,390	N/A
Definite life:				
Trademark and trade names	12,582	(12,210)	372	0.4
Non-contractual customers	30,131	(19,815)	10,316	6.8
Non-compete agreements	12,577	(8,526)	4,051	3.6
Contractual customers	60,871	(33,874)	26,997	2.6
Other	4,617	(3,466)	1,151	7.8
Total	$ 139,018	$ (77,891)	$ 61,127	3.7

	December 31, 2024			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Indefinite life:				
Trademark and trade names	$ 12,850	$ —	$ 12,850	N/A
License agreements (GSE)	5,390	—	5,390	N/A
Definite life:				
Trademark and trade names	12,423	(11,628)	795	0.5
Non-contractual customers	30,131	(19,280)	10,851	7.1
Non-compete agreements	12,423	(8,131)	4,292	3.8
Contractual customers	59,527	(30,517)	29,010	2.9
Other	4,611	(3,331)	1,280	8.3
Total	$ 137,355	$ (72,887)	$ 64,468	3.9

Intangible amortization expense for the three months ended March 31, 2025 and 2024 was $4.2 million and $4.4 million, respectively. Intangible amortization is included as a part of “Depreciation and amortization” on the accompanying unaudited condensed consolidated statements of operations. Impairment charges are included in intangible amortization expense.

The estimated future amortization of definite life intangible assets as of March 31, 2025 was as follows (in thousands):

2025	$	11,345
2026		11,992
2027		8,650
2028		4,722
2029		3,068
Thereafter		3,110
Total	$	42,887

(14) Fixed Assets, Net

Fixed assets, net consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Leasehold improvements, furniture and fixtures, and other fixed assets	$ 252,817	$ 254,337
Software, including software development costs	67,469	64,680
Computer and communications equipment	41,690	41,144
Total, cost	361,976	360,161
Accumulated depreciation and amortization	(203,013)	(193,432)
Total, net	$ 158,963	$ 166,729

Depreciation expense for the three months ended March 31, 2025 and 2024 was $15.2 million and $11.4 million, respectively. Newmark recorded impairment charges of $6.4 million and $1.8 million for the three months ended March 31, 2025 and 2024, respectively. Impairment charges are included as a part of "Depreciation and amortization" on the accompanying unaudited condensed consolidated statements of operations.

Capitalized software development costs for the three months ended March 31, 2025 and 2024 were $2.4 million and $2.0 million, respectively. Amortization of software development costs totaled $2.0 million and $0.9 million, respectively. Amortization of software development costs is included as part of "Depreciation and amortization" on the accompanying unaudited condensed consolidated statements of operations.

(15) Leases

Newmark has operating leases for real estate and equipment. These leases have remaining lease terms ranging from one to seventeen years, some of which include options to extend the leases in one- to ten-year increments. Renewal periods are included in the lease term only when renewal is reasonably certain, which is a high threshold and requires management to apply judgment to determine the appropriate lease term. Certain leases also include periods covered by an option to terminate the lease if Newmark is reasonably certain not to exercise the termination option. The Company measures its lease payments by including fixed rental payments and, where relevant, variable rental payments tied to an index, such as the Consumer Price Index. Payments for leases in place before the date of adoption of ASC 842, *Leases* were determined based on previous leases guidance. The Company recognizes lease expense for its operating leases on a straight-line basis over the lease term and variable lease expense not included in the lease payment measurement is recognized as incurred. All leases were classified as operating leases as of March 31, 2025.

Pursuant to the accounting policy election, leases with an initial term of twelve months or less are not recognized on the balance sheet. The short-term lease expense over the period reasonably reflects the Company's short-term lease commitments.

ASC 842, *Leases* requires the Company to make certain assumptions and judgments in applying the guidance, including determining whether an arrangement includes a lease, determining the term of a lease when the contract has renewal or cancellation provisions, and determining the discount rate.

The Company determines whether an arrangement is a lease or includes a lease at the contract inception by evaluating whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the Company has the right to obtain substantially all of the economic benefits from, and can direct the use of, the identified asset for a period of time, the Company accounts for the identified asset as a lease. The Company has elected the practical expedient to not separate lease and non-lease components for all leases other than real estate leases. The primary non-lease component that is combined with a lease component represents operating expenses such as utilities, maintenance or management fees.

As the rate implicit in the lease is not usually available, the Company used an incremental borrowing rate based on the information available at the adoption date of the new ASC 842, *Leases* standard in determining the present value of lease payments for existing leases. The Company has elected to use a portfolio approach for the incremental borrowing rate, applying corporate bond rates to the leases. The Company calculated the appropriate rates with reference to the lease term and lease currency. The Company uses information available at the lease commencement date to determine the discount rate for any new leases.

Total lease liability as of March 31, 2025 was $608.4 million. Of the total amount, $137.5 million of lease liability was within our flexible workspace business whereby the liability was in consolidated SPVs with only $20.5 million of guarantees and/or letters of credit with exposure to Newmark. There was an additional $10.0 million of guarantees and/or letters of credit related to lease liabilities not in consolidated SPVs. In addition, Newmark has contracted future customer revenues and sub-lease income as of March 31, 2025 amounting to approximately $177.1 million.

Total lease liability as of December 31, 2024 was $598.3 million. Of the total amount, $151.1 million of lease liability was within our flexible workspace business whereby the liability was in consolidated SPVs with only $22.6 million of guarantees and/or letters of credit with exposure to Newmark. There was an additional $10.2 million of guarantees and/or letters of credit related to lease liabilities not in consolidated SPVs. In addition, Newmark has contracted future customer revenues and sub-lease income as of December 31, 2024 amounting to approximately $158.2 million.

Operating lease costs were $33.8 million and $33.5 million for the three months ended March 31, 2025 and 2024, respectively, and are included in "Operating, administrative and other" on the accompanying unaudited condensed consolidated statements of operations. Operating cash flows for the three months ended March 31, 2025 and 2024 included payments of $33.8 million and $31.8 million for operating lease liabilities, respectively. As of both March 31, 2025 and December 31, 2024, Newmark did not have any leases that have not yet commenced but that create significant rights and obligations. For the three months ended March 31, 2025 and 2024, Newmark had short-term lease expense of $0.3 million and $0.4 million, respectively. For the three months ended March 31, 2025 and 2024, Newmark had sublease income of $0.9 million and $0.6 million, respectively. For the three months ended March 31, 2025 and 2024, Newmark did not record lease impairment charges.

The weighted-average discount rate as of March 31, 2025 and December 31, 2024 was 5.14% and 5.02%, respectively, and the remaining weighted-average lease term was 6.6 years and 5.7 years, respectively.

As of March 31, 2025 and December 31, 2024, Newmark had operating lease Right-of-use assets of $513.4 million and $500.5 million, respectively, and operating lease Right-of-use liabilities of $106.1 million and $108.4 million, respectively, recorded in "Accounts payable, and accrued expenses and other liabilities," and $502.3 million and $489.8 million, respectively, recorded in "Right-of-use liabilities," on the accompanying unaudited condensed consolidated balance sheets.

Rent expense, including the operating lease costs above, for the three months ended March 31, 2025 and 2024, was $41.9 million and $41.7 million, respectively. Rent expense is included in "Operating, administrative and other" on the accompanying unaudited condensed consolidated statements of operations.

Newmark is obligated for minimum rental payments under various non-cancelable operating leases, principally for office space, expiring at various dates through 2041. Certain of these leases contain escalation clauses that require payment of additional rent to the extent of increases in certain operating or other costs.

Minimum lease payments under these arrangements, net of payments to be received under a sublease, were as follows (in thousands):

	March 31, 2025
2025	$ 102,875
2026	125,191
2027	114,462
2028	101,712
2029	78,389
Thereafter	210,646
Total lease payments	$ 733,275
Less: Interest	136,705
Present value of lease liability	$ 596,570

(16) Other Current Assets and Other Assets

Other current assets consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Derivative assets	$ 6,142	$ 8,501
Prepaid expenses	60,898	51,481
Other taxes	12,467	2,973
Rent and other deposits	21,327	20,333
Other	10,238	4,688
Total	$ 111,072	$ 87,976

Other assets consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Deferred tax assets (1)	$ 119,513	$ 98,912
Non-marketable investments	5,213	5,213
Other tax receivables	10,553	8,900
Advances on long-term contracts	10,550	10,550
Other	29,514	24,351
Total	$ 175,343	$ 147,926

(1) Deferred tax assets includes $20.6 million of a tax receivable relating to the tax receivable agreement with Cantor. There is an offsetting related liability to Cantor of $17.5 million included in other long-term liabilities on the condensed consolidated balance sheets.

(17) Warehouse Facilities Collateralized by U.S. Government Sponsored Enterprises

Newmark uses its warehouse facilities and repurchase agreements to fund mortgage loans originated under its various lending programs. Outstanding borrowings against these lines are collateralized by an assignment of the underlying mortgages and third-party purchase commitments and are recourse only to our wholly owned subsidiary, Berkeley Point Capital, LLC.

Newmark had the following lines available and borrowings outstanding (in thousands, except the stated spread to one-month SOFR):

	Committed Lines	Uncommitted Lines	Balance at March 31, 2025	Balance at December 31, 2024	Stated Spread to One-Month SOFR	Rate Type
Warehouse facility due May 6, 2025 (1)	$ 450,000	$ 300,000	$ 81,717	$ 35,841	130 bps	Variable
Warehouse facility due September 25, 2025	200,000	200,000	164,115	143,470	130 bps	Variable
Warehouse facility due October 4, 2025	800,000	600,000	575,333	416,908	130 bps	Variable
Fannie Mae repurchase agreement, open maturity	—	500,000	—	158,089	115 bps	Variable
Total	$ 1,450,000	$ 1,600,000	$ 821,165	$ 754,308		

(1) On May 6, 2025, the warehouse line was renewed, extending the maturity date to May 5, 2026.

Pursuant to the terms of the warehouse facilities, Newmark is required to meet several financial covenants. Newmark was in compliance with all covenants as of both March 31, 2025 and December 31, 2024.

The borrowing rates on the warehouse facilities are based on short-term SOFR plus applicable margins. Due to the short-term maturity of these instruments, the carrying amounts approximate fair value.

(18) Debt

Debt consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
7.500% Senior Notes	$ 595,941	$ 595,673
Credit Facility	175,000	75,000
Long-term debt	770,941	670,673
Total corporate debt	$ 770,941	$ 670,673

7.500% Senior Notes

On January 12, 2024, Newmark closed its offering of $600.0 million aggregate principal amount of 7.500% Senior Notes. The notes are general senior unsecured obligations of Newmark. The 7.500% Senior Notes were offered and sold in a private offering exempt from the registration requirements under the Securities Act. Customary registration rights were provided to purchasers of the 7.500% Senior Notes. Newmark subsequently held an exchange offer pursuant to which eligible holders of the 7.500% Senior Notes were able to exchange their 7.500% Senior Notes for notes with substantially identical terms that were registered under the Securities Act. The notes bear interest at a rate of 7.500% per year, payable in cash on January 12 and July 12 of each year, commencing July 12, 2024. The 7.500% Senior Notes will mature on January 12, 2029. The Company received net proceeds from the initial offering of the 7.500% Senior Notes of approximately $594.7 million after deducting the initial purchasers' discounts and estimated offering expenses. The Company used the net proceeds to repay all of the $420.0 million then-outstanding under its Delayed Draw Term Loan Credit Agreement. Additional net proceeds were used to repay all $130.0 million of then outstanding revolving debt under the Cantor Credit Agreement. In connection with this issuance of 7.500% Senior Notes, the Company recorded approximately $0.5 million in underwriting fees payable to CF&Co. These fees were recorded as a deduction from the carrying amount of the debt liability, which is amortized as interest expense over the term of the notes. Cantor, which was not eligible to participate in the exchange offer, purchased $125.0 million aggregate principal amount of such senior notes.

The carrying amount of the 7.500% Senior Notes was determined as follows (in thousands):

	March 31, 2025	December 31, 2024
Principal balance	$ 600,000	$ 600,000
Less: debt issue cost	4,059	4,327
Total	$ 595,941	$ 595,673

Newmark uses the straight-line method to amortize debt issue costs over the life of the notes. Interest expense, amortization of debt issue costs of the 7.500% Senior Notes, included in "Interest expense, net" on the accompanying unaudited condensed consolidated statements of operations, were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Interest expense	$ 11,250	$ 9,875
Debt issue cost amortization	268	221
Total	$ 11,518	$ 10,096

Delayed Draw Term Loan

On August 10, 2023, Newmark entered into a Delayed Draw Term Loan Credit Agreement, by and among the Company, the several financial institutions from time to time party thereto, as Lenders, and Bank of America, N.A., as Administrative Agent (as such terms are defined in the Delayed Draw Term Loan Credit Agreement), pursuant to which the Lenders committed to provide to the Company a senior unsecured Delayed Draw Term Loan in an aggregate principal amount of $420.0 million, which could be increased, subject to certain terms and conditions, to up to $550.0 million. The proceeds of the Delayed Draw Term Loan could only be used to repay the 6.125% Senior Notes at their maturity. The Delayed Draw Term Loan had a maturity date of November 14, 2026.

As set forth in the Delayed Draw Term Loan Credit Agreement, the Delayed Draw Term Loan could bear interest at a per annum rate equal to, at the Company's option, either (a) Term SOFR for interest periods of one or three months (as selected by the Company) or upon the consent of all Lenders, such other period that is 12 months or less (in each case, subject to availability), as selected by the Company, plus an applicable margin or (b) a base rate equal to the greatest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as established by the Administrative Agent, and (iii) Term SOFR plus 1.00%, in each case plus an applicable margin. Upon funding, the applicable margin was 2.625% with respect to Term SOFR borrowings in (a) above and 1.625% with respect to base rate borrowings in (b) above. Depending on the Company's credit ratings, the applicable margin could range, with respect to Term SOFR borrowings, from 2.125% to 3.375% through and including August 10, 2024, and 2.5% to 3.875% thereafter; and base rate borrowings, from 1.125% to 2.375% through and including August 10, 2024, and 1.5% to 2.875% thereafter.

The Delayed Draw Term Loan Credit Agreement contained financial covenants with respect to minimum interest coverage and maximum leverage ratio. The Delayed Draw Term Loan Credit Agreement also contained certain other customary affirmative and negative covenants and events of default. The covenants in the Delayed Draw Term Loan Credit Agreement were consistent with those within the Company's existing $600.0 million Credit Facility, which remains available to the Company.

On November 8, 2023, Newmark provided notice to Bank of America, N.A., as Administrative Agent, to borrow the $420.0 million available under the Delayed Draw Term Loan Credit Agreement with the funds made available on November 14, 2023. The Company used the $420.0 million of proceeds of the Delayed Draw Term Loan draw to pay a portion of the matured principal and interest of the Company's $550.0 million 6.125% Senior Notes due November 15, 2023. As of December 31, 2023, there was an outstanding balance of $420.0 million on the Delayed Draw Term Loan. On January 12, 2024, the outstanding balance under the Delayed Draw Term Loan was repaid with the proceeds of the offering of the 7.500% Senior Notes. The Delayed Draw Term Loan was terminated and the remaining unamortized debt issuance costs of $2.7 million were expensed.

Interest expense, amortization of debt issue costs and acceleration of debt issuance costs of the Delayed Draw Term Loan, included in "Interest expense, net" on the accompanying unaudited condensed consolidated statements of operations was $3.7 million for the three months ended March 31, 2024.

Debt Repurchase Program

On June 16, 2020, the Board and Audit Committee authorized a debt repurchase program for the repurchase of up to $50.0 million of Company debt securities.

As of March 31, 2025, Newmark had $50.0 million remaining under its debt repurchase authorization.

Credit Facility

On November 28, 2018, Newmark entered into the Credit Agreement by and among Newmark, the several financial institutions from time to time party thereto, as lenders, and Bank of America, N.A., as administrative agent. The Credit Agreement provided for a $250.0 million three-year unsecured senior revolving credit facility.

On February 26, 2020, Newmark entered into an amendment to the Credit Agreement, increasing the size of the Credit Facility to $425.0 million and extending the maturity date to February 26, 2023. The annual interest rate on the Credit Facility was reduced to LIBOR plus 1.75%, subject to a pricing grid linked to Newmark's credit ratings from S&P Global Ratings and Fitch.

On March 16, 2020, Newmark entered into a second amendment to the Credit Agreement, increasing the size of the Credit Facility to $465.0 million. The annual interest rate on the Credit Facility was LIBOR plus 1.75%, subject to a pricing grid linked to Newmark's credit ratings from S&P Global Ratings and Fitch. In July 2021, Newmark paid the $140.0 million outstanding on the Credit Facility.

On March 10, 2022, Newmark amended and restated the Credit Agreement, as amended. Pursuant to the amended and restated Credit Agreement, the lenders agreed to: (a) increase the amount available to the Company under the Credit Facility to $600.0 million, (b) extend the maturity date of the Credit Facility to March 10, 2025, and (c) improve pricing to 1.50% per annum with respect to Term SOFR (as defined in the amended and restated Credit Agreement) borrowings.

On April 26, 2024, Newmark amended and restated the Credit Agreement, which amendment and restatement, among other things, extends the maturity date of the Credit Facility to April 26, 2027. The borrowing rates and financial covenants under the Credit Agreement are substantially consistent with the Credit Agreement prior to such amendment and restatement.

Borrowings under the Credit Facility bear interest at a per annum rate equal to, at the Company's option, either (a) Term SOFR for interest periods of one or three months, as selected by the Company, or upon the consent of all lenders, such other period that is 12 months or less (in each case, subject to availability), as selected by the Company, plus an applicable margin, or (b) a base rate equal to the greatest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as established by the Administrative Agent (as such term is defined in the amended and restated Credit Agreement), and (iii) Term SOFR plus 1.00%, in each case plus an applicable margin. The applicable margin was initially 1.50% with respect to Term SOFR borrowings in (a) above and 0.50% with respect to base rate borrowings in (b) above. The applicable margin with respect to Term SOFR borrowings in (a) above could range from 1.00% to 2.125% depending upon the Company's credit rating, and with respect to base rate borrowings in (b) above could range from 0.00% to 1.125% depending upon the Company's credit rating. The Credit Agreement also provides for certain upfront and arrangement fees and for an unused facility fee.

As of March 31, 2025, there were $175.0 million of borrowings outstanding under the Credit Facility. As of March 31, 2025, borrowings under the Credit Facility carried an interest rate of 5.92%, with a weighted-average interest rate of 5.92% for the three months ended March 31, 2025. During the three months ended March 31, 2025, there were $115.0 million of borrowings and $15.0 million of repayments. As of December 31, 2024, there were $75.0 million of borrowings under the Credit Facility. As of December 31, 2024, borrowings under the Credit Facility carried an interest rate of 6.15%, with a weighted-average interest rate for the year ended December 31, 2024 of 6.66%. Newmark uses the straight-line method to amortize debt issue costs over the life of the Credit Facility. Interest expense and amortization of debt issue costs of the Credit

Facility, included in “Interest expense, net” on the accompanying unaudited condensed consolidated statements of operations were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Interest expense	$ 2,023	$ 308
Debt issue cost amortization	354	264
Unused facility fee	243	312
Total	$ 2,620	$ 884

Cantor Credit Agreement

On November 30, 2018, Newmark entered into an unsecured credit agreement with Cantor. The Cantor Credit Agreement provides for each party to issue loans to the other party in the lender’s discretion. Pursuant to the Cantor Credit Agreement, the parties and their respective subsidiaries (with respect to Cantor, other than BGC and its subsidiaries) may borrow up to an aggregate principal amount of $250.0 million from each other from time to time at an interest rate which is the higher of Cantor or Newmark’s short-term borrowing rate then in effect, plus 1.0%.

On December 20, 2023, Newmark entered into a first amendment to the Cantor Credit Agreement. Pursuant to the First Cantor Credit Agreement Amendment, Cantor agreed to make certain loans to Newmark from time to time in an aggregate outstanding principal amount of up to $150.0 million under the Cantor Credit Agreement. The Newmark Revolving Loans have substantially the same terms as other loans under the Cantor Credit Agreement, except that until April 15, 2024, the Newmark Revolving Loans would bear interest at a rate equal to 25 basis points less than the interest rate borne by the revolving loans made pursuant to the Credit Facility. Unlike other loans made under the Cantor Credit Agreement, Cantor may demand repayment of the Newmark Revolving Loans prior to the final maturity date of the Cantor Credit Agreement upon three business days’ prior written notice. Also on December 20, 2023, Newmark drew $130.0 million of Newmark Revolving Loans, and used the proceeds to repay the $130.0 million balance then-outstanding under the Credit Facility. On January 12, 2024, the outstanding balance under the Cantor Credit Agreement was repaid with the proceeds of the offering of the 7.500% Senior Notes. As of March 31, 2025, there was no outstanding balance under the Cantor Credit Agreement.

Pursuant to the terms of the agreements described above, Newmark is required to meet several financial covenants. Newmark was in compliance with all such covenants as of both March 31, 2025 and December 31, 2024, respectively.

(19) Financial Guarantee Liability

Newmark shares risk of loss for loans originated under the Fannie Mae DUS and Freddie Mac TAH programs and could incur losses in the event of defaults under or foreclosure of these loans. Under the loss-share guarantee, Newmark’s maximum contingent liability to the extent of actual losses incurred is approximately 33% of the outstanding principal balance on Fannie Mae DUS or Freddie Mac TAH loans. Risk-sharing percentages are established on a loan-by-loan basis when originated, with most loans at 33% and “modified” loans at lower percentages. Under certain circumstances, risk-sharing percentages can be revised subsequent to origination or Newmark could be required to repurchase the loan. In the event of a loss resulting from a catastrophic event that is not required to be covered by borrowers’ insurance policies, Newmark can recover the loss under its mortgage impairment insurance policy. Any potential recovery is subject to the policy’s deductibles and limits.

At March 31, 2025, the credit risk loans being serviced by Newmark on behalf of Fannie Mae and Freddie Mac had outstanding principal balances of $32.7 billion with a maximum potential loss of approximately $10.2 billion. At December 31, 2024, the credit risk loans being serviced by Newmark on behalf of Fannie Mae and Freddie Mac had outstanding principal balances of approximately $32.1 billion with a maximum potential loss of approximately $10.0 billion.

Newmark’s current estimate of expected credit losses considers various factors, including, without being limited to, historical default and losses, current delinquency status, loan size, terms, amortization types, the forward-looking view of the primary risk drivers (debt-service coverage ratio and loan-to-value) based on forecasts of economic conditions and local market performance. During the three months ended March 31, 2025 and 2024, there were increases in the provision for expected credit losses of $1.5 million and $1.3 million, respectively. A loan is considered to be delinquent once it is 60 days past due.

As of March 31, 2025, there was one loan in foreclosure that had an outstanding principal balance of $5.1 million, with a maximum loss exposure of $1.7 million. Advances for principal, interest and maintenance costs to be used for the loss calculation are $1.5 million. Proceeds from the liquidation of the asset was estimated to be approximately $3.5 million based on Newmark's current estimate of fair value. Newmark's share of the loss was estimated at $1.0 million.

As of December 31, 2024, there was one loan in foreclosure that had an outstanding principal balance of $5.1 million, with a maximum loss exposure of $1.7 million. Advances for principal, interest and maintenance costs to be used for the loss calculation are $2.1 million. Proceeds from the liquidation of the asset was estimated to be approximately $6.1 million based on Newmark's estimate of fair value. Newmark's share of the loss was estimated at $0.2 million. During the year ended December 31, 2024, Newmark settled its share of the loss on one credit risk loan for $0.3 million that was in foreclosure as of December 31, 2023.

The provisions for risk-sharing were included in "Operating, administrative and other" on the accompanying unaudited condensed consolidated statements of operations as follows (in thousands):

Balance, January 1, 2024	$	28,551
Provision for expected credit losses		(1,891)
Credit loss settlement		(345)
Balance, December 31, 2024	$	26,315
Provision for expected credit losses		1,503
Balance, March 31, 2025	$	27,818

(20) Concentrations of Credit Risk

The lending activities of Newmark create credit risk in the event that counterparties do not fulfill their contractual payment obligations. In particular, Newmark is exposed to credit risk related to the Fannie Mae DUS and Freddie Mac TAH loans (see Note 19 — "Financial Guarantee Liability"). As of March 31, 2025, 18% and 13% of $10.2 billion of the maximum loss was for properties located in California and Texas, respectively. As of December 31, 2024, 18% and 13% of $10.0 billion of the maximum loss was for properties located in California and Texas, respectively.

(21) Escrow and Custodial Funds

In conjunction with the servicing of multifamily and commercial loans, Newmark holds escrow and other custodial funds. Escrow funds are held at unaffiliated financial institutions generally in the form of cash and cash equivalents. These funds amounted to $1.2 billion and $1.5 billion, as of March 31, 2025 and December 31, 2024, respectively. These funds are held for the benefit of Newmark's borrowers and are segregated in custodial bank accounts. These amounts are excluded from the assets and liabilities of Newmark.

(22) Fair Value of Financial Assets and Liabilities

U.S. GAAP guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 measurements—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 measurements—Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 measurements—Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

As required by U.S. GAAP guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table sets forth by level within the fair value hierarchy financial assets and liabilities accounted for at fair value under U.S. GAAP guidance (in thousands):

	As of March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	$ 58	$ —	$ —	$ 58
Loans held for sale, at fair value	—	848,044	—	848,044
Rate lock commitments	—	—	4,679	4,679
Forward Sales Contracts	—	—	1,463	1,463
Total	$ 58	$ 848,044	$ 6,142	$ 854,244
Liabilities:				
Contingent consideration	—	—	22,927	22,927
Rate lock commitments	—	—	295	295
Forward Sales Contracts	—	—	8,715	8,715
Total	$ —	$ —	$ 31,937	$ 31,937

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	$ 93	$ —	$ —	$ 93
Loans held for sale, at fair value	—	774,905	—	774,905
Rate lock commitments	—	—	1,010	1,010
Forward Sales Contracts	—	—	7,491	7,491
Total	$ 93	$ 774,905	$ 8,501	$ 783,499
Liabilities:				
Contingent consideration	$ —	$ —	$ 21,935	$ 21,935
Rate lock commitments	—	—	1,350	1,350
Forwards Sales Contracts	—	—	3,253	3,253
Total	$ —	$ —	$ 26,538	$ 26,538

There were no transfers among Level 1, Level 2 and Level 3 for the three months ended March 31, 2025 and 2024, respectively.

Level 3 Financial Assets and Liabilities: Changes in Level 3 rate lock commitments, Forward Sales Contracts and contingent consideration measured at fair value on recurring basis were as follows (in thousands):

	As of March 31, 2025					
	Opening Balance	Total realized and unrealized gains (losses) included in Net income	Additions	Settlements	Closing Balance	Unrealized gains (losses) outstanding
Assets:						
Rate lock commitments	$ 1,010	$ 4,679	$ —	$ (1,010)	$ 4,679	$ 4,679
Forward Sales Contracts	7,491	1,463	—	(7,491)	1,463	1,463
Total	$ 8,501	$ 6,142	$ —	$ (8,501)	$ 6,142	$ 6,142

	Opening Balance	Total realized and unrealized gains (losses) included in Net income	Additions	Settlements	Closing Balance	Unrealized gains (losses) outstanding
Liabilities:						
Contingent consideration	$ 21,935	$ 992	$ —	$ —	$ 22,927	$ 992
Rate lock commitments	1,350	295	—	(1,350)	295	295
Forward Sales Contracts	3,253	8,715	—	(3,253)	8,715	8,715
Total	$ 26,538	$ 10,002	$ —	$ (4,603)	$ 31,937	$ 10,002

	As of December 31, 2024					
	Opening Balance	Total realized and unrealized gains (losses) included in Net income	Additions	Settlements	Closing Balance	Unrealized gains (losses) outstanding
Assets:						
Rate lock commitments	$ 9,604	$ 1,010	$ —	$ (9,604)	$ 1,010	$ 1,010
Forward Sales Contracts	1,259	7,491	—	(1,259)	7,491	$ 7,491
Total	$ 10,863	$ 8,501	$ —	$ (10,863)	$ 8,501	$ 8,501

	Opening Balance	Total realized and unrealized gains (losses) included in Net income	Additions	Settlements	Closing Balance	Unrealized gains (losses) outstanding
Liabilities:						
Contingent consideration	$ 25,740	$ (3,236)	$ —	$ (569)	$ 21,935	$ (3,236)
Rate lock commitments	1,023	1,350	—	(1,023)	1,350	1,350
Forward Sales Contracts	20,304	3,253	—	(20,304)	3,253	3,253
Total	$ 47,067	$ 1,367	$ —	$ (21,896)	$ 26,538	$ 1,367

Quantitative Information About Level 3 Fair Value Measurements

The following tables present quantitative information about the significant unobservable inputs utilized by Newmark in the fair value measurement of Level 3 assets and liabilities measured at fair value on a recurring basis:

March 31, 2025					
Level 3 assets and liabilities	Assets	Liabilities	Significant Unobservable Inputs	Range	Weighted Average
Accounts payable, accrued expenses and other liabilities:					
Contingent consideration	$ —	$ 22,927	Discount rate	0.0% - 8.0% (1)	3.3%
			Probability of meeting earnout and contingencies	99.0% - 100.0% (1)	99.6%
Derivative assets and liabilities:					
Forward Sales Contracts	$ 1,463	$ 8,715	Counterparty credit risk	N/A	N/A
Rate lock commitments	$ 4,679	$ 295	Counterparty credit risk	N/A	N/A

December 31, 2024					
Level 3 assets and liabilities	Assets	Liabilities	Significant Unobservable Inputs	Range	Weighted Average
Accounts payable, accrued expenses and other liabilities:					
Contingent consideration	$ —	$ 21,935	Discount rate	0.0% - 8.0% (1)	3.3%
			Probability of meeting earnout and contingencies	99.0% - 100.0% (1)	99.6%
Derivative assets and liabilities:					
Forward Sales Contracts	$ 7,491	$ 3,253	Counterparty credit risk	N/A	N/A
Rate lock commitments	$ 1,010	$ 1,350	Counterparty credit risk	N/A	N/A

(1) Newmark's estimate of contingent consideration as of March 31, 2025 and December 31, 2024 was based on the acquired business' projected future financial performance, including revenues.

Valuation Processes – Level 3 Measurements

Both the rate lock commitments to borrowers and the Forward Sales Contracts to investors are derivatives and, accordingly, are marked to fair value on the accompanying unaudited condensed consolidated statements of operations. The fair value of Newmark's rate lock commitments to borrowers and loans held for sale and the related input levels includes, as applicable:

- The assumed gain or loss of the expected loan sale to the investor, net of employee benefits;
- The expected net future cash flows associated with servicing the loan;

- The effects of interest rate movements between the date of the rate lock and the balance sheet date; and
- The nonperformance risk of both the counterparty and Newmark.

The fair value of Newmark's Forward Sales Contracts to investors considers effects of interest rate movements between the trade date and the balance sheet date. The market price changes are multiplied by the notional amount of the Forward Sales Contracts to measure the fair value.

The fair value of Newmark's rate lock commitments and Forward Sales Contracts is adjusted to reflect the risk that the agreement will not be fulfilled. Newmark's exposure to nonperformance in rate lock and Forward Sales Contracts is represented by the contractual amount of those instruments. Given the credit quality of Newmark's counterparties, the short duration of rate lock commitments and Forward Sales Contracts, and Newmark's historical experience with the agreements, management does not believe the risk of nonperformance by Newmark's counterparties to be significant.

The fair value of Newmark's contingent consideration is based on the discount rate of the Company's calculated-average cost of capital, as well as the probability of acquirees meeting earnout targets.

Information About Uncertainty of Level 3 Fair Value Measurements

The significant unobservable inputs used in the fair value of Newmark's contingent consideration are the discount rate and probability of meeting earnout and contingencies. Significant increases (decreases) in the discount rate would have resulted in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the probability of meeting earnout and contingencies would have resulted in a significantly higher (lower) fair value measurement. As of March 31, 2025 and December 31, 2024, the present value of expected payments related to Newmark's contingent consideration was $22.9 million and $21.9 million, respectively (see Note 27 — "Commitments and Contingencies"). As of March 31, 2025 and December 31, 2024, the undiscounted value of the payments, assuming that all contingencies are met, would be $26.2 million and $25.3 million, respectively.

Fair Value Measurements on a Non-Recurring Basis

Equity investments carried under the measurement alternative are remeasured at fair value on a non-recurring basis to reflect observable transactions which occurred during the period. Newmark applied the measurement alternative to equity securities with the fair value of $5.2 million and $5.2 million as of March 31, 2025 and December 31, 2024, respectively, which was included in "Other assets" on the accompanying unaudited condensed consolidated balance sheets. These investments are classified within Level 2 in the fair value hierarchy, because their estimated fair value is based on valuation methods using the observable transaction price at the transaction date.

(23) Related Party Transactions

(a) Services Agreements

Newmark receives administrative services, including but not limited to, treasury, legal, accounting, information technology, payroll administration, human resources, incentive compensation plans and other support, provided by Cantor and its subsidiaries. Allocated expenses were $9.6 million and $7.5 million for the three months ended March 31, 2025 and 2024, respectively. These expenses are included as part of "Fees to related parties" on the accompanying unaudited condensed consolidated statements of operations.

(b) Loans, Forgivable Loans and Other Receivables from Employees and Partners

Newmark has entered into various agreements with certain employees and partners whereby these individuals receive loans which may be either wholly or in part repaid from the distribution of earnings that the individuals receive on some or all of their limited partnership interests or from the proceeds of the sale of the employees' shares of Newmark Class A common stock, or may be forgiven over a period of time. The forgivable portion of these loans is recognized as compensation expense over the life of the loans. From time to time, Newmark may also enter into agreements with employees and partners to grant bonus and salary advances or other types of loans. These advances and loans are repayable in the timeframes outlined in the underlying agreements.

As of March 31, 2025 and December 31, 2024, the aggregate balance of employee loans was $866.2 million and $769.4 million, respectively, and is included as "Loans, forgivable loans and other receivables from employees and partners, net" on the accompanying unaudited condensed consolidated balance sheets. Compensation expense for the above-mentioned employee loans for the three months ended March 31, 2025 and 2024 was $25.5 million and $24.4 million, respectively. The compensation expense related to these employee loans is included as part of "Compensation and employee benefits" on the accompanying unaudited condensed consolidated statements of operations.

(c) Transactions with Cantor Commercial Real Estate, L.P.

Newmark services loans for CCRE on a "fee for service" basis, generally prior to a loan's sale or securitization, and for which no MSR is recognized. Newmark recognized servicing revenues (excluding interest and placement fees) from servicing rights purchased from CCRE on a "fee for service" basis of $0.5 million and $0.6 million for the three months ended March 31, 2025 and 2024, respectively, which were included as part of "Management services, servicing fees and other" on the accompanying unaudited condensed consolidated statements of operations.

On July 22, 2019, CCRE Lending made a $146.6 million commercial real estate loan to a single-purpose company in which Mr. Gosin, Newmark's Chief Executive Officer, owns a 19% interest. This loan is secured by the single-purpose company's interest in property in Pennsylvania that is subject to a ground lease. While CCRE Lending initially provided the full loan amount, on August 16, 2019, a third-party bank purchased approximately 80% of the loan value from CCRE Lending, with CCRE Lending retaining approximately 20%. The remaining 20% was securitized in August 2019 at which point CCRE Lending was no longer involved.

(d) Transactions with Executive Officers and Directors

Howard W. Lutnick, Former Executive Chairman

On February 5, 2025, the Compensation Committee granted Mr. Lutnick 1,148,970 exchange rights with respect to 1,148,970 previously awarded PSUs that were previously non-exchangeable. Also on February 5, 2025, in connection with and immediately following the grant of the 1,148,970 exchange rights, Mr. Lutnick exercised exchange rights with respect to 2,859,437 PSUs, at the then-current exchange ratio of 0.9279 shares per Newmark Holdings unit, for 2,653,272 shares of Class A common stock, delivered less 1,343,905 shares withheld by Newmark for taxes at $14.14 per share, in the amount of 1,309,367 net shares.

On January 13, 2025, the Compensation Committee granted Mr. Lutnick 419,112 shares of Class A common stock under the Equity Plan, delivered less 232,380 shares withheld by Newmark for taxes at $11.93 per share, in the amount of 186,732 net shares.

On January 2, 2025, pursuant to the Standing Policy, and in connection with a grant of exchangeability made to Newmark Holdings units held by Mr. Gosin pursuant to the terms of the 2024 Gosin Employment Agreement, the Company granted exchange rights and monetization rights to Mr. Lutnick, and he elected to accept 101,133 exchange rights with respect to 101,133 previously awarded PSUs that were previously non-exchangeable. As of February 18, 2025, the date that Mr. Lutnick stepped down from his positions with the Company, and as of March 31, 2025, Mr. Lutnick's balance under the Standing Policy was zero.

On October 23, 2024, pursuant to the Standing Policy for Mr. Lutnick, and in connection with the grant of exchangeability made to Mr. Rispoli pursuant to the terms of Mr. Rispoli's employment agreement, the Company granted exchange rights and/or monetization rights with respect to rights available to Mr. Lutnick, and Mr. Lutnick (i) elected to accept 712,347 exchange rights with respect to 712,347 previously awarded PSUs that were previously non-exchangeable; and (ii) received the right to monetize, and accepted such monetization right regarding, 81,275 previously awarded non-exchangeable PPSUs for a future cash payment of $1,250,000.

On January 2, 2024, pursuant to the Standing Policy for Mr. Lutnick, and in connection with grants of exchangeability made to Mr. Gosin pursuant to the terms of the employment agreement that Mr. Gosin executed on February 10, 2023, the Company granted exchange rights and/or monetization rights with respect to rights available to Mr. Lutnick, and Mr. Lutnick (i) elected to accept 617,262 exchange rights with respect to 617,262 previously awarded PSUs that were previously non-exchangeable; and (ii) received the right to monetize, and accepted such monetization right of 81,275 previously awarded nonexchangeable PPSUs for a future cash payment of $1,250,000. Mr. Lutnick waived all remaining rights, which shall be cumulative. The aggregate number of Mr. Lutnick's units for which he waived exchange rights or other monetization rights was 617,262 non-exchangeable Newmark Holdings PSUs/NPSUs and 81,275 non-exchangeable Newmark Holdings PPSUs with an aggregate determination amount of $1,250,000 at that time.

In connection with the Corporate Conversion, on May 18, 2023, Mr. Lutnick's 1,474,930 BGC Holdings HDUs were redeemed for a cash capital account payment of $9.1 million, $7.0 million of which was paid by Newmark, with the remainder paid by BGC.

On December 27, 2021, the Compensation Committee approved a one-time bonus award to Mr. Lutnick, which was evidenced by the execution and delivery of a Retention Bonus Agreement, dated December 28, 2021, in consideration of his success in managing certain aspects of the Company's performance as its principal executive officer and Chairman. The bonus award rewarded Mr. Lutnick for his efforts in delivering superior financial results for the Company and its stockholders, including in particular his success in creating substantial value for the Company and its stockholders in connection with creating, structuring, hedging and monetizing the forward share contract to receive over time shares of common stock of Nasdaq held by the Company and the strong balance sheet and significant amount of income created from this. A principal reason for structuring the bonus award with a substantial portion to be paid out over three years was also to further incentivize Mr. Lutnick to continue to serve as both the Company's principal executive officer and its Chairman for the benefit of the Company's stockholders.

The Retention Bonus Agreement provided for an aggregate cash payment of $50 million, which was paid as follows: $20 million within three days of the date of the Retention Bonus Agreement and $10 million within thirty days following vesting on each of the first, second and third anniversaries of the date of the Retention Bonus Agreement. As of December 31, 2024, all payment obligations by the Company to Mr. Lutnick under the Retention Bonus Agreement had been fully performed.

In connection with the 2018 year-end compensation cycle, the Compensation Committee previously approved the issuance of 500,000 Newmark Holdings NPSUs and 500,000 Newmark Holdings NPPSUs with a determination price of $10.05 per unit to Mr. Lutnick, effective April 1, 2019. The terms of those awards provided that on or about each April 1 of 2020, 2021, 2022, and 2023, Newmark Holdings shall grant an aggregate award of 125,000 non-exchangeable Newmark Holdings PSUs and 125,000 non-exchangeable PPSUs in replacement of 125,000 Newmark Holdings NPSUs and 125,000 Newmark Holdings NPPSUs (which, upon replacement, shall be cancelled and no longer exist), provided that (i) Newmark, inclusive of its affiliates thereof, earns, in aggregate, at least $5 million in gross revenues in the calendar quarter in which the applicable award of Newmark Holdings PSUs or PPSUs is to be granted and (ii) except in the event of death prior to the applicable grant date, Mr. Lutnick remains an employee of Newmark or an affiliate thereof and has at all times remained in compliance with the Newmark Holdings partnership agreement. Mr. Lutnick exercised his rights on December 21, 2021, pursuant to the Standing Policy to redeem his remaining 250,000 Newmark Holdings NPPSUs issued effective April 1, 2019. Pursuant to this grant, on April 1, 2023, the Company granted Mr. Lutnick an aggregate award of 125,000 non-exchangeable PSUs in replacement of the remaining 125,000 NPSUs.

Barry M. Gosin, Chief Executive Officer

On December 31, 2024, pursuant to the terms of the 2024 Gosin Employment Agreement, Mr. Gosin received exchange rights on 354,076 Newmark Holdings PSUs, resulting in 354,076 exchangeable Newmark Holdings PSUs.

On September 23, 2024, the Company purchased 795,376 of Barry Gosin's previously awarded LPUs (consisting of 123,336 APSUs, 611,167 PSUs, and 60,873 SPUs) at a price per unit of $14.19 (which was $15.34, the closing price of a share of the Company's Class A common stock on September 23, 2024, multiplied by the then-current Exchange Ratio of 0.9248). The transaction was approved by the Compensation Committee, and was made pursuant to the Company's unit purchase authorization.

On August 7, 2024, Mr. Gosin entered into the 2024 Gosin Employment Agreement with Newmark OpCo and Newmark Holdings, which superseded and replaced the 2023 Gosin Employment Agreement. The 2024 Gosin Employment Agreement extends the initial term of Mr. Gosin's employment under the 2023 Gosin Employment Agreement to run through December 31, 2026, and removes provisions in the 2023 Gosin Employment Agreement that related to Mr. Gosin's right to terminate the agreement on December 31, 2024, by providing at least six months' prior notice. In connection with the execution of the 2024 Gosin Employment Agreement and as consideration for his continued service, in addition to the awards previously provided for by the 2023 Gosin Employment Agreement, the Compensation Committee approved the grant to Mr. Gosin of (i) a one-time cash payment of $5,000,000; (ii) an award of 1,694,915 NPSUs, calculated by dividing the total NPSU award by the closing stock price on August 7, 2024, of which $5,000,000 of NPSUs are attributable to calendar year 2025 and $15,000,000 of NPSUs are attributable to calendar year 2026; and (iii) a cash bonus in the gross amount of $1,500,000 with respect to calendar year 2026, payable in calendar year 2027 at such time as bonuses with respect to calendar year 2026 are generally distributed to other similarly situated employees of Newmark OpCo in connection with the year-end compensation review process. Mr. Gosin's annual total contractual compensation would be $17,500,000 for each of calendar years 2024, 2025, and 2026 (comprised of $1,000,000 salary and $16,500,000 in combined NPSUs and cash awards attributed by the Company) and consistent with his total compensation for calendar year 2023 pursuant to the 2023 Gosin Employment Agreement.

Subject to the terms of the 2024 Gosin Employment Agreement and the grant documents under which the grant of NPSUs to Mr. Gosin was awarded, 25% of such NPSUs shall convert into non-exchangeable PSUs on December 31, 2025, and 75% of such NPSUs shall convert into non-exchangeable PSUs on December 31, 2026, in each case as adjusted by the then current exchange ratio, subject to the requirement that, as of each applicable conversion date (i) the Company (including its affiliates) earns, in the aggregate, at least $10,000,000 in gross revenues in the calendar quarter in which the applicable conversion is to occur, and (ii) except as otherwise provided in the 2024 Gosin Employment Agreement, Mr. Gosin continues to perform substantial services exclusively for Newmark OpCo or any of its affiliates, remains a partner in Newmark Holdings, and complies with the terms of the 2024 Gosin Employment Agreement and any of his obligations to Newmark Holdings, Newmark OpCo or any affiliate. 25% of each of the 2025 and 2026 tranches in non-exchangeable PSUs received upon conversion of such NPSUs will receive exchange rights on December 31 of each year after such conversion, consistent with the schedule for the grant of exchange rights provided for the NPSUs Mr. Gosin received in connection with the 2023 Gosin Employment Agreement, which remains unchanged other than that 1,145,476 of Mr. Gosin's NPSUs previously awarded under the 2023 Gosin Employment Agreement were adjusted by the exchange ratio and converted into 1,238,620 non-exchangeable PSUs in connection with the signing of the 2024 Gosin Employment Agreement, rather than on their previously scheduled conversion date of December 31, 2024. 25% of such PSUs will continue to receive exchange rights on December 31 of each year starting December 31, 2026, as previously contemplated in the 2023 Gosin Employment Agreement.

On December 31, 2023, 1,145,494 of Mr. Gosin's Newmark Holdings NPSUs were converted into 1,240,901 Newmark Holdings PSUs as adjusted by the then-applicable exchange ratio of 0.9231 pursuant to the 2023 Gosin Employment Agreement.

Pursuant to the 2023 Gosin Employment Agreement, on April 1, 2023, 1,145,494 of Mr. Gosin's Newmark Holdings NPSUs were converted into 1,237,644 Newmark Holdings PSUs as adjusted by the then-applicable exchange ratio of 0.9252. On December 31, 2023, Mr. Gosin received exchange rights on 1/7th of the 1,237,644 Newmark Holdings PSUs converted on April 1, 2023, resulting in 176,804 exchangeable Newmark Holdings PSUs.

Pursuant to the 2023 Gosin Employment Agreement, on March 30, 2023, (a) 203,186 of Mr. Gosin's non-exchangeable Newmark Holdings PSUs were redeemed and an aggregate of 189,024 shares of Class A common stock of Newmark were issued, as adjusted by the then-applicable exchange ratio of 0.9303, and (b) $3,125,001 associated with Mr. Gosin's non-exchangeable Newmark Holdings PPSUs was redeemed and used for tax purposes.

On February 10, 2023, Mr. Gosin entered into the 2023 Gosin Employment Agreement with Newmark OpCo and Newmark Holdings. In connection with the 2023 Gosin Employment Agreement, the Compensation Committee approved (i) for a term through at least 2024, with the term running through 2025, an annual cash bonus of $1,500,000; (ii) an upfront advance award of four tranches of 1,145,476 Newmark NPSUs each (calculated by dividing $10,000,000 by the Company's stock price of $8.73 on February 10, 2023) attributable to each year of the term and (iii) the continued ability to receive discretionary bonuses, if any, subject to approval of the Compensation Committee. In accordance with the 2023 Gosin Employment Agreement, Mr. Gosin's non-exchangeable NPSUs award has the following features: (i) 25% of such non-exchangeable NPSUs shall convert into non-exchangeable PSUs, with the first 25% installment effective as of April 1, 2023 and the remaining three 25% installments effective as of December 31 of 2023 through 2025, as adjusted upwards by dividing such number of NPSUs by the then-current exchange ratio upon the applicable December 31, provided that, as of each applicable December 31: (x) Newmark, inclusive of its affiliates, earns, in the aggregate, at least $10,000,000 in gross revenues in the calendar quarter in which the applicable award of PSUs is to be granted and (y) Mr. Gosin is still performing substantial services exclusively for Newmark OpCo or an affiliate, has not given notice of termination of his services except for circumstances set forth in the 2023 Gosin Employment Agreement, and has not breached his obligations under the Newmark Holdings limited partnership agreement; and (ii) such PSUs as converted from NPSUs shall become exchangeable in ratable portions beginning December 31, 2023 and ending December 31, 2029, in accordance with the terms and conditions as set forth in the 2023 Gosin Employment Agreement.

Michael J. Rispoli, Chief Financial Officer

On October 1, 2024, Mr. Rispoli received exchangeability on 4,378 PSUs and 4,378 PPSUs, in accordance with the previously approved monetization schedule in connection with the signing of his employment agreement.

On October 1, 2023, Mr. Rispoli received exchangeability on 6,563 PSUs and 2,194 PPSUs, in accordance with the previously approved monetization schedule in connection with the signing of his employment agreement, as described below.

On September 29, 2022, Mr. Rispoli entered into an employment agreement with Newmark OpCo and Newmark Holdings. In connection with the employment agreement, the Compensation Committee approved the following for Mr. Rispoli: (i) an award of 500,000 Newmark RSUs, divided into tranches of 100,000 RSUs each that vest on a seven-year schedule; and (ii) an award of 250,000 Newmark RSUs, divided into tranches of 50,000 RSUs each that vest on a seven-year schedule.

In connection with signing the employment agreement on September 29, 2022, Mr. Rispoli received immediate exchangeability on 25% of his then-currently held 88,079 non-exchangeable PSUs and 87,049 non-exchangeable PPSUs (such 25% totaled 23,560 PPSUs with a value of $283,527 and 20,221 PSUs), and will receive monetization rights on another 25% of such units held as of September 29, 2022, split pro rata into one-fifth (1/5) increments, on or as soon as practicable after October 1 of each of 2023-2027, to the extent such units had not previously been given monetization rights, with each monetization contingent upon Mr. Rispoli performing substantial services exclusively for the Company or any affiliate, remaining a partner in Newmark Holdings, and complying with the terms of his employment agreement and any of his obligations to Newmark Holdings, us or any affiliate through such dates.

Stephen M. Merkel, Chairman of the Board of Directors and Chief Legal Officer

On February 18, 2025, Mr. Merkel entered into the Merkel CIC Agreement with the Company. Under the Merkel CIC Agreement, if a Change of Control (as defined in the Merkel CIC Agreement) of the Company occurs, Mr. Merkel will receive immediate vesting of his then non-exchangeable PSUs over three years following the Change of Control, provided he continues providing substantial services to the Company or any affiliate during that time, and subject to the other terms of the Merkel CIC Agreement. Additionally, in the event he is terminated without Cause (as defined in the Merkel CIC Agreement) within three years following the Change of Control, he will be paid (i) a lump sum of his then-current annualized salary, plus his annual discretionary bonus with respect to the fiscal year completed immediately before the Change of Control, (ii) two years of medical benefits, and (iii) continued monetization of his PSUs over the foregoing schedule notwithstanding his termination of employment.

On January 2, 2024, Mr. Merkel sold 35,006 shares of Class A common stock to the Company. The sale price per share of $10.85 was the closing price of a share of Class A common stock on January 2, 2024. The transaction was approved by the Audit and Compensation Committees of the Board and was made pursuant to the Company's stock buyback authorization.

Kyle S. Lutnick, Director

On June 28, 2021, Newmark hired Mr. Kyle Lutnick as a full-time employee, providing for salary, bonus, reimbursement of ordinary course expenses and travel, and a potential profit participation consistent with other entrepreneurial arrangements in the event of certain liquidity events related to businesses developed by him. This employment arrangement was approved by the Audit Committee. As of February 2025, he was no longer employed by the Company or its subsidiaries. His compensation for the period he was employed by the Company in 2025 was approximately $26,000. For 2024, total compensation under the arrangement was approximately $817,000. On February 18, 2025, the Board appointed Mr. Kyle Lutnick to serve as a member of the Board, effective February 18, 2025, for a term to expire at the earlier of the 2025 Annual Meeting of Stockholders of the Company, or until his successor is duly elected and qualified.

Transactions Related to Ordinary Course Real Estate Services

On November 4, 2020, the Audit Committee authorized entities in which executive officers have a non-controlling interest to engage Newmark to provide ordinary course real estate services to them as long as Newmark's fees are consistent with the fees that Newmark ordinarily charges for these services.

(e) Investment in CF Real Estate Finance Holdings, L.P.

Contemporaneously with the acquisition of Berkeley Point, on September 8, 2017, Newmark invested $100.0 million in a newly formed commercial real estate-related financial and investment business, Real Estate LP, which is controlled and managed by Cantor. Real Estate LP may conduct activities in any real estate related business or asset backed securities related business or any extensions thereof and ancillary activities thereto. Newmark held a redemption option through which Real Estate LP would redeem in full Newmark's investment in Real Estate LP in exchange for Newmark's capital account balance in Real Estate LP as of such redemption time. On July 20, 2022, this redemption option was exercised.

In December 2022, the Audit Committee authorized a subsidiary of Newmark to rescind its July 20, 2022 written notice exercising the optional redemption of its 27.2% ownership interest in Real Estate LP and amend the joint venture agreement between Newmark and Real Estate LP to provide for a redemption option for this investment after July 1, 2023, with proceeds to be received within 20 days of the redemption notice. A payment of a $44.0 thousand administrative fee was made to Newmark in connection with such amendment. On July 1, 2023, Newmark exercised its redemption option and received payment of $105.5 million from Cantor during the year ended December 31, 2023, terminating Newmark's interest in Real Estate LP.

(f) Other Related Party Transactions

There were no receivables from related parties as of March 31, 2025. Receivables from related parties were $0.3 million as of December 31, 2024. Payables to related parties were $6.2 million as of March 31, 2025. There were no payables to related parties as of December 31, 2024.

For a detailed discussion about Newmark's Payables to related parties, see Note 1 — "Organization and Basis of Presentation," Note 2 — "Limited Partnership Interests in Newmark and BGC Holdings" and Note 18 — "Debt."

In February 2019, the Audit Committee authorized Newmark and its subsidiaries to originate and service GSE loans for Cantor and its affiliates (other than BGC) and service loans originated by Cantor and its affiliates (other than BGC) on prices, rates and terms no less favorable to Newmark and its subsidiaries than those charged by third parties. The authorization is subject to certain terms and conditions, including but not limited to: (i) a maximum amount up to $100.0 million per loan, (ii) a $250.0 million limit on loans that have not yet been acquired or sold to a GSE at any given time, and (iii) a separate $250.0 million limit on originated Fannie Mae loans outstanding to Cantor at any given time.

On November 30, 2018, Newmark entered into the Cantor Credit Agreement. The Cantor Credit Agreement provides for each party to issue loans to the other party at the lender's discretion. Pursuant to the Cantor Credit Agreement, the parties and their respective subsidiaries (with respect to Cantor, other than BGC and its subsidiaries) may borrow up to an aggregate principal amount of $250.0 million from each other from time to time at an interest rate which is the higher of Cantor's or Newmark's short-term borrowing rate then in effect, plus 1%.

On December 20, 2023, Newmark entered into a first amendment to the Cantor Credit Agreement and drew $130.0 million of Newmark Revolving Loans available under the Cantor Credit Agreement. The Company used the proceeds from such borrowing, along with cash on hand, to repay the principal and interest related to all of the remaining balance under the Credit Facility. On January 12, 2024, the outstanding balance under the Cantor Credit Agreement was repaid with the proceeds of the offering of the 7.500% Senior Notes. As of March 31, 2025, there was no outstanding balance under the Cantor Credit Agreement.

As part of the Knotel acquisition in March 2021, Newmark assigned the rights to acquire certain Knotel assets to a subsidiary of Cantor, on the terms that if the subsidiary monetized the sale of these assets, Newmark would receive 10% of the proceeds of the sale after the subsidiary recoups its investment in the assets.

In June 2024, Cantor entered into an arrangement to the sublease effective as of February 14, 2024. The deal was a twelve year sublease of approximately 6,200 of rentable square feet in San Francisco, California. The sublease was provided for a rate of $36,000 per month. As of March 31, 2025, Newmark received $0.1 million from Cantor.

Pre-IPO Intercompany Agreements

In December 2017, prior to the Separation and Newmark IPO, all intercompany arrangements and agreements that were previously approved by the Audit Committee of BGC Partners with respect to BGC Partners and its subsidiaries and Cantor and its subsidiaries were also approved by our Board with respect to the relationships between us and our subsidiaries and Cantor and its subsidiaries following our IPO on the terms and conditions approved by the Audit Committee of BGC Partners during such time that our business was owned by BGC Partners. These arrangements include, but are not limited to, the following: (i) an authorization to provide Cantor real estate and related services, including real estate advice, brokerage, property or facilities management, valuation and advisory and other services; (ii) an authorization to enter into brokerage and similar agreements with respect to the provision of ordinary course brokerage services in circumstances in which such entities customarily provide brokerage services to third-party customers; (iii) an authorization to enter into agreements with Cantor and/or its affiliates, to provide services, including finding and reviewing suitable acquisition or partner candidates, structuring transactions and negotiating and due diligence services in connection with acquisitions and other business strategies in commercial real estate and other businesses from time to time; and (iv) an arrangement to jointly manage exposure to changes in foreign exchange rates.

Services Agreement with Cantor Fitzgerald Europe (DIFC Branch)

In May 2020, the Audit Committee authorized Newmark & Co., a subsidiary of Newmark, to enter into an agreement with Cantor Fitzgerald Europe (DIFC Branch) pursuant to which Cantor Fitzgerald Europe (DIFC Branch) will employ and support an individual who is a resident of Dubai in order to enhance Newmark's capital markets platform, in exchange for a fee. Cantor Fitzgerald Europe (DIFC Branch) and Newmark & Co. negotiated a services agreement memorializing the arrangement between the parties. The services agreement provides that Newmark & Co. will reimburse Cantor Fitzgerald Europe (DIFC Branch) for the individual's fully allocated costs, plus a mark-up of 7%. In addition, the Audit Committee of the Company authorized the Company and its subsidiaries to enter into similar arrangements in respect of any jurisdiction, in the future, with Cantor and its subsidiaries, provided that the applicable agreements contain customary terms for arrangements of this type and that the mark-up charged by the party employing one or more individuals for the benefit of the other is between 3% and 7.5%, depending on the level of support required for the employed individual(s).

Market-Making Registration Statement for CF&Co

On August 8, 2024, Newmark filed a registration statement on Form S-3 with the SEC, which was effective upon filing, pursuant to which CF&Co may make offers and sales of Newmark's 7.500% Senior Notes in connection with ongoing market-making transactions which may occur from time to time. Such market-making transactions in these securities may occur in the open market or be privately negotiated at prevailing market prices at a time of resale or at related or negotiated prices. Neither CF&Co, nor any of our affiliates, has any obligation to make a market in Newmark's securities, and CF&Co or any such other affiliate may discontinue market-making activities at any time without notice. Newmark does not receive any proceeds from market-making activities in these securities by CF&Co (or any of its affiliates).

Placement Agent Authorization with CF&Co

On August 8, 2023, the Audit Committee authorized Newmark to engage CF&Co as a non-exclusive placement agent on behalf of Newmark or its subsidiaries in connection with certain capital markets transactions (with the ability to also mandate certain third-party banks as additional advisors and co-placement agents alongside CF&Co), pursuant to customary terms and conditions, including percentage of proceeds, and provided the terms are no less favorable to Newmark than terms that an unaffiliated third-party investment bank would provide to Newmark in similar transactions.

Referral Payment

On January 30, 2025, the Audit Committee authorized one or more subsidiaries of Newmark to receive from CF&Co, or an affiliate thereof, a referral fee payment equal to 0.25% of the notional value of a certain pool of loans previously sold by a third-party Newmark client, to a Cantor subsidiary in connection with Newmark's referral of such loans to Cantor, resulting in a payment to Newmark of $395,000.

Cantor Rights to Purchase Cantor Units from Newmark Holdings

Cantor has a right to purchase from Newmark Holdings exchangeable limited partnership interests, with the associated exchange rights issued in reliance on the exemption from registration under the Securities Act provided by Section 4(a)(2) thereof for transactions not involving a public offering, in the event that any Newmark Holdings Founding Partner interests that have not become exchangeable are redeemed by Newmark Holdings upon termination or bankruptcy of a Founding Partner or upon mutual consent of the general partner of Newmark Holdings and Cantor. Cantor has the right to purchase such Newmark Holdings exchangeable limited partnership interests at a price equal to the lesser of (1) the amount that Newmark Holdings would be required to pay to redeem and purchase such Newmark Holdings Founding Partner interests and (2) the amount equal to (a) the number of units underlying such Founding Partner interests, multiplied by (b) the Exchange Ratio as of the date of such purchase, multiplied by (c) the then-current market price of our Class A common stock. Cantor may pay such price using cash, publicly traded shares or other property, or a combination of the foregoing. If Cantor (or the other member of the Cantor group acquiring such limited partnership interests, as the case may be) so purchases such limited partnership interests at a price equal to clause (2) above, neither Cantor nor any member of the Cantor group nor Newmark Holdings nor any other person is obligated to pay Newmark Holdings or the holder of such Founding Partner interests any amount in excess of the amount set forth in clause (2) above.

In addition, the Newmark Holdings limited partnership agreement provides that (1) where either current, terminating or terminated partners are permitted by us to exchange any portion of their Founding Partner units and Cantor consents to such exchangeability, we will offer to Cantor the opportunity for Cantor to purchase the same number of new exchangeable limited partnership interests in Newmark Holdings at the price that Cantor would have paid for exchangeable limited partnership interests in the event we had redeemed the Founding Partner units; and (2) the exchangeable limited partnership interests to be offered to Cantor pursuant to clause (1) above would be subject to, and granted in accordance with, applicable laws, rules and regulations then in effect.

If Cantor acquires any units as a result of the purchase or redemption by Newmark Holdings of any Founding Partner interests, Cantor will be entitled to the benefits (including distributions) of the units it acquires from the date of termination or bankruptcy of the applicable Founding Partner. In addition, any such units will be exchangeable by Cantor for a number of shares of our Class B common stock or, at Cantor's election, shares of our Class A common stock, in each case, equal to the then-current Exchange Ratio, on the same basis as the limited partnership interests held by Cantor, and will be designated as Newmark Holdings exchangeable limited partnership interests when acquired by Cantor. The Exchange Ratio was initially one, but is subject to adjustment as set forth in the Separation and Distribution Agreement and was 0.9271 as of March 31, 2025. This may permit Cantor to receive a larger share of income generated by our business at a less expensive price than through purchasing shares of our Class A common stock, which is a result of the price payable by Cantor to Newmark.

On April 16, 2023, Cantor purchased from Newmark Holdings an aggregate of (i) 309,631 exchangeable limited partnership interests for aggregate consideration of $1.3 million as a result of the redemption of 309,631 Founding Partner interests, and (ii) 38,989 exchangeable limited partnership interests for aggregate consideration of $0.2 million as a result of the exchange of 38,989 Founding Partner interests.

On June 30, 2023, Cantor purchased from Newmark Holdings an aggregate of 74,026 exchangeable limited partnership interests for aggregate consideration of $0.3 million as a result of the redemption of 74,026 Founding Partner interests.

On October 23, 2024, Cantor purchased from Newmark Holdings an aggregate of (i) 500,617 exchangeable limited partnership interests for aggregate consideration of $1,824,045 as a result of the redemption of 500,617 Founding Partner interests, and (ii) 162,086 exchangeable limited partnership interests for aggregate consideration of $506,022 as a result of the exchange of 162,086 Founding Partner interests.

Also on October 23, 2024, Cantor exercised exchange rights with respect to 13,861 exchangeable limited partnership interests held by it, at the then-current Exchange Ratio of 0.9257, for 12,831 shares of Class A common stock, which Newmark issued to Cantor in reliance on the exemption from registration under the Securities Act provided by Section 4(a)(2) thereof for transactions not involving a public offering. Cantor was obligated to distribute shares of Class A common stock to certain current and former partners of Cantor to satisfy certain deferred stock distribution obligations provided to such partners (i) on April 1, 2008, and (ii) on February 14, 2012 in connection with Cantor's payment of previous quarterly partnership distributions. Certain Cantor partners had elected to receive their distributed shares in 2008 and 2012, respectively, and others had elected to defer receipt of their shares until a future date. Cantor immediately delivered the 12,831 shares of Class A common stock to such a former partner in satisfaction of his deferred stock distribution rights.

On February 18, 2025, Cantor exercised exchange rights with respect to 7,782,387 exchangeable limited partnership interests held by it, at the then-current Exchange Ratio of 0.9279, for 7,221,277 shares of Class A common stock, which Newmark issued to Cantor in reliance on the exemption from registration under the Securities Act provided by Section 4(a)(2) thereof for transactions not involving a public offering, and then immediately delivered those 7,221,277 shares of Class A Common Stock to certain current and former Cantor partners in satisfaction of all its remaining distribution rights obligations.

This transaction is expected to result in an increase in Newmark's share of the tax basis of the tangible and intangible assets of Newmark OpCo and thereby reduce the amount of tax that Newmark would otherwise be required to pay in the future. The tax receivable agreement that Newmark entered with Cantor provides for the payment by Newmark to Cantor of 85% of the amount of cash savings, if any, in the U.S. federal, state and local income tax that Newmark actually realizes as a result of the transaction. As of March 31, 2025, there was a $20.6 million tax receivable balance included in Other assets and a $17.5 million liability to Cantor included in other long-term liabilities on the accompanying unaudited condensed consolidated balance sheets.

As of March 31, 2025, there were 384,738 Founding Partner interests in Newmark Holdings remaining in which Newmark Holdings had the right to redeem or exchange and with respect to which Cantor had the right to purchase an equivalent number of Cantor Units following such redemption or exchange.

First Amendment to Amended and Restated Agreement of Limited Partnership of Newmark Holdings

On March 10, 2023, Newmark Holdings entered into the LPA Amendment to the Newmark Holdings limited partnership agreement. The LPA Amendment revises certain restrictive covenants pertaining to the "Partner Obligations" and "Competitive Activity" provisions in the Newmark Holdings limited partnership agreement. Specifically, the LPA Amendment (i) reduces the length of the post-termination period during which a partner must refrain from soliciting or doing business with customers, soliciting employees, engaging in a "Competing Business" (as defined therein), or otherwise refraining from harming the partnership; and (ii) revises the scope of the non-compete provisions under the "Partner Obligations" and "Competitive Activity" provisions in the Newmark Holdings limited partnership agreement to cover "Competing Businesses" for which a partner performs the same or similar services as provided to a "Protected Affiliate" (as defined therein) and (a) involving a product, product line or type, or service of a "Protected Affiliate" within a specific geographic area, (b) involving a "Client" or a "Client Representative" (each as defined therein) of a Protected Affiliate, or (c) for which the disclosure of confidential information is likely to be inevitable. The LPA Amendment was approved by the Board of Directors and Audit and Compensation Committees.

Referral Fees to Cantor

In September 2021, the Audit Committee authorized Newmark and its subsidiaries to pay referral fees to Cantor and its subsidiaries (other than Newmark and its subsidiaries) in respect of referred business, pursuant to ordinary course arrangements in circumstances where Newmark would customarily pay referral fees to unrelated third parties and where Newmark is paying a referral fee to Cantor in an amount that is no more than the applicable percentage rate set forth in Newmark's intra-company referral policies, as then in effect, with such fees to be at referral rates no less favorable to Newmark than would be paid to unrelated third parties.

Acquisition of Spring11 Ownership Interest from Cantor

In February 2023, Newmark's subsidiary, Newmark S11, entered into an equity purchase agreement with CFS11, a subsidiary of Cantor, pursuant to which Newmark acquired CFS11's 33.78% ownership interest in Newmark S11 LP, LLC, the joint venture that owns a controlling interest in Spring11, for a total purchase price of $11,530,598. CFS11's 33.78% ownership in Newmark S11 LP, LLC was 25.62% of Spring11's economic interest. The transaction, which also included Newmark S11 buying the remaining noncontrolling interests from other third-party owners on substantially the same terms, resulted in Newmark S11 owning 100% of Spring11. The CFS11 transaction was approved by the Audit Committee.

7.500% Senior Notes

On January 12, 2024, the Company issued an aggregate of $600.0 million principal amount of 7.500% Senior Notes due 2029. In connection with this issuance of 7.500% Senior Notes, the Company recorded approximately $0.5 million in underwriting fees payable to CF&Co. These fees were recorded as a deduction from the carrying amount of the debt liability, which is amortized as interest expense over the term of the notes. Cantor purchased $125.0 million aggregate principal amount of such senior notes. On August 8, 2024, the Company filed a registration statement on Form S-3 with the SEC, which was effective upon filing, pursuant to which Cantor, or its successors, assigns, and direct and indirect transferees, may resell their 7.500% Senior Notes from time to time. The Company will not receive any of the proceeds from the resale of the 7.500% Senior Notes, and the selling security holders will pay any underwriting discounts and commissions, brokerage commissions, and transfer taxes, if any, applicable to the notes sold by them. Cantor still holds such notes as of March 31, 2025.

Services Agreement with Cantor Fitzgerald Europe for the Provision of Real Estate Investment Banking Services

On February 21, 2024, the Audit Committee of the Company authorized NHL, a subsidiary of Newmark, to enter into an agreement with CFE pursuant to which CFE will employ and support an individual to enhance Newmark's capital markets platform by providing real estate investment banking services for the benefit of Newmark's client. Under this agreement, NHL will reimburse CFE for the individual's fully allocated costs, plus a mark-up of 7% and CFE will be entitled to 10% of revenues generated by such individual on behalf of Newmark. In addition, the Audit Committee of the Company authorized NHL to include additional individuals to perform such services on substantially the same terms; provided that, in any case, the mark-up charged for such additional individuals is between 3.0% and 7.5%, depending on the level of support required for such individuals.

(24) Income Taxes

We incur income tax expenses based on the location, legal structure, and jurisdictional taxing authorities of each of our subsidiaries. Certain of the Company's entities are taxed as U.S. partnerships and are subject to primarily the UBT in New York City. U.S. federal and state income tax liability or benefit related to the partnership income or loss, with the exception of the UBT, rests with the partners rather than the partnership entity (see Note 2 — "Limited Partnership Interests in Newmark Holdings and BGC Holdings" for discussion of partnership interests). Our accompanying unaudited condensed consolidated financial statements include U.S. federal, state and local income taxes on Newmark's allocable share of the U.S. results of operations. Outside of the U.S., we operate principally through subsidiary corporations subject to local income taxes. Income taxes are accounted for using the asset and liability method, as prescribed in U.S. GAAP guidance for *Income Taxes*.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the accompanying unaudited condensed consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded against deferred tax assets if it is deemed more likely than not that those assets will not be realized.

Pursuant to U.S. GAAP guidance on *Accounting for Uncertainty in Income Taxes*, Newmark provides for uncertain tax positions based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. Newmark recognizes interest and penalties related to income tax matters in "Provision for income taxes" on the accompanying unaudited condensed consolidated statements of operations.

(25) Accounts Payable, Accrued Expenses and Other Liabilities

The accounts payable, accrued expenses and other liabilities consisted of the following (in thousands):

		March 31, 2025		December 31, 2024
Accounts payable and accrued expenses	$	259,766	$	272,324
Outside broker payable		63,187		64,897
Payroll taxes payable		136,932		126,289
Corporate taxes payable		—		1,393
Derivative liability		9,010		4,603
Right-of-use liabilities		106,112		108,434
Total	$	575,007	$	577,940

Other long-term liabilities consisted of the following (in thousands):

		March 31, 2025		December 31, 2024
Accrued compensation	$	111,653	$	111,839
Payroll and other taxes payable		51,309		52,887
Financial guarantee liability		27,818		26,315
Deferred rent		6,955		6,349
Contingent consideration		22,927		21,935
Payable related to tax receivable agreement (1)		17,511		—
Other		11,979		11,790
Total	$	250,152	$	231,115

(1) There is an offsetting related deferred tax asset of $20.6 million included in other assets on the condensed consolidated balance sheets.

(26) Compensation

Newmark's Compensation Committee may grant various equity-based awards to employees of Newmark, including RSUs, restricted stock, limited partnership units and shares of Newmark Class A common stock upon exchange or redemption of Newmark Holdings limited partnership units (see Note 2 — "Limited Partnership Interests in Newmark Holdings and BGC Holdings"). On December 13, 2017, as part of the Separation, the Equity Plan was approved by Newmark's then sole stockholder, BGC, for Newmark to issue up to 400.0 million shares of Newmark Class A common stock which have been registered on Forms S-8. On October 17, 2024, at the annual meeting of stockholders, the stockholders approved amending and restating the Equity Plan to, among other things, increase from 400.0 million to 500.0 million the aggregate number of shares of Newmark Class A common stock that may be delivered or cash-settled pursuant to awards granted during the life of the Equity Plan. On October 18, 2024, Newmark registered an additional 100.0 million shares on Form S-8. As of March 31, 2025, an aggregate of 500.0 million shares were registered on Forms S-8. As of March 31, 2025, awards with respect to 114.7 million shares had been granted and 385.3 million shares were available for future awards under the Equity Plan. Upon vesting of RSUs, issuance of restricted stock and exchange or redemption of limited partnership units, Newmark generally issues new shares of its Class A common stock.

Prior to the Separation, BGC's Compensation Committee granted various equity-based awards to employees of Newmark, including RSUs, restricted stock, limited partnership units and exchange rights for shares of BGC Class A common stock upon exchange of BGC Holdings limited partnership units (see Note 2 — "Limited Partnership Interests in Newmark Holdings and BGC Holdings").

As a result of the Separation, limited partnership interests in Newmark Holdings were distributed to the holders of limited partnership interests in BGC Holdings. Each holder of BGC Holdings limited partnership interests at that time held a BGC Holdings limited partnership interest and 0.4545 of a corresponding Newmark Holdings limited partnership interest.

The Exchange Ratio is the number of shares of Newmark Common Stock that a holder will receive upon exchange of one Newmark Holdings exchangeable unit. The Exchange Ratio was initially one, but is subject to adjustment as set forth in the Separation and Distribution Agreement and was 0.9271 as of March 31, 2025.

As a result of a series of transactions prior to and in anticipation of the Corporate Conversion, all BGC Holdings units held by Newmark employees were redeemed or exchanged, in each case, for shares of BGC Class A common stock.

Newmark incurred compensation expense related to Class A common stock, limited partnership units and RSUs held by Newmark employees as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Issuance of common stock and exchangeability expenses	52,279	36,106
Limited partnership units amortization	9,539	7,347
RSU amortization	12,348	7,759
Total compensation expense	74,166	51,212
Allocations of net income to limited partnership units and FPUs [(1)]	180	231
Equity-based compensation and allocations of net income to limited partnership units and FPUs	$ 74,346	$ 51,443

(1) Certain limited partnership units receive quarterly allocations of net income and are generally contingent upon services being provided by the unit holders, including the Preferred Distribution.

(a) Limited Partnership Units

A summary of the activity associated with limited partnership units held by Newmark employees is as follows:

	Newmark Holdings Units
Balance, January 1, 2024	42,376,966
Issued	16,440,711
Redeemed/exchanged units	(6,166,506)
Forfeited units/other	(854,717)
Balance, December 31, 2024[(1)]	51,796,454
Issued	3,861,222
Redeemed/exchanged units	(4,028,594)
Forfeited units/other	(143,235)
March 31, 2025[(2)]	51,485,847
Total exchangeable units outstanding[(1)]:	
December 31, 2024	13,906,798
March 31, 2025	13,000,434

(1) The Limited Partnership Units table above also includes partnership units issued as consideration for acquisitions. As of March 31, 2025, there were 2.6 million such partnership units in Newmark Holdings outstanding, of which 1.7 million units were exchangeable. There were no partnership units in BGC Holdings outstanding. As of December 31, 2024, there were 2.7 million such partnership units in Newmark Holdings outstanding, of which 1.8 million units were exchangeable.

(2) As of March 31, 2025, the total Limited Partnership Units included 2.2 million Newmark Preferred Units.

The Limited Partnership Units table above includes both regular and Preferred Units. The Preferred Units are not entitled to participate in partnership distributions other than with respect to the Preferred Distribution (see Note 2 — “Limited Partnership Interests in Newmark Holdings and BGC Holdings” for further information on Preferred Units). Subsequent to the Spin-Off, there are remaining partners who hold limited partnership interests in Newmark Holdings who are BGC employees. Subsequent to the Spin-Off but prior to the closing of the Corporate Conversion, there were remaining partners who held limited partnership interests in BGC Holdings who are Newmark employees. These limited partnership interests represented interests that were held prior to the Newmark IPO or were distributed in connection with the Separation. Following the Newmark IPO, employees of Newmark and BGC received limited partnership interests in Newmark Holdings and BGC Holdings, respectively. As a result of the Spin-Off, as the existing limited partnership interests in Newmark Holdings held by BGC employees and the existing limited partnership interests in BGC Holdings held by Newmark employees were exchanged/redeemed, the related capital could be contributed to and from Cantor, respectively. The compensation expenses under GAAP related to the limited partnership interests are based on the company where the partner is employed. Therefore, compensation expenses related to the limited partnership interests of both Newmark and BGC but held by a Newmark employee are recognized by Newmark. The Newmark Holdings limited partnership interests held by BGC employees are included in the Newmark share count. The BGC Holdings limited partnership interests held by Newmark employees were included in the BGC share count until the Corporate Conversion.

A summary of units held by Newmark employees redeemed in connection with the issuance of Newmark Class A common stock (at the current Exchange Ratio) or granted exchangeability for Newmark Class A common stock is as follows:

	Three Months Ended March 31,	
	2025	2024
Newmark Holdings Units	4,305,970	3,647,613

Compensation expense related to the issuance of Newmark Class A common stock and grants of exchangeability on Newmark Holdings limited partnership units to Newmark employees is as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Issuance of common stock and exchangeability expenses	$ 52,279	$ 36,106

Limited partnership units with a post-termination payout held by Newmark employees are as follows (dollars in thousands):

	March 31, 2025	December 31, 2024
Notional Value	$ 158,205	$ 161,861
Estimated fair value of the post-termination payout[(1)]	$ 57,598	$ 56,210
Outstanding limited partnership units in Newmark Holdings	16,397,773	17,249,585
Outstanding limited partnership units in Newmark Holdings - unvested	5,206,045	5,570,815

(1) Included in "Other long-term liabilities" on the accompanying unaudited condensed consolidated balance sheets.

Compensation expense related to limited partnership units held by Newmark employees with a post-termination pay-out amount is recognized over the service period. These units can vest for periods up to seven years from the grant date.

There are also certain limited partnership units in Newmark Holdings with a stated vesting schedule that vest over approximately seven years from the grant date. The compensation expense related to these limited partnership units is recognized over the required service period. These limited partnership units with a stated vesting schedule consisted of 5.7 million distribution earning limited partnership units and 1.7 million N Units as of March 31, 2025. The aggregate estimated grant date fair value of these awards was $66.0 million as of March 31, 2025. As of March 31, 2025, there was $26.7 million of unrecognized compensation expense related to these unvested limited partnership units that is expected to be recognized over 1.8 years.

Newmark recognized compensation expense related to these limited partnership units that were not redeemed as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Limited partnership units amortization	$ 9,539	$ 7,347

The grants of exchange rights to HDUs of Newmark employees are as follows (in thousands):

	March 31, 2025	December 31, 2024
Notional Value	$ 512	$ 512
Estimated fair value of limited partnership units [(1)]	$ 261	$ 261

(1) Included in "Other long-term liabilities" on the accompanying unaudited condensed consolidated balance sheets.

During both the three months ended March 31, 2025 and 2024, there was no compensation expense (benefit) related to these limited partnership units held by Newmark employees.

During the three months ended March 31, 2025 and 2024, Newmark employees were granted 2.9 million and 3.5 million N Units, respectively. These units are not considered share-equivalent limited partnership units and are not included in the fully diluted share count. The N Units do not receive quarterly allocations of net income while they remain unvested. Upon vesting, which occurs if certain thresholds are met, the N Units are subsequently converted to equivalent limited partnership units that receive quarterly certain income distributions and can be granted exchange rights or redeemed at a later date, at which time these N Units would be reflected as share-equivalent grants. During the three months ended March 31, 2025 and 2024, 3.3 million and 2.5 million N Units, respectively, were converted into distribution earning limited partnership units.

(b) Restricted Stock Units

A summary of the activity associated with Newmark and BGC RSUs held by Newmark employees is as follows (fair value amount in thousands):

	Newmark RSUs[1]				BGC RSUs[2]			
	Restricted Stock Units	Weighted-Average Grant Date Fair Value Per Share	Fair Value Amount	Weighted-Average Remaining Contractual Term (Years)	Restricted Stock Units	Weighted-Average Grant Date Fair Value Per Share	Fair Value Amount	Weighted-Average Remaining Contractual Term (Years)
Balance, January 1, 2024	12,133,105	$ 8.59	$ 104,251	4.01	4,883	$ 4.22	$ 21	0.87
Granted	2,838,998	9.92	28,159		19,425	6.87	133	
Settled units (delivered shares)	(3,118,150)	8.61	(26,850)		(1,243)	4.28	(5)	
Forfeited units	(876,228)	8.89	(7,789)		(19,479)	6.88	(134)	
Balance, December 31, 2024	10,977,725	$ 8.91	$ 97,771	3.83	3,586	$ 4.08	$ 15	0.33
Granted	311,983	12.44	3,882		—	—	—	
Settled units (delivered shares)	(2,114,503)	8.96	(18,946)		(1,241)	4.28	(5)	
Forfeited units	(109,546)	9.62	(1,054)		—	—	—	
Balance, March 31, 2025	9,065,659	$ 9.01	$ 81,653	3.93	2,345	$ 3.97	$ 10	0.17

(1) Newmark issues RSUs to Newmark employees with the awards vesting ratably over the two- to nine-year vesting period into shares of Newmark Class A common stock.

(2) BGC RSUs historically vested over a two to three year period.

The fair value of Newmark and BGC RSUs held by Newmark employees is determined on the date of grant based on the market value (adjusted if appropriate based upon the award's eligibility to receive dividends), and is recognized, net of the effect of estimated forfeitures, ratably over the vesting period. Newmark uses historical data, including historical forfeitures and turnover rates, to estimate expected forfeiture rates for RSUs. Each RSU is settled for one share of BGC or Newmark Class A common stock, as applicable, upon completion of the vesting period. The compensation expenses under GAAP related to the RSUs are based on the company where the employee is employed. Therefore, compensation expenses related to RSUs of both Newmark and BGC but held by a Newmark employee are recognized by Newmark.

Compensation expense related to Newmark and BGC RSUs are as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
RSU amortization	$ 12,348	$ 7,759

As of March 31, 2025, there was $59.4 million of total unrecognized compensation expense related to unvested Newmark RSUs.

(27) Commitments and Contingencies

(a) Contractual Obligations and Commitments

As of March 31, 2025 and December 31, 2024, Newmark was committed to fund approximately $0.3 billion and $0.1 billion, respectively, which is the total remaining draws on construction loans originated by Newmark under the HUD 221(d) 4, 220 and 232 programs, rate locked loans that have not been funded, forward commitments, as well as the funding for Fannie Mae structured transactions. Newmark also has corresponding commitments to sell these loans to various investors as they are funded.

(b) Contingent Payments Related to Acquisitions

Newmark completed acquisitions from 2022 through the first quarter of 2025 with contingent consideration of $10.2 million. The contingent equity instruments and cash liability is recorded at fair value in "Accounts payable, accrued expenses and other liabilities" on Newmark's unaudited condensed consolidated balance sheets.

(c) Contingencies

In the ordinary course of business, various legal actions are brought and are pending against Newmark and its subsidiaries in the U.S. and internationally. In some of these actions, substantial amounts are claimed. Newmark is also involved, from time to time, in reviews, examinations, investigations and proceedings by governmental and self-regulatory agencies (both formal and informal) regarding Newmark's businesses, which may result in regulatory, civil and criminal judgments, settlements, fines, penalties, injunctions or other relief. The following generally does not include matters that Newmark has pending against other parties which, if successful, would result in awards in favor of Newmark or its subsidiaries.

Employment, Competitor-Related and Other Litigation

From time to time, Newmark and its subsidiaries are involved in litigation, claims and arbitration in the U.S. and internationally relating to various employment matters, including with respect to termination of employment, hiring of employees currently or previously employed by competitors, terms and conditions of employment and other matters. In light of the competitive nature of the real estate services industry, litigation, claims and arbitration between competitors regarding employee hiring are not uncommon.

Legal reserves are established in accordance with U.S. GAAP guidance on *Accounting for Contingencies*, when a material legal liability is both probable and reasonably estimable. Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. The outcome of such items cannot be determined with certainty. Newmark is unable to estimate a possible loss or range of loss in connection with specific matters beyond its current accrual and any other amounts disclosed. Management believes that, based on currently available information, the final outcome of these current pending matters will not have a material adverse effect on Newmark's unaudited condensed consolidated financial statements and disclosures taken as a whole.

Risks and Uncertainties

Newmark generates revenues by providing financial intermediary and brokerage activities and commercial real estate services to institutional customers. Revenues for these services are transaction-based. As a result, revenues could vary based on the transaction volume of global financial and real estate markets. Additionally, financing is sensitive to interest rate fluctuations, which could have an impact on Newmark's overall profitability.

(28) Subsequent Events

On April 29, 2025, Newmark declared a qualified quarterly dividend of $0.03 per share payable on May 29, 2025, to Class A and Class B common stockholders of record as of May 14, 2025, which is the same as the ex-dividend date.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of Newmark's financial condition and results of operations should be read together with Newmark's accompanying unaudited condensed consolidated financial statements and related notes, as well as the "Special Note Regarding Forward-Looking Information" relating to forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, included elsewhere in this Quarterly Report on Form 10-Q.

This discussion summarizes the significant factors affecting our results of operations and financial condition during the three months ended March 31, 2025 and 2024. We operate in one reportable segment, real estate services. This discussion is provided to increase the understanding of, and should be read in conjunction with, our accompanying unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

Overview

Newmark is a leading commercial real estate advisor and service provider to large institutional investors, global corporations, and other owners and occupiers. We offer a diverse array of integrated services and products designed to meet the full needs of our clients.

Business Environment

There are several factors that impact results across our three main revenue sources (management services, servicing fees and other; leasing and other commissions; and capital markets), including both secular and cyclical industry trends as well as macroeconomic dynamics and our investments in growth. These factors are discussed below.

Key Business Drivers

The key divers of our business include our ability to attract and retain revenue generating headcount across our service lines, the productivity of these employees, and industry volumes in these areas. Volumes are largely a factor of economic growth, interest rates, and the demand for commercial real estate as an investment and debt financing. In addition, demand for our services is influenced by secular trends with respect to outsourcing and other services we provide.

Attracting and Retaining Revenue-Generating Headcount. During 2024 and the first quarter of 2025, we continued to solidify what we believe is our position as the platform of choice for many of the real estate industry's top professionals. In the U.S., U.K., France, Germany, Singapore, and other locations, we attracted some of the most prolific and experienced revenue-generating employees. We believe that these additions further demonstrate the strength of our global brand, and the value of our substantial investments in data, analytics, and talent. Furthermore, our revenue-generating headcount was up modestly year-on-year as of March 31, 2025, after having been relatively flat year-on-year at the end of each of the four previous quarters. Therefore, productivity gains drove the large majority of our total revenue growth, as well as our increased fees across Capital Markets, Leasing, and Valuation & Advisory. Newly added revenue-generating professionals typically take 6 to 18 months to produce meaningful fees. As more of our recently hired team members ramp up, we expect further productivity gains over time.

Continued Trends with Respect to Management services, servicing fees and other. Many of our management services offerings continue to benefit from increased outsourcing by corporations and other occupiers, owners of real estate, lenders, and investment funds. We expect these outsourcing trends to continue for the foreseeable future, which should benefit our recurring revenue businesses, including property management, facilities management, underwriting and due diligence, outsourced lease administration, and property accounting.

Additionally, we operate a high margin and growing loan servicing and asset management business focused on GSE/FHA loans, as well as bank, private credit, and commercial mortgage-backed securities clients. We expect this business to benefit as the overall amount of commercial and multifamily debt outstanding increases, and as Newmark continues to gain origination market share. As of March 31, 2025, our loan servicing and asset management portfolio was $186.4 billion (of which 61.8% was limited servicing and asset management, 36.8% was higher margin primary servicing, and 1.4% was special servicing). We expect our overall portfolio to continue providing a steady stream of income and cash flow over the life of the serviced loans.

These factors, combined with our ability to cross sell between our service lines, enabled us to grow our management services and servicing businesses by double digit CAGRs between 2017 and 2024, and to increase our recurring revenues by 10.5% year-on-year in the first quarter of 2025.

Trends in GDP and Job Growth. Commercial real estate leasing activity has historically been positively correlated with job creation, particularly with respect to office-based employment, and GDP growth.

According to Bloomberg, U.S. GDP contracted at an annualized rate of 0.3% in the first quarter of 2025, after having expanded by 2.8% in 2024 and 2.9% in 2023. The preliminary estimate from the U.S. Bureau of Economic Analysis stated that the decline "primarily reflected an increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports." Many economists attribute higher imports to stockpiling in anticipation of tariffs later imposed or announced by the current U.S. administration. According to the April 14, 2025 Bloomberg survey of economists, U.K. GDP is expected to increase by 0.8% year-on-year in the first quarter of 2025, after having expanded by 1.1% and 0.4%, respectively, in 2024 and 2023.

According to Bloomberg, the seasonally adjusted monthly average of U.S. non-farm payroll employment increased by approximately 133,000 in the first quarter of 2024, after having grown by 168,000 and 216,000 in 2023, and 2024, respectively. The March 2025 U.S. unemployment rate (based on U-3) was 4.2% compared with 3.9% a year earlier. The comparable U.K., unemployment rate as of February 2025 (the most recent available) was 4.4% versus 4.2% a year earlier.

Interest Rate Environment. Commercial real estate capital markets transactions involving financing generally utilize medium- or long-term debt, and the interest rates for such debt tend to correlate with movements in benchmark rates with similar tenors, including U.S. Treasuries. Such benchmark rates can be meaningfully impacted by movements in key short-term rates, such as the Fed Funds Target rate. Sudden changes in short term interest rates can therefore have pronounced effects on commercial mortgage origination and investment sales volumes.

The ten-year U.S. Treasury yield decreased by approximately 36 basis points quarter on quarter and was roughly flat year-on-year at 4.2% as of March 31, 2025. The ten-year U.K. Gilt yield increased by approximately 11 basis points quarter on quarter and by 74 basis points year-on-year to 4.7% as of March 31, 2025. Subsequent to the end of the first quarter, ten-year U.S. Treasury yields jumped by nearly fifty basis points over the week ending April 11, 2025, following the announcement of new tariffs by the U.S. This increase in yields, along with a rise in interest rate volatility above long term averages (as measured by the ICE BofA MOVE Index), were driven by uncertainty with respect to the magnitude of the impact of higher tariffs on both inflation and GDP growth. Such concerns have also reduced clarity in terms of how fast the FOMC and/or MPC will lower short term rates. For context, ten-year U.S. Treasury and ten-year Gilt yields still remain below their 50-year average through December 31, 2024 of approximately 5.9% and 6.8%, respectively.

As of March 31, 2025, the most commonly cited U.S. and U.K. inflation measures were at 2.4% and 3.2%, respectively, or still higher than the 2% targets set by both the FOMC and MPC. In addition, most economists expect inflation to remain above these targets for the next two years largely due to the expected impact of tariffs, partially offset by the expected slowing of GDP growth. As a result, short-term yields are expected to be higher compared with most of the period from the end of 2008 through early 2022. For example, the April 2025 Bloomberg consensus was for Fed Funds Target rate target rate to be approximately 4.0% and 3.5%, respectively, by the ends of 2025 and 2026, and for the Bank of England's short-term target rate to be 3.8%, and 3.4%, respectively, over the same period. For context, the upper bound of the Fed Funds Target rate averaged 0.64% from December 31, 2008 (near the height of the global financial crises) through February 28, 2022 (when the FOMC began raising this rate), and averaged approximately 4.9% and 3.1% over the 50 years and 25 years ended December 31, 2022, respectively. The Official Bank Rate averaged 0.47% from December 31, 2008 through February 28, 2022, and approximately 2.4% and 6.3% over the 25 and 50 years ended December 31, 2024, with both sets of long-term data from Bloomberg.

Industry Leasing Activity. While industrial and retail have increased as a percentage of leasing revenues since 2019, office remains the majority of activity for Newmark and the industry. According to data from Newmark Research and CoStar, U.S. office leasing activity, as measured by the percentage of available inventory leased in a given quarter, increased by approximately 7% year-on-year for 4 and 5 star properties (which roughly corresponds with Class A buildings) and by 5% for other properties, demonstrating a continued preference towards premier locations. CoStar states that first quarter 2025 U.K. office leasing activity was up 25% to more than 10 million square feet. While U.K. activity is still below pre-pandemic averages, the past two quarters were the strongest six-month period for office leasing for the industry since the second half of 2021. With the pipeline of new office construction dropping off dramatically after 2025, the ongoing enhancement of Class B office product, and the conversion of obsolete space into multifamily and other uses, we expect office fundamentals to continue to gradually improve.

We expect demand for office space to be driven by the reset in values due to near-term debt maturities. We also continue to see increased need for office space in an increasing number of markets, led by ongoing return-to-work plans, as well as new demand driven by companies in technology including AI as well as financial services. Placer.ai data for March 2025 indicates that in-person attendance in the U.S. improved to approximately 65% of January 2020 pre-pandemic levels versus 61% a year earlier. Our management services, leasing, origination, and capital markets professionals continue to actively collaborate with clients to repurpose underutilized spaces and assets, including with respect to conversion of obsolete office or retail properties.

Based on data from Newmark Research and/or CoStar, U.S. and U.K. industrial leasing activity rose in the first quarter of 2025 ahead of tariff escalations although vacancy also increased. Retail leasing activity has declined over the last several quarters, but the overall market remained tight in the first quarter of 2025, with a 5.2% availability rate across the U.S. Retail REITs continue to report strong leasing numbers, high occupancy, and rising rents due to the lack of prime space available. Against this market backdrop and our 17.9% year-on-year revenue decline from Leasing and other commissions in the first quarter 2024, Newmark's revenues from Leasing and other commissions increased by 31.0% for the quarter ended March 31, 2025.

Industry Capital Markets Activity. We believe that we once again gained share in Capital Markets as overall industry volumes continued to generally improve. For example, based on their analysis of the most recently available data from MSCI and/or the MBA, Newmark Research estimates that U.S. notional investment sales volumes were up by 18% in the U.S. in the first quarter of 2025 compared with a year earlier and that U.S. commercial and multifamily originations increased by 42%. Preliminary MSCI data indicates that European investment sales volumes decreased 11% for the same period, although this source often revises such figures upwards at a later date. Newmark's first quarter 2025 investment sales and total debt volumes were up year-on-year by approximately 91% and 37%, respectively. Newmark's origination business dramatically outpaced the industry in the year earlier period. In the first quarter of 2024, the Company's total debt volumes were up 92%, while the MBA's Commercial/Multifamily index was flat over the same timeframe.

We have gained considerable Capital Markets share over the past several years. For example, our U.S. investment sales volumes were 9.8% of overall U.S. MSCI volumes over the twelve months ended March 31, 2025, up approximately 130 basis points year-on-year and compared to 3.3% of U.S. MSCI volumes in 2015. According to data or estimates from MSCI, the MBA, and/or Newmark Research, our U.S. Total Debt volumes were 8.7% of U.S. commercial and multifamily mortgage originations over the twelve months ended March 31, 2025, up approximately 190 basis points year-on-year and compared with 1.5% of U.S. industry originations in 2015.

Commercial And Multifamily Mortgage Maturities and Other Drivers. We continue to benefit from the ongoing need for our clients to both refinance existing properties owned by them and to finance investments in properties they seek to own. We expect the record amounts of medium-term commercial and multifamily mortgage maturities and interest rate stabilization to together lead to continued improvement in industry debt volumes, as well as increased investment sales activity. For example, the MBA expects a record $957 billion of U.S. mortgage maturities in 2025 alone, and approximately $2.1 trillion between 2025 and 2027.

Given Newmark's deep relationships with clients and the strength of our brand, we anticipate further market share gains over time. We recognize, however, that there are potential geopolitical headwinds that may have a dampening effect on industry activity in the near-term.

Financial Overview

Revenues

We generally derive revenues from the following three sources:

- *Management Services, Servicing Fees and Other*. We provide commercial services to tenants and landlords. In this business, we provide property and facilities management services along with project management, V&A services, and other consulting services, as well as technology services, to customers who may also utilize our commercial real estate brokerage services, and flexible workspace solutions. Servicing fees are derived from the servicing of loans originated by us as well as loans originated by third parties.
- *Leasing and Other Commissions*. We offer a diverse range of commercial real estate brokerage and advisory services, including tenant and landlord (or agency) representation, which includes comprehensive lease negotiations, strategic planning, site selection, lease auditing, and other financial and market analysis.
- *Capital Markets.* This consists of investment sales and commercial mortgage origination, net. Our investment sales business specializes in the arrangement of acquisitions and dispositions of commercial properties, as well as equity placement and other related services. Our commercial mortgage origination, net business offers services and products to facilitate debt financing for our clients and customers. Commercial mortgage origination revenue is comprised of commissions generated from mortgage brokerage and debt placement services, as well as the origination fees and premiums derived from the origination of GSE/FHA loans with borrowers. Our commercial mortgage origination revenue also includes the revenue recognized for the fair value of expected net future cash flows from servicing recognized at commitment.

Fees are generally earned when a lease is signed. In many cases, landlords are responsible for paying the fees. In capital markets, fees are earned and recognized when the sale of a property closes, and title passes from seller to buyer for investment sales and when debt or equity is funded to a vehicle for debt and equity transactions. Loan originations related fees and sales premiums, net, are recognized when a derivative asset is recorded upon the commitment to originate a loan with a borrower and sell the loan to an investor. The derivative is recorded at fair value and includes loan origination fees, sales premiums and the estimated fair value of the expected net servicing cash flows. Loan originations related fees and sales premiums, net, are recognized net of related fees and commissions to affiliates or third-party brokers. For loans we broker, revenues are recognized when the loan is closed.

Servicing fees are recognized on an accrual basis over the lives of the related mortgage loans. We typically receive monthly management fees based upon a percentage of monthly rental income generated from the property under management, or in some cases, the greater of such percentage or a minimum agreed upon fee. We are often reimbursed for our administrative and payroll costs, as well as certain out-of-pocket expenses, directly attributable to properties under management. We follow U.S. GAAP, which provides guidance when accounting for reimbursements from clients and when accounting for certain contingent events for leasing and capital markets transactions. See Note 3 – "Summary of Significant Accounting Policies" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a more detailed discussion.

Expenses

(i) Compensation and Employee Benefits

The majority of our operating costs consist of cash and non-cash compensation expenses, which include base salaries, producer commissions based on production, forgivable loans for term contracts, discretionary and other bonuses and all related employee benefits and taxes. Our employees consist of commissioned producers, executives and other administrative support. Our producers are largely compensated based on the revenue they generate for the firm, keeping these costs variable in nature.

As part of our compensation plans, certain employees have been granted limited partnership units in Newmark Holdings and, prior to the Newmark IPO, BGC Holdings, which generally receive quarterly allocations of net income and are generally contingent upon services being provided by the unit holders. As a result of the Corporate Conversion, there are no longer any limited partnership units in BGC Holdings outstanding. Certain Newmark employees also hold N Units that do not participate in quarterly partnership distributions and are not allocated any items of profit or loss. N Units become distribution earning limited partnership units either on a discretionary basis or ratably over a vesting term, if certain revenue thresholds are met at the end of each vesting term. As prescribed in U.S. GAAP guidance, the quarterly allocations of net income on such limited partnership units are reflected as a component of compensation expense under "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our accompanying unaudited condensed consolidated statements of operations.

Newmark has granted certain conversion rights on limited partnership units in Newmark Holdings and, prior to the Corporate Conversion, then-outstanding limited partnership units in BGC Holdings, to Newmark employees to convert the limited partnership units to a capital balance within Newmark Holdings or BGC Holdings. Generally, such units are not considered share-equivalent limited partnership units and are not in the fully diluted share count.

Certain of these limited partnership units entitle the holders to receive post-termination payments. These limited partnership units are accounted for as post-termination liability awards under U.S. GAAP guidance, which requires that we record an expense for such awards based on the change in value at each reporting period and include the expense in our accompanying unaudited condensed consolidated statements of operations as part of "Equity-based compensation and allocations of net income to limited partnership units and FPUs." The liability for limited partnership units with a post-termination payout amount is included in "Other long-term liabilities" on our accompanying unaudited condensed consolidated balance sheets.

Certain limited partnership units are granted exchangeability into Class A common stock or may be redeemed in connection with the grant of shares of Class A common stock. At the time exchangeability is granted, or the shares are issued, Newmark recognizes an expense based on the fair value of the award on that date, which is included in "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our accompanying unaudited condensed consolidated statements of operations.

Certain of our employees have been awarded Preferred Units in Newmark Holdings and, prior to the Corporate Conversion, BGC Holdings. Each quarter, the net profits of Newmark Holdings and BGC Holdings are or were allocated to such units at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation, which is deducted before the calculation and distribution of the quarterly partnership distribution for the remaining partnership units in Newmark Holdings. The Preferred Units are not entitled to participate in partnership distributions other than with respect to the Preferred Distribution. Preferred Units may not be made exchangeable into our Class A common stock and are only entitled to the Preferred Distribution, and accordingly they are not included in our fully diluted share count. The quarterly allocations of net income on Preferred Units are also reflected in compensation expense under "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our accompanying unaudited condensed consolidated statements of operations. After deduction of the Preferred Distribution, the remaining partnership units generally receive quarterly allocation of net income based on their weighted-average pro rata share of economic ownership of the operating subsidiaries. In addition, Preferred Units are granted in connection with the grant of certain limited partnership units, such as PSUs, that may be granted exchangeability to cover the withholding taxes owed by the unit holder upon such exchange. This is an acceptable alternative to the common practice among public companies of issuing the gross number of shares to employees, subject to cashless withholding of shares to pay applicable withholding taxes.

We have also entered into various agreements with certain of our employees and partners whereby these individuals receive loans, which may be either wholly or in part repaid from the distribution earnings that the individual receives on their limited partnership interests or from the proceeds of the sales of the employees' shares of our Class A common stock. The forgivable portion of these loans is recognized as compensation expense over the service period.

From time to time, we may also enter into agreements with employees and partners to grant bonus and salary advances or other types of loans. These advances and loans are repayable in the timeframes outlined in the underlying agreements. In addition, we also enter into deferred compensation agreements with employees providing services to us. The costs associated with such plans are generally amortized over the period in which they vest. (See Note 26 — "Compensation" and Note 27 — "Commitments and Contingencies" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

(ii) Other Operating Expenses

We have various other operating expenses. We incur leasing, equipment and maintenance expenses. We also incur selling and promotion expenses, which include entertainment, marketing and travel-related expenses. We incur communication expenses, professional and consulting fees for legal, audit and other special projects, and interest expense related to short-term operational funding needs, and notes payable and collateralized borrowings.

We pay fees to Cantor for performing certain administrative and other support, including charges for occupancy of office space, utilization of fixed assets and accounting, operations, human resources, legal services and technology infrastructure support. Management believes that these charges are a reasonable reflection of the utilization of services rendered. However, the expenses for these services are not necessarily indicative of the expenses that would have been incurred if we had not obtained these services from Cantor. In addition, these charges may not reflect the costs of services we may receive from Cantor in the future.

(iii) Other Income (loss), Net

Other income (loss), net is comprised of gains (losses) on equity method investments which represent our pro rata share of the net gains (losses) on investments over which we have significant influence but which we do not control, and the mark-to-market gains or losses on marketable and non-marketable investments.

(iv) Provision for Income Taxes

We incur income tax expenses based on the location, legal structure, and jurisdictional taxing authorities of each of our subsidiaries. Certain of the Company's entities are taxed as U.S. partnerships and are subject to primarily the UBT in New York City. U.S. federal and state income tax liability or benefit related to the partnership income or loss, with the exception of the UBT, rests with the partners rather than the partnership entity (see Note 2 — "Limited Partnership Interests in Newmark Holdings and BGC Holdings" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). Our accompanying unaudited condensed consolidated financial statements include U.S. federal, state and local income taxes on Newmark's allocable share of the U.S. results of operations. Outside of the U.S., we operate principally through subsidiary corporations subject to local income taxes.

Newmark is subject to the tax laws and regulations of the U.S. and various non-U.S. jurisdictions. The OECD Pillar Two Framework provides for a minimum global effective tax rate of 15%. The EU Member States formally adopted the EU's Pillar Two Directive with a subset of rules that became effective January 1, 2024. Other countries are also expected to implement similar legislation. The minimum global effective tax did not have a material impact on our 2024 and 2025 tax rates.

Business Mix and Seasonality

Our pre-tax margins are affected by the mix of revenues generated. For example, servicing revenues tend to have higher pre-tax margins than Newmark as a whole, and margins from originating GSE/FHA loans, which are included in "Capital markets" in our consolidated statement of operations, tend to be lower, as we retain rights to service loans over time, and because this item includes non-cash GAAP gains attributable to OMSRs, which represent the fair value of expected net future cash flows from servicing recognized at commitment, net. Capital markets transactions tend to have higher pre-tax margins than leasing transactions. Pre-tax earnings margins on our property management and parts of our other OS businesses are at the lower end of margins for the Company as a whole because they include some revenues that equal their related expenses. These revenues represent fully reimbursable compensation and non-compensation costs and may be referred to as "pass through revenues."

Due to the strong desire of many market participants to close real estate transactions prior to the end of a calendar year, our business exhibits certain seasonality, with our revenue tending to be lowest in the first quarter and strongest in the fourth quarter. For the five years from 2020 through 2024, we generated an average of approximately 21% of our revenues in the first quarter and 30% of our revenues in the fourth quarter. Because approximately 30% of our expenses are fixed in a typical year, this seasonality generally leads to higher profitability in the fourth quarter and lower margins in the first quarter, all else equal.

Results of Operations

The following table sets forth our consolidated statements of operations data expressed as a percentage of total revenues for the periods indicated (in thousands):

	Three Months Ended March 31,			
	2025		2024	
	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues
Revenues:				
Management services, servicing fees and other	$ 283,893	42.7 %	$ 256,934	47.0 %
Leasing and other commissions	208,074	31.3	158,799	29.1
Capital markets	173,527	26.1	130,766	23.9
Total revenues	665,494	100.0	546,499	100.0
Expenses:				
Compensation and employee benefits	399,512	60.0	328,195	60.1
Equity-based compensation and allocations of net income to limited partnership units and FPUs (1)	74,346	11.2	51,443	9.4
Total compensation and employee benefits	473,858	71.2	379,638	69.5
Operating, administrative and other	153,977	23.1	137,943	25.2
Fees to related parties	9,570	1.4	7,541	1.4
Depreciation and amortization	46,358	7.0	43,975	8.0
Total operating expenses	683,763	102.7	569,097	104.1
Other income (loss), net	750	0.1	(14)	—
Income (loss) from operations	(17,519)	(2.6)	(22,612)	(4.1)
Interest expense, net	(8,483)	(1.3)	(7,220)	(1.3)
Income (loss) before income taxes and noncontrolling interests	(26,002)	(3.9)	(29,832)	(5.5)
Provision (benefit) for income taxes	(10,053)	(1.5)	(3,516)	(0.6)
Consolidated net income (loss)	(15,949)	(2.4)	(26,316)	(4.8)
Less: Net income (loss) attributable to noncontrolling interests	(7,183)	(1.1)	(10,062)	(1.8)
Net income (loss) available to common stockholders	$ (8,766)	(1.3) %	$ (16,254)	(3.0) %

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

	Three Months Ended March 31,			
	2025		2024	
	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues
Issuance of common stock and exchangeability expenses	$ 52,279	7.9 %	$ 36,106	6.6 %
Limited partnership units amortization	9,539	1.4	7,347	1.3
RSU amortization	12,348	1.9	7,759	1.4
Total equity compensation	74,166	11.2 %	51,212	9.4 %
Allocations of net income to limited partnership units and FPUs	180	—	231	—
Equity-based compensation and allocations of net income to limited partnership units and FPUs	$ 74,346	11.2 %	$ 51,443	9.4 %

Three months ended March 31, 2025 compared to the three months ended March 31, 2024

Revenues

Management Services, Servicing Fees and Other

Management services, servicing fees and other revenue increased by $27.0 million, or 10.5%, to $283.9 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This increase reflects growth from V&A fees, as well as new and expanded client mandates across the Newmark's suite of outsourcing businesses.

Leasing and Other Commissions

Leasing and other commission revenues increased by $49.3 million, or 31.0%, to $208.1 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 which was driven by growth in office and retail leasing volumes.

Capital Markets

Capital markets increased by $42.8 million, or 32.7%, to $173.5 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The increase reflects a 31.1% improvement in investment sales fees and a 35.3% increase in commercial mortgage origination, net, both of which reflected significant volume improvement across every major property type. Newmark also increased GSE/FHA origination volumes by 40%. In comparison, U.S. industry investment sales volumes grew by 18%, commercial and multifamily originations were up 42%, and industry GSE placement activity improved by 16%.

Expenses

Compensation and Employee Benefits

Compensation and employee benefits expense increased by $71.3 million, or 21.7%, to $399.5 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The increase reflects higher commission-based revenues and other costs related to Newmark's growth initiatives.

Equity-based compensation and allocations of net income to limited partnership units and FPUs

Equity-based compensation and allocations of net income to limited partnership units and FPUs increased by $22.9 million, or 44.5%, to $74.3 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This increase included $21.1 million of GAAP charges related to the exchange and redemption of units held by Newmark's former Executive Chairman, Mr. Lutnick, in connection with his confirmation by the U.S. Senate as the 41st Secretary of Commerce.

Operating, Administrative and Other

Operating, administrative and other expenses increased by $16.0 million, or 11.6%, to $154.0 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 due to higher pass through costs and other items related to increased revenues.

Fees to Related Parties

Fees to related parties increased by $2.0 million, or 26.9%, to $9.6 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

Depreciation and Amortization

Depreciation and amortization for the three months ended March 31, 2025 increased by $2.4 million, or 5.4%, to $46.4 million compared to the three months ended March 31, 2024 due to a $4.4 million increase in fixed asset impairment related to terminated leases, offset by a $1.2 million decrease in MSR valuation allowance.

Other Income (loss), Net

Other income (loss), net of $0.8 million in the three months ended March 31, 2025 consisted primarily of recoveries from forfeited restricted Newmark Class A common stock.

Other income (loss), net of $14 thousand in the three months ended March 31, 2024 consisted of unrealized loss on marketable securities.

Interest Expense, Net

Interest expense, net increased by $1.3 million, or 17.5%, to $8.5 million during the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily due to higher interest expense on our corporate debt.

Benefit for Income Taxes

Benefit for income taxes increased by $6.5 million, to $10.1 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily due to revaluation of deferred tax assets in 2025 and larger valuation allowance on international losses in 2024. In general, our consolidated effective tax rate can vary from period to period depending on, among other factors, the level, geography and business mix of our earnings.

Net income (loss) attributable to noncontrolling interests

Net loss attributable to noncontrolling interests decreased by $2.9 million, or 28.6%, to $7.2 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This decrease was primarily driven by a lower pre-tax loss and a decline in ownership of Newmark Holdings in Newmark OpCo.

Financial Position, Liquidity and Capital Resources

Overview

The primary sources of liquidity for our business are the cash on our balance sheet, cash flow provided by operations, and the $600.0 million revolving Credit Facility.

Our future capital requirements will depend on many factors, including our growth, the expansion of our sales and marketing activities, our expansion into other markets, our acquisitions of other companies and hiring of teams of producers, and our results of operations. To the extent that existing cash, cash from operations and credit facilities are insufficient to fund our future activities, we may need to raise additional funds through public equity or debt financing. As of March 31, 2025, our debt consisted of $600.0 million aggregate principal amount of 7.500% Senior Notes with a carrying amount of $595.9 million and $175.0 million outstanding under the Credit Facility with a carrying amount of $175.0 million, in each case exclusive of our warehouse facilities described under "—Warehouse Facilities Collateralized by U.S. Government Sponsored Enterprises."

Financial Position

Total assets were $4.8 billion as of March 31, 2025 and $4.7 billion as of December 31, 2024.

Total liabilities were $3.3 billion as of March 31, 2025 and $3.2 billion as of December 31, 2024.

Liquidity

As of March 31, 2025, we had cash and cash equivalents of $157.1 million. Additionally, we had $425.0 million available under our committed senior unsecured revolving Credit Facility. We expect to generate cash flows from operations to fund our business and use those funds, and our Credit Facility, to meet our short-term liquidity requirements, which we define as those arising within the next twelve months, and our long-term liquidity requirements, which we define as those beyond the next twelve months.

Debt

The carrying value of our debt, excluding our warehouse facilities, consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
7.500% Senior Notes	$ 595,941	$ 595,673
Credit Facility	175,000	75,000
Total corporate debt	$ 770,941	$ 670,673

Delayed Draw Term Loan Credit Agreement

On August 10, 2023, Newmark entered into a Delayed Draw Term Loan Credit Agreement, by and among the Company, the several financial institutions from time to time party thereto, as Lenders, and Bank of America, N.A., as Administrative Agent (as such terms are defined in the Delayed Draw Term Loan Credit Agreement), pursuant to which the Lenders committed to provide to the Company a senior unsecured Delayed Draw Term Loan in an aggregate principal amount of $420.0 million, which could be increased, subject to certain terms and conditions, to up to $550.0 million. The proceeds of the Delayed Draw Term Loan could only be used to repay the 6.125% Senior Notes at their maturity. The Delayed Draw Term Loan had a maturity date of November 14, 2026.

As set forth in the Delayed Draw Term Loan Credit Agreement, the Delayed Draw Term Loan could bear interest at a per annum rate equal to, at the Company's option, either (a) Term SOFR for interest periods of one or three months (as selected by the Company) or upon the consent of all Lenders, such other period that is 12 months or less (in each case, subject to availability), as selected by the Company, plus an applicable margin or (b) a base rate equal to the greatest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as established by the Administrative Agent, and (iii) Term SOFR plus 1.00%, in each case plus an applicable margin. Upon funding, the applicable margin was 2.625% with respect to Term SOFR borrowings in (a) above and 1.625% with respect to base rate borrowings in (b) above. Depending on the Company's credit ratings, the applicable margin could range, with respect to Term SOFR borrowings, from 2.125% to 3.375% through and including August 10, 2024, and 2.5% to 3.875% thereafter; and base rate borrowings, from 1.125% to 2.375% through and including August 10, 2024, and 1.5% to 2.875% thereafter.

The Delayed Draw Term Loan Credit Agreement contained financial covenants with respect to minimum interest coverage and maximum leverage ratio. The Delayed Draw Term Loan Credit Agreement also contained certain other customary affirmative and negative covenants and events of default. The covenants in the Delayed Draw Term Loan Credit Agreement were consistent with those within the Company's existing $600.0 million Credit Facility, which matures on April 26, 2027 and remains available to the Company.

On November 8, 2023, Newmark provided notice to Bank of America, N.A., as Administrative Agent, to borrow the $420.0 million available under the Delayed Draw Term Loan Credit Agreement with the funds made available on November 14, 2023. The Company used the $420.0 million of proceeds of the Delayed Draw Term Loan draw to pay a portion of the matured principal and interest of the Company's $550.0 million 6.125% Senior Notes due November 15, 2023. On January 12, 2024, the outstanding balance under the Delayed Draw Term Loan was repaid with the proceeds of the offering of the 7.500% Senior Notes. The Delayed Draw Term Loan was terminated and the remaining unamortized debt issuance costs of $2.7 million were expensed.

Credit Facility

On November 28, 2018, Newmark entered into the Credit Agreement by and among Newmark, the several financial institutions from time to time party thereto, as lenders, and Bank of America, N.A., as administrative agent. The Credit Agreement provided for a $250.0 million Credit Facility.

On February 26, 2020, Newmark entered into an amendment to the Credit Agreement, increasing the size of the Credit Facility to $425.0 million and extending the maturity date to February 26, 2023. The interest rate on the Credit Facility was reduced to LIBOR plus 1.75% per annum, subject to a pricing grid linked to Newmark's credit ratings from S&P Global Ratings and Fitch.

On March 16, 2020, Newmark entered into a second amendment to the Credit Agreement, increasing the size of the Credit Facility to $465.0 million. The interest rate on the Credit Facility was LIBOR plus 1.75% per annum, subject to a pricing grid linked to Newmark's credit ratings from S&P Global Ratings and Fitch.

On March 10, 2022, Newmark amended and restated the Credit Agreement, as amended. Pursuant to the amended and restated Credit Agreement, the lenders agreed to: (a) increase the amount available to the Company under the Credit Facility to $600.0 million, (b) extend the maturity date of the Credit Facility to March 10, 2025, and (c) improve pricing to 1.50% per annum with respect to Term SOFR (as defined in the amended and restated Credit Agreement) borrowings.

Borrowings under the Credit Facility bear interest at a per annum rate equal to, at the Company's option, either (a) Term SOFR for interest periods of one or three months, as selected by the Company, or upon the consent of all lenders, such other period that is 12 months or less (in each case, subject to availability), as selected by the Company, plus an applicable margin, or (b) a base rate equal to the greatest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as established by the Administrative Agent (as such term is defined in the amended and restated Credit Agreement), and (iii) Term SOFR plus 1.00%, in each case plus an applicable margin. The applicable margin was initially 1.50% with respect to Term SOFR borrowings in (a) above and 0.50% with respect to base rate borrowings in (b) above. The applicable margin with respect to Term SOFR borrowings in (a) above could range from 1.00% to 2.125% depending upon the Company's credit rating, and with respect to base rate borrowings in (b) above could range from 0.00% to 1.125% depending upon the Company's credit rating. The Credit Agreement also provides for certain upfront and arrangement fees and for an unused facility fee.

On November 8, 2023, Newmark provided notice to Bank of America, N.A., as Administrative Agent, to borrow $130.0 million under the Credit Facility with the funds made available on November 14, 2023. The Company used the proceeds of the Credit Facility draw to pay the remaining maturing principal and interest of the Company's $550.0 million 6.125% Senior Notes due November 15, 2023 that was not paid for with the proceeds of the Delayed Draw Term Loan.

On December 20, 2023, Newmark drew $130.0 million of Newmark Revolving Loans under the Cantor Credit Agreement to repay the $130.0 million balance then-outstanding under the Credit Facility.

On April 26, 2024, Newmark amended and restated the Credit Agreement, which amendment and restatement, among other things, extends the maturity date of the Credit Facility to April 26, 2027. The borrowing rates and financial covenants under the Credit Agreement are substantially consistent with the Credit Agreement prior to such amendment and restatement.

During the three months ended March 31, 2025, there were $115.0 million of borrowings and $15.0 million of repayments under the Credit Facility. As of March 31, 2025, there were $175.0 million of borrowings outstanding under the Credit Facility. As of March 31, 2025, borrowings under the Credit Facility carried an interest rate of 5.92%, with a weighted-average interest rate of 5.92% for the three months ended March 31, 2025. As of December 31, 2024, there were no borrowings under the Credit Facility.

7.500% Senior Notes

On January 12, 2024, Newmark closed its offering of $600.0 million aggregate principal amount of the 7.500% Senior Notes. The notes are general senior unsecured obligations of Newmark. Cantor purchased $125.0 million aggregate principal amount of 7.500% Senior Notes in the offering, and still holds such notes as of May 9, 2025. The Company received net proceeds from the offering of the 7.500% Senior Notes of approximately $594.7 million after deducting the initial purchasers' discounts and estimated offering expenses. The notes bear interest at a rate of 7.500% per year, payable in cash on January 12 and July 12 of each year, commencing July 12, 2024. The 7.500% Senior Notes will mature on January 12, 2029. The Company used the net proceeds of the offering of the 7.500% Senior Notes to repay all of the $420.0 million outstanding under its Delayed Draw Term Loan Credit Agreement. Additional net proceeds were used to repay all $130.0 million of then-outstanding revolving debt, including with respect to borrowings under the Cantor Credit Agreement.

The 7.500% Senior Notes were initially offered and sold in a private offering exempt from the registration requirements under the Securities Act. Customary registration rights were provided to purchasers of the 7.500% Senior Notes. On May 10, 2024, we filed a Registration Statement on Form S-4, which was declared effective by the SEC on June 6, 2024. On June 10, 2024, we launched an exchange offer in which holders of the 7.500% Senior Notes which were issued in the January 12, 2024 private placement could exchange such notes for new registered notes with substantially identical terms. The exchange offer expired on July 17, 2024, at which point the tendered 7.500% Senior Notes were exchanged for new registered notes with substantially identical terms.

See Note 23 —"Related Party Transactions —7.500% Senior Notes" and "—Market-Making Registration Statement for CF&Co" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q for further discussion.

Cantor Credit Agreement

On November 30, 2018, Newmark entered into an unsecured credit agreement with Cantor. The Cantor Credit Agreement provides for each party to issue loans to the other party in the lender's discretion. Pursuant to the Cantor Credit Agreement, the parties and their respective subsidiaries (with respect to Cantor, other than BGC and its subsidiaries) may borrow up to an aggregate principal amount of $250.0 million from each other from time to time at an interest rate which is the higher of Cantor or Newmark's short-term borrowing rate then in effect, plus 1.0%.

On December 20, 2023, Newmark entered into a first amendment to the Cantor Credit Agreement. Pursuant to the First Cantor Credit Agreement Amendment, Cantor agreed to make certain loans to Newmark from time to time in an aggregate outstanding principal amount of up to $150.0 million under the Cantor Credit Agreement. The Newmark Revolving Loans have substantially the same terms as other loans under the Cantor Credit Agreement, except that until April 15, 2024, the Newmark Revolving Loans would bear interest at a rate equal to 25 basis points less than the interest rate borne by the revolving loans made pursuant to the Credit Facility. Unlike other loans made under the Cantor Credit Agreement, Cantor may demand repayment of the Newmark Revolving Loans prior to the final maturity date of the Cantor Credit Agreement upon three business days' prior written notice. Also on December 20, 2023, Newmark drew $130.0 million of Newmark Revolving Loans, and used the proceeds to repay the $130.0 million balance then-outstanding under the Credit Facility.

On January 12, 2024, the outstanding balance under the Cantor Credit Agreement was repaid with the proceeds of the offering of the 7.500% Senior Notes. As of March 31, 2025, there were no borrowings outstanding under the Cantor Credit Agreement. As of December 31, 2023, there was $130.0 million outstanding under the Cantor Credit Agreement.

Warehouse Facilities Collateralized by U.S. Government Sponsored Enterprises

As of March 31, 2025, Newmark had $1.5 billion of committed loan funding, $1.1 billion of uncommitted loan funding available through three commercial banks, and an uncommitted $500.0 million Fannie Mae loan repurchase facility. Consistent with industry practice, these warehouse facilities are short-term, requiring annual renewal. These warehouse facilities are collateralized by an assignment of the underlying mortgage loans originated under various lending programs and third-party purchase commitments and are recourse only to our wholly owned subsidiary, Berkeley Point Capital, LLC. As of March 31, 2025 and December 31, 2024 we had $0.8 billion and $0.8 billion, respectively, outstanding under "Warehouse facilities collateralized by U.S. Government Sponsored Enterprises" on our accompanying unaudited condensed consolidated balance sheets.

Leases

Total lease liability as of March 31, 2025 was $608.4 million. Of the total amount, $137.5 million of lease liability is within our flexible workspace business whereby the liability is ring-fenced in SPVs with only $20.5 million of guarantees and/or letters of credit with exposure to Newmark. There was an additional $10.0 million of guarantees and/or letters of credit related to lease liabilities not in consolidated SPVs. In addition, Newmark had contracted future customer revenues and sub-lease income as of March 31, 2025 amounting to approximately $177.1 million.

Debt Repurchase Authorization

On June 16, 2020, the Board and the Audit Committee authorized a debt repurchase program for the repurchase by the Company in the amount of up to $50.0 million of Company debt securities. Repurchases of Company debt securities, if any, are expected to reduce future cash interest payments, as well as future amounts due at maturity or upon redemption.

Under the authorization, the Company may make repurchases of Company debt securities for cash from time to time in the open market or in privately negotiated transactions upon such terms and at such prices as management may determine. Additionally, the Company is authorized to make any such repurchases of Company debt securities through CF&Co (or its affiliates), in its capacity as agent or principal, or such other broker-dealers as management shall determine to utilize from time to time upon customary market terms or commissions.

As of March 31, 2025, the Company had $50.0 million remaining from its debt repurchase authorization.

Cash Flows

Cash flows from operations excluding activity from loan originations and sales, net were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net cash provided by (used in) operating activities	$ (179,404)	$ (68,783)
Add back:		
Net activity from loan originations and sales	53,017	(32,480)
Net cash provided by (used in) operating activities excluding activity from loan originations and sales [(1)]	$ (126,387)	$ (101,263)

[(1)] Includes loans, forgivable loans and other receivables from employees and partners in the amount of $117.7 million and $161.1 million for the three months ended March 31, 2025 and 2024, respectively. Excluding these loans, net cash provided by (used in) operating activities excluding loan originations and sales would be $(8.7) million and $59.8 million for the three months ended March 31, 2025 and 2024, respectively.

Cash Flows for the Three Months Ended March 31, 2025

For the three months ended March 31, 2025, we used $179.4 million of cash in operations. Excluding activity from loan originations and sales, cash provided by operating activities for the three months ended March 31, 2025 was $126.4 million. Cash used in operations included $122.3 million of loans, forgivable loans and other receivables from employees and partners primarily for the hiring of revenue generating professionals. Cash used in investing activities was $5.4 million, consisting of cash paid for the purchases of fixed assets. Cash provided by financing activities of $147.6 million primarily related to net borrowings of $100.0 million of corporate debt and net proceeds from warehouse facilities of $66.9 million. This was offset by payments to shareholders and partners for dividends and distributions of $18.3 million.

Cash Flows for the Three Months Ended March 31, 2024

For the three months ended March 31, 2024, we used $68.8 million of cash in operations. Excluding activity from loan originations and sales, cash used in operating activities for the three months ended March 31, 2024 was $101.3 million. Cash used in operations included $161.1 million of loans, forgivable loan and other receivables from employees and partners. Cash used in investing activities was $7.4 million, consisting of cash paid for the purchases of fixed assets. Cash provided by financing activities of $56.1 million primarily related net borrowings of $125.0 million of corporate debt, offset by treasury stock repurchases and payments to shareholders and partners for dividends and distributions.

Commitments and Contingencies

See Note 27 — "Commitments and Contingencies" in Part I, Item 1 of this Quarterly Report on Form 10-Q for information responsive to Item 303(b)(1) of Regulation S-K regarding cash requirements from known contractual and other obligations. This includes contractual obligations relating to operating leases, warehouse facilities, debt, the commitment to fund construction loans and any associated interest.

Credit Ratings

As of March 31, 2025, our public long-term credit ratings and associated outlooks are as follows:

	Rating	Outlook
Fitch Ratings Inc.	BBB-	Stable
JCRA	BBB+	Stable
Kroll Bond Rating Agency	BBB-	Stable
S&P Global Ratings	BB+	Stable

Credit ratings and associated outlooks are influenced by several factors including, but not limited to: operating environment, earnings and profitability trends, the prudence of funding and liquidity management practices, balance sheet size composition and resulting leverage, cash flow coverage of interest, composition and size of the capital base, available liquidity, outstanding borrowing levels and the firm's competitive position in the industry. A credit rating and/or the associated outlook can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change. Any reduction in our credit ratings and/or the associated outlook could adversely affect the availability of debt financing on terms acceptable to us, as well as the cost and other terms upon which we are able to obtain any such financing. In addition, credit ratings and associated outlooks may be important to customers or counterparties when we compete in certain markets and when we seek to engage in certain transactions. The interest rate on our 7.500% Senior Notes may increase by up to 2% in the event of credit ratings downgrades.

Certain Related Party Transactions

The following related party disclosure relates to the period subsequent to March 31, 2025. See Note 23 — "Related Party Transactions" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for related party transactions prior to March 31, 2025.

Cantor Rights to Purchase Cantor Units from Newmark Holdings

As of May 9, 2025, there were 384,738 Founding Partner interests in Newmark Holdings remaining in which Newmark Holdings had the right to redeem or exchange and with respect to which Cantor had the right to purchase an equivalent number of Cantor Units following such redemption or exchange. See Note 23 — "Related Party Transactions Cantor Rights to Purchase Cantor Units from Newmark Holdings" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information regarding Cantor's rights to purchase Cantor Units pursuant to the terms of the Newmark Holdings limited partnership agreement.

Transactions with Executive Officers and Directors

Luis Alvarado, Chief Operating Officer

On April 7, 2025, we appointed Luis Alvarado to serve as Chief Operating Officer of the Company.

Mr. Luis Alvarado's two sons, Joseph Alvarado and Robert Alvarado, are employed by a subsidiary of Newmark. In 2024, Mr. Joseph Alvarado's total compensation was approximately $960,000 and Mr. Robert Alvarado's total compensation was approximately $215,000.

Regulatory Requirements

See Note 7 — "Capital and Liquidity Requirements" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for discussion relating to the impact of Newmark's capital requirements and requirements to maintain sufficient collateral to meet operational liquidity requirements.

Regulatory Environment

See "—Regulation" in Part I, Item 1, "Business," of our Annual Report on Form 10-K for the year ended December 31, 2024, for information related to our regulatory environment.

Equity

Share Repurchase Program

See Note 5 — "Stock Transactions and Unit Purchases" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

On November 4, 2024, Newmark's Board increased Newmark's share repurchase and unit purchase authorization, which has no expiration date, to $400.0 million.

Fully Diluted Share Count

Our fully diluted weighted-average share counts for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	March 31,	
	2025	2024
Common stock outstanding[1]	176,352	174.774
Partnership units[2]	—	—
RSUs (Treasury stock method)	—	—
Newmark exchange shares	—	—
Total[3]	176,352	174,774

(1) Common stock consisted of Class A shares and Class B shares. For the three months ended March 31, 2025, the weighted-average number of Class A shares was 155.1 million shares and Class B shares was 21.3 million that were included in our fully diluted EPS computation.

(2) Partnership units collectively include FPUs, limited partnership units, and Cantor Units (see Note 2 — "Limited Partnership Interests in Newmark Holdings and BGC Holdings" to our accompanying unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information). In general, these partnership units are potentially exchangeable into shares of Newmark Class A common stock. In addition, the partnership units held by Cantor as of March 31, 2025 are generally exchangeable into up to 18.3 million shares of Newmark Class A common stock and/or Newmark Class B common stock. These partnership units also generally receive quarterly allocations of net income, after the deduction of the Preferred Distribution, based on their weighted-average pro rata share of economic ownership of the operating subsidiaries. As a result, these partnership units are included in the fully diluted share count calculation shown above.

(3) For the three months ended March 31, 2025 and 2024, the weighted-average share count included 79.0 million and 81.1 million, respectively, anti-dilutive securities, which were excluded in the computation of fully diluted earnings per share.

Our fully diluted period-end (spot) common stock, limited partnership unit, RSU and Newmark exchange share count as of each of March 31, 2025 and 2024 was as follows (in thousands):

	March 31,	
	2025	2024
Common stock outstanding	183,210	173,967
Partnership units	67,974	75,568
RSUs (Treasury stock method)	4,755	4,127
Newmark exchange shares	282	467
Total	256,221	254,129

Registration Statements

We have an effective registration statement on Form S-4 with respect to the offer and sale of up to 20.0 million shares and rights to acquire shares of our Class A common stock from time to time in connection with business combination transactions, including acquisitions of other businesses, assets, properties or securities. As of March 31, 2025, we have issued 2.7 million shares of our Class A common stock under this registration statement.

Contingent Payments Related to Acquisitions

Newmark completed acquisitions from 2019 through the first quarter of 2025 with contingent cash consideration of $10.2 million. The contingent equity instruments and cash liability is recorded at fair value in "Accounts payable, accrued expenses and other liabilities" on Newmark's accompanying unaudited condensed consolidated balance sheets.

Legal Proceedings

See the discussion under the heading "Transactions with Executive Officers and Directors," in Note 23 — "Related Party Transactions" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, for information regarding Mr. Lutnick's December 2021 bonus award.

On August 5, 2022, Robert Garfield filed a complaint in the Delaware Court of Chancery, captioned Robert Garfield v. Howard W. Lutnick, et al. (Case No. 2022-0687) (the "Garfield action"), against the members of the Board and Mr. Lutnick in his capacity as Chairman of the Board and controlling stockholder. This derivative complaint alleges that in connection with the December 2021 bonus award, payable over a three-year period, granted to Mr. Lutnick: (i) the Board breached its fiduciary duty, (ii) neither the award nor the approval process employed by the Compensation Committee were entirely fair to the Company and its stockholders, and (iii) the members of the Compensation Committee did not exercise independent judgment. The complaint alleges that Mr. Lutnick breached his fiduciary duty as Chairman and controlling shareholder by forcing the Company to grant the award and by accepting it. The complaint seeks rescission of the award and other compensation, as well as damages and other relief.

On October 7, 2022, Cardinal Capital Management, LLC filed a complaint in the Delaware Court of Chancery, captioned Cardinal Capital Management, LLC v. Howard W. Lutnick, et al. (Case No. 2022-0909-SG) (the "Cardinal action"), against Mr. Lutnick, the members of the Compensation Committee in 2021, who were Virginia S. Bauer, Kenneth A. McIntyre and Michael Snow as members of the Compensation Committee, and Barry Gosin, Michael Rispoli and Stephen Merkel, as Newmark's executive officers. The derivative complaint alleges that in connection with the Company's June 2021 partnership units exchange for Mr. Lutnick and Officers (as such term is defined in the Cardinal action) and the December 2021 bonus award, payable over a three-year period, granted to Mr. Lutnick: (i) the Compensation Committee and Officers breached their fiduciary duties and wasted corporate assets; and (ii) Mr. Lutnick and the Officers were unjustly enriched. The complaint also alleges that Mr. Lutnick breached his fiduciary duty as Chairman and controlling shareholder, and wasted corporate assets, by forcing the Company to grant the award and by accepting it. The complaint seeks recoupment of the partnership units exchange and the bonus award, as well as damages and other relief.

On December 13, 2022, the Delaware Court of Chancery entered an order consolidating the Garfield and Cardinal actions into a single, consolidated action (Consolidated C.A. No. 2022-0687, hereinafter the "Consolidated Shareholder Action") deemed to have commenced on August 5, 2022, when the Garfield action was filed. On January 10, 2023, the plaintiffs filed a consolidated amended complaint, whose claims, as well as requested relief, mirror the claims and relief sought in the Cardinal action in all material respects. The Company's position is that the partnership units exchange was appropriate and in the best interests of the Company, and that the bonus award was properly approved by the Compensation Committee comprised of independent directors (which does not include Mr. Lutnick) after careful consideration of his contributions to the Company, including the Company's superior financial results, and following an extensive process that included advice from independent legal counsel and an independent compensation consultant.

On December 21, 2024, the parties to the Consolidated Shareholder Action agreed to settle the matter for a cash payment of $50 million to Newmark less any fees awarded to the plaintiffs' counsel by the Court following a hearing, to be paid by Newmark's directors' and officers' insurance carriers, within 15 business days after entry of judgment. The proposed settlement, which requires the Court of Chancery's approval, is intended to fully settle and release, with prejudice, any and all actual or potential claims between the parties to the settlement that arise out of or otherwise relate to the claims asserted in the Consolidated Shareholder Action. The proposed settlement is not evidence of the validity or invalidity of any claims or defenses in this action or any other actions or proceedings, or of any wrongdoing by any of the defendants, or of any damages or injury to Newmark or the plaintiffs. The defendants in this action have denied, and continue to deny, all allegations of wrongdoing, fault, liability or damage with respect to all claims asserted or that could be asserted in the Consolidated Shareholder Action.

The Court of Chancery will consider the proposed settlement and all related matters, including the plaintiffs' fee award applications, at a hearing on August 13, 2025, at 11:30 a.m. If the Court approves the settlement, the Court will enter judgment, at which time the action will be dismissed with prejudice.

On March 9, 2023, a purported class action complaint was filed against Cantor, BGC Holdings, and Newmark Holdings in the U.S. District Court for the District of Delaware (Civil Action No. 1:23-cv-00265). The collective action, which was filed by seven former limited partners on their own behalf and on behalf of other similarly situated limited partners, alleges a claim for breach of contract against all defendants on the basis that the defendants failed to make payments due under the relevant partnership agreements. Specifically, the plaintiffs allege that the non-compete and economic forfeiture provisions upon which the defendants relied to deny payment are unenforceable under Delaware law. The plaintiffs allege a second claim against Cantor and BGC Holdings for antitrust violations under the Sherman Antitrust Act of 1890, as amended, on the basis that the Cantor and BGC Holdings partnership agreements constitute unreasonable restraints of trade. In that regard, the plaintiffs allege that the non-compete and economic forfeiture provisions of the Cantor and BGC Holdings partnership agreements, as well as restrictive covenants included in partner separation agreements, cause anticompetitive effects in the labor market, insulate Cantor and BGC Holdings from competition, and limit innovation. The plaintiffs seek a determination that the case may be maintained as a class action, an injunction prohibiting the allegedly anticompetitive conduct, and monetary damages of at least $5,000,000. The defendants filed a motion to dismiss and in response, on May 31, 2023, the plaintiffs filed an Amended Class Action Complaint alleging similar allegations as a basis for claims for breach of contract and violation of the Sherman Act. The defendants moved to dismiss the Amended Complaint. On February 23, 2024, the plaintiffs filed a Second Amended Complaint, repleading claims for violation of federal antitrust laws and challenging economic forfeiture and non-compete obligations as violative of federal competition law. On December 2, 2024, the District Court granted the defendants' motion to dismiss the Second Amended Complaint. On December 16, 2024, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Third Circuit. The parties are in the process of briefing the appeal. The Company continues to believe the lawsuit has no merit and that the District Court's dismissal of the matter will be affirmed on appeal. However, as with any litigation, the outcome cannot be determined with certainty.

Critical Accounting Policies and Estimates

The preparation of our accompanying unaudited condensed consolidated financial statements in conformity with U.S. GAAP guidance requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in our accompanying unaudited condensed consolidated financial statements. These accounting estimates require the use of assumptions about matters, some which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, our accompanying unaudited condensed consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows could be materially affected. We believe that of our significant accounting policies, the following policies involve a higher degree of judgment and complexity.

Revenue Recognition

We derive our revenues primarily through commissions from brokerage services, commercial mortgage origination, net, revenues from real estate management services, servicing fees and other revenues. Revenue from contracts with customers is recognized when, or as, we satisfy our performance obligations by transferring the promised goods or services to the customers as determined by when, or as, the customer obtains control of that good or service. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring our progress in satisfying the performance obligation as evidenced by the transfer of the goods or services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time when the customer obtains control over the promised good or service.

The amount of revenue recognized reflects the consideration we expect to be entitled to in exchange for those promised goods or services (i.e., the "transaction price"). In determining the transaction price, we consider consideration promised in a contract that includes a variable amount, referred to as variable consideration, and estimate the amount of consideration due to us. Additionally, variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. In determining when to include variable consideration in the transaction price, we consider all information (historical, current and forecast) that is available, including the range of possible outcomes, the predictive value of past experiences, the time period of when uncertainties are expected to be resolved and the amount of consideration that is susceptible to factors outside of our influence.

We also use third-party service providers in the provision of services to our customers. In instances where a third-party service provider is used, we perform an analysis to determine whether we are acting as a principal or an agent with respect to the services provided. To the extent that we are acting as a principal, the revenue and the expenses incurred are recorded on a gross basis. In instances where we are acting as an agent, the revenue and expenses are presented on a net basis within the revenue line item.

In some instances, we perform services for customers and incur out-of-pocket expenses as part of delivering those services. Our customers agree to reimburse us for those expenses, and those reimbursements are part of the contract's transaction price. Consequently, these expenses and the reimbursements of such expenses from the customer are presented on a gross basis because the services giving rise to the out-of-pocket expenses do not transfer a good or service. The reimbursements are included in the transaction price when the costs are incurred, and the reimbursements are due from the customer.

MSRs, Net

We initially recognize and measure the rights to service mortgage loans at fair value and subsequently measure them using the amortization method. We recognize rights to service mortgage loans as separate assets at the time the underlying originated mortgage loan is sold, and the value of those rights is included in the determination of the gains on loans held for sale. Purchased MSRs, including MSRs purchased from CCRE, are initially recorded at fair value, and subsequently measured using the amortization method.

We receive up to a three-basis point servicing fee and/or up to a one-basis point surveillance fee on certain Freddie Mac loans after the loan is securitized in a Freddie Mac pool. The Freddie Mac Strip is also recognized at fair value and subsequently measured using the amortization method, but is recognized as a MSR at the securitization date.

MSRs are assessed for impairment, at least on an annual basis, based upon the fair value of those rights as compared to the amortized cost. Fair values are estimated using a valuation model that calculates the present value of the future net servicing cash flows. In using this valuation method, we incorporate assumptions that management believes market participants would use in estimating future net servicing income. The fair value estimates are sensitive to significant assumptions used in the valuation model such as prepayment rates, cost of servicing, escrow earnings rates, discount rates and servicing multiples, which are affected by expectations about future market or economic conditions derived, in part, from historical data. It is reasonably possible that such estimates may change. We amortize the MSRs in proportion to, and over the period of, the projected net servicing income. For purposes of impairment evaluation and measurement, we stratify MSRs based on predominant risk characteristics of the underlying loans, primarily by investor type (Fannie Mae/Freddie Mac, FHA/Ginnie Mae, commercial mortgage-backed securities and other). To the extent that the carrying value exceeds the fair value of a specific MSR strata, a valuation allowance is established, which is adjusted in the future as the fair value of MSRs increases or decreases. Reversals of valuation allowances cannot exceed the previously recognized impairment up to the amortized cost.

Equity-Based and Other Compensation

Discretionary Bonus: A portion of our compensation and employee benefits expense comprises discretionary bonuses, which may be paid in cash, equity, partnership awards or a combination thereof. We accrue expense in a period based on revenues in that period and on the expected combination of cash, equity and partnership units. Given the assumptions used in estimating discretionary bonuses, actual results may differ.

RSUs: We account for equity-based compensation under the fair value recognition provisions of U.S. GAAP guidance. RSUs provided to certain employees are accounted for as equity awards, and in accordance with U.S. GAAP guidance, we are required to record an expense for the portion of the RSUs that is ultimately expected to vest. Further, the Company estimates forfeitures at the time of grant and revises, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Because significant assumptions are used in estimating employee turnover and associated forfeiture rates, actual results may differ from our estimates under different assumptions or conditions.

The fair value of RSU awards to employees is determined on the date of grant, based on the fair value of our Class A common stock. Generally, RSUs granted by us as employee compensation do not receive dividend equivalents; as such, we adjust the fair value of the RSUs for the present value of expected forgone dividends, which requires us to include an estimate of expected dividends as a valuation input. This grant-date fair value is amortized to expense ratably over the awards' vesting periods. For RSUs with graded vesting features, we have made an accounting policy election to recognize compensation cost on a straight-line basis. The amortization is reflected as non-cash equity-based compensation expense in our accompanying unaudited condensed consolidated statements of operations.

Restricted Stock: Restricted stock provided to certain employees is accounted for as an equity award, and as per U.S. GAAP guidance, we are required to record an expense for the portion of the restricted stock that is ultimately expected to vest. We have granted restricted stock that is not subject to continued employment or service; however, transferability is subject to compliance with our and our affiliates' customary non-compete obligations. Such shares of restricted stock are generally saleable by partners in five to 10 years. Because the restricted stock is not subject to continued employment or service, the grant-date fair value of the restricted stock is expensed on the date of grant. The expense is reflected as non-cash equity-based compensation expense in our accompanying unaudited condensed consolidated statements of operations.

Limited Partnership Units: Limited partnership units in Newmark Holdings are held by Newmark employees and receive quarterly allocations of net income and are generally contingent upon services being provided by the unit holders. As discussed above, Preferred Units in Newmark Holdings are not entitled to participate in partnership distributions other than with respect to a distribution at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation. The quarterly allocations of net income to such limited partnership units are reflected as a component of compensation expense under "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our accompanying unaudited condensed consolidated statements of operations. Prior to the Corporate Conversion, certain Newmark employees held BGC Holdings limited partnership units with similar entitlements.

Certain of these limited partnership units entitle the holders to receive post-termination payments equal to the notional amount in four equal yearly installments after the holder's termination. These limited partnership units are accounted for as post-termination liability awards under U.S. GAAP guidance, which requires that Newmark record an expense for such awards based on the change in value at each reporting period and include the expense in our accompanying unaudited condensed consolidated statements of operations as part of "Equity-based compensation and allocations of net income to limited partnership units and FPUs." The liability for limited partnership units with a post-termination payout is included in "Other long-term liabilities" on our accompanying unaudited condensed consolidated balance sheets.

Certain limited partnership units held by Newmark employees are granted exchangeability into Class A common stock or may be redeemed in connection with the grant of shares of Class A common stock. At the time exchangeability is granted, or the shares are issued, Newmark recognizes an expense based on the fair value of the award on that date, which is included in "Equity-based compensation and allocations of net income to limited partnership units and FPUs" in our accompanying unaudited condensed consolidated statements of operations.

Employee Loans: We have entered into various agreements with certain of our employees and partners whereby these individuals receive loans that may be either wholly or in part repaid from distributions that the individuals receive on some or all of their limited partnership interests and from proceeds of the sale of the employees' shares of our Class A common stock or may be forgiven over a period of time. Cash advance distribution loans are documented in formal agreements and are repayable in timeframes outlined in the underlying agreements. We intend for these advances to be repaid in full from the future distributions on existing and future awards granted or the proceeds of the sales of the employees' shares. The allocations of net income to the awards are treated as compensation expense and the proceeds from distributions are used to repay the loan. The forgivable portion of any loan is recognized as compensation expense in our accompanying unaudited condensed consolidated statements of operations over the life of the loan. We review the loan balances each reporting period for collectability. If we determine that the collectability of a portion of the loan balances is not expected, we recognize a reserve against the loan balances. Actual collectability of loan balances may differ from our estimates. As of March 31, 2025 and December 31, 2024, the aggregate balance of employee loans, net of reserve, was $866.2 million and $769.4 million, respectively, and is included as "Loans, forgivable loans and other receivables from employees and partners, net" in our accompanying unaudited condensed consolidated balance sheets. Compensation expense for the above-mentioned employee loans for the three months ended March 31, 2025 and 2024, was $25.5 million and $24.4 million, respectively. The compensation expense related to these loans was included as part of “Compensation and employee benefits” in our accompanying unaudited condensed consolidated statements of operations.

Goodwill

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. As prescribed in U.S. GAAP guidance, *Intangibles – Goodwill and Other Intangible Assets*, goodwill is not amortized, but instead is periodically tested for impairment. We review goodwill for impairment on an annual basis during the fourth quarter of each fiscal year or whenever an event occurs, or circumstances change that could reduce the fair value of a reporting unit below its carrying amount.

When reviewing goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If the results of the qualitative assessment indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, or if we choose to bypass the qualitative assessment, we perform a quantitative goodwill impairment analysis as follows.

The quantitative goodwill impairment test, used to identify both the existence of impairment and the amount of impairment loss, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss should be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. If the estimated fair value of a reporting unit exceeds its carrying value, goodwill is deemed not to be impaired. To estimate the fair value of the reporting unit, we use a discounted cash flow model and data regarding market comparables. The valuation process requires significant judgment and involves the use of significant estimates and assumptions. These assumptions include cash flow projections, estimated cost of capital and the selection of peer companies and relevant multiples. Because significant assumptions and estimates are used in projecting future cash flows, choosing peer companies and selecting relevant multiples, actual results may differ from our estimates under different assumptions or conditions.

Credit Losses

The CECL methodology requires us to estimate lifetime expected credit losses by incorporating historical loss experience, as well as current and future economic conditions over a reasonable and supportable period beyond the balance sheet date.

The expected credit loss is modeled based on our historical loss experience adjusted to reflect current conditions. A significant amount of judgment is required in the determination of the appropriate reasonable and supportable period, the methodology used to incorporate current and future macroeconomic conditions, determination of the probability of and exposure at default, all of which are ultimately used in measuring the quantitative components of our reserves. Beyond the reasonable and supportable period, we estimate expected credit losses using our historical loss rates. We also consider whether to adjust the quantitative reserves for certain external and internal qualitative factors, which consequentially may increase or decrease the reserves for credit losses and receivables. In order to estimate credit losses, assumptions about current and future economic conditions are incorporated into the model using multiple economic scenarios that are weighted to reflect the conditions at each measurement date.

During the three months ended March 31, 2025, there was a decrease of $0.5 million in our reserves, of which $3.1 million increased “Operating, administrative, and other” expense on the accompanying unaudited condensed consolidated statements of operations. These reserves were based on macroeconomic forecasts which are critical inputs into our model and material movements in variables such as the U.S. unemployment rate and U.S. GDP growth rate which could significantly affect our estimated expected credit losses. These macroeconomic forecasts, under different conditions or using different assumptions or estimates, could result in significantly different changes in reserves for credit losses. It is difficult to estimate how potential changes in specific factors might affect the overall reserves for credit losses and current results may not reflect the potential future impact of macroeconomic forecast changes.

Income Taxes

Newmark accounts for income taxes using the asset and liability method as prescribed in U.S. GAAP guidance, Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to basis differences between our accompanying unaudited condensed consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Certain of Newmark’s entities are taxed as U.S. partnerships and are subject to primarily the UBT in New York City. Therefore, the tax liability or benefit related to the partnership income or loss except for the UBT rests with the partners, rather than the partnership entity. As such, the partners’ tax liability or benefit is not reflected in our accompanying unaudited condensed consolidated financial statements. The tax-related assets, liabilities, provisions or benefits included in our accompanying unaudited condensed consolidated financial statements also reflect the results of the entities that are taxed as corporations, either in the U.S. or in foreign jurisdictions.

Newmark provides for uncertain tax positions based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. Management is required to determine whether a tax position is more likely than not to be sustained upon examination by tax authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Because significant assumptions are used in determining whether a tax benefit is more likely than not to be sustained upon examination by tax authorities, actual results may differ from Newmark's estimates under different assumptions or conditions. Newmark recognizes interest and penalties related to uncertain tax positions in "Provision for income taxes" in our accompanying unaudited condensed consolidated statements of operations.

A valuation allowance is recorded against deferred tax assets if it is deemed more likely than not that those assets will not be realized. In assessing the need for a valuation allowance, Newmark considers all available evidence, including past operating results, the existence of cumulative losses in the most recent fiscal years, estimates of future taxable income and the feasibility of tax planning strategies.

The measurement of current and deferred income tax assets and liabilities is based on provisions of enacted tax laws and involves uncertainties in the application of tax regulations in the U.S. and other tax jurisdictions. Because Newmark's interpretation of complex tax law may impact the measurement of current and deferred income taxes, actual results may differ from these estimates under different assumptions regarding the application of tax law.

Derivative Financial Instruments

We have loan commitments to extend credit to third parties. The commitments to extend credit are for mortgage loans at a specific rate (rate lock commitments). These commitments generally have fixed expiration dates or other termination clauses and may require a fee. We are committed to extend credit to the counterparty as long as there is no violation of any condition established in the commitment contracts. Whenever we commit to extend credit, we simultaneously enter into a Forward Sales Contract.

Both the commitment to extend credit and the forward sale commitment qualify as derivative financial instruments. We recognize all derivatives on our accompanying unaudited condensed consolidated balance sheets as assets or liabilities measured at fair value. The change in the derivatives fair value is recognized in current period earnings.

Recent Accounting Pronouncements

See Note 1 — "Organization and Basis of Presentation" to our accompanying unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, for information regarding recent accounting pronouncements.

Capital Deployment Priorities, Dividend Policy and Repurchase and Redemption Program

Since 2022, the Board has declared a quarterly dividend of $0.03 per share. In addition, Newmark Holdings has paid an after-tax distribution to its partners. The Exchange Ratio is adjusted in accordance with the terms of the Separation and Distribution Agreement in the event of any difference between our dividend policy and the distribution policy of Newmark Holdings.

Any dividends, if and when declared by our Board, will be paid on a quarterly basis. No assurance can be made, however, that a dividend will be paid each quarter. The declaration, payment, timing, and amount of any future dividends payable by us will be at the sole discretion of our Board. With respect to any distributions which are declared, amounts paid to or on behalf of partners will at least cover their related tax payments. Whether any given post-tax amount is equivalent to the amount received by a stockholder also on an after-tax basis depends upon stockholders' and partners' domiciles and tax status.

We are a holding company, with no direct operations, and therefore we are able to pay dividends only from our available cash on hand and funds received from distributions from Newmark OpCo. Our ability to pay dividends may also be limited by regulatory considerations as well as by covenants contained in financing or other agreements. In addition, under Delaware law, dividends may be payable only out of surplus, which is our net assets minus our capital (as defined under Delaware law), or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Accordingly, any unanticipated accounting, tax, regulatory or other charges against net income may adversely affect our ability to declare and pay dividends. While we intend to declare and pay dividends quarterly, there can be no assurance that our Board will declare dividends at all or on a regular basis or that the amount of our dividends will not change.

The Company did not repurchase shares or units during the first quarter 2025 and had $371.9 million remaining under its share repurchase and unit redemption authorization as of March 31, 2025. Newmark anticipates share repurchases and unit redemptions remaining a capital allocation priority.

Our Organizational Structure

As of March 31, 2025, there were 236,968,202 shares of Newmark Class A common stock issued and 161,924,550 outstanding. Each share of Newmark Class A common stock is generally entitled to one vote on matters submitted to a vote of our stockholders. As of March 31, 2025, Cantor and CFGM collectively held 21,285,533 shares of Newmark Class B common stock representing all of the outstanding shares of Newmark Class B common stock, and CFGM held 1,025,612 shares of Newmark Class A common stock. The shares of Newmark Class A and Class B common stock held by Cantor and CFGM, as of March 31, 2025, represented approximately 57.1% of our total voting power. Each share of Newmark Class B common stock is generally entitled to the same rights as a share of Newmark Class A common stock, except that, on matters submitted to a vote of our stockholders, each share of Newmark Class B common stock is entitled to 10 votes. The Newmark Class B common stock generally votes together with the Newmark Class A common stock on all matters submitted to a vote of our stockholders.

Shares of Newmark Class B common stock are convertible into shares of Newmark Class A common stock at any time in the discretion of the holder on a one-for-one basis. Accordingly, if Cantor and CFGM converted all of their shares of Newmark Class B common stock into shares of Newmark Class A common stock, Cantor and CFGM would hold 12.2% of the voting power in Newmark and the stockholders of Newmark other than Cantor and CFGM would hold 87.8% of the voting power in Newmark (and the indirect economic interests in Newmark OpCo would remain unchanged). In addition, if Cantor and CFGM continued to hold shares of Newmark Class B common stock and if Cantor exchanged all of the exchangeable limited partnership units held by Cantor for shares of Newmark Class B common stock, Cantor and CFGM would hold 71.9% of the voting power in Newmark, and the stockholders of Newmark other than Cantor and CFGM would hold 28.1% of the voting power in Newmark (and the indirect economic interests in Newmark OpCo would remain unchanged).

We expect to retain our dual class structure, and there are no circumstances under which the holders of Newmark Class B common stock would be required to convert their shares of Newmark Class B common stock into shares of Newmark Class A common stock. Our Certificate of Incorporation does not provide for automatic conversion of shares of Newmark Class B common stock into shares of Newmark Class A common stock upon the occurrence of any event.

We hold the Newmark Holdings general partnership interest and the Newmark Holdings special voting limited partnership interest, which entitle us to remove and appoint the general partner of Newmark Holdings and serve as the general partner of Newmark Holdings, which entitles us to control Newmark Holdings. Newmark Holdings, in turn, holds the Newmark OpCo general partnership interest and the Newmark OpCo special voting limited partnership interest, which entitle Newmark Holdings to remove and appoint the general partner of Newmark OpCo, and serve as the general partner of Newmark OpCo, which entitles Newmark Holdings (and thereby us) to control Newmark OpCo. In addition, as of March 31, 2025, we directly held Newmark OpCo limited partnership interests consisting of approximately 195,264,954 units representing approximately 74.0% of the outstanding Newmark OpCo limited partnership interests. We are a holding company that holds these interests, serves as the general partner of Newmark Holdings and, through Newmark Holdings, acts as the general partner of Newmark OpCo. As a result of our ownership of the general partnership interest in Newmark Holdings and Newmark Holdings' general partnership interest in Newmark OpCo, we consolidate Newmark OpCo's results for financial reporting purposes.

Cantor, Founding Partners, Working Partners and Limited Partnership Unit Holders directly hold Newmark Holdings limited partnership interests. Newmark Holdings, in turn, holds Newmark OpCo limited partnership interests and, as a result, Cantor, Founding Partners, Working Partners and Limited Partnership Unit Holders indirectly have interests in Newmark OpCo limited partnership interests.

The Newmark Holdings limited partnership interests held by Cantor and CFGM are designated as Newmark Holdings exchangeable limited partnership interests. The Newmark Holdings limited partnership interests held by the Founding Partners are designated as Newmark Holdings Founding Partner interests. The Newmark Holdings limited partnership interests held by the Working Partners are designated as Newmark Holdings Working Partner interests. The Newmark Holdings limited partnership interests held by the Limited Partnership Unit Holders are designated as limited partnership units.

Each unit of Newmark Holdings limited partnership interests held by Cantor and CFGM is generally exchangeable with us for a number of shares of Class B common stock (or, at Cantor's option or if there are no additional authorized but unissued shares of Class B common stock, a number of shares of Class A common stock) equal to the Exchange Ratio.

As of March 31, 2025, 2,104,100 Founding/Working Partner interests were outstanding. These Founding/Working Partner interests were issued in the Separation to holders of BGC Holdings Founding/Working Partner interests, who received such Founding/Working Partner interests in connection with BGC Partners' acquisition of the BGC Partners business from Cantor in 2008. The Newmark Holdings limited partnership interests held by Founding/Working Partners are not exchangeable with us unless (1) Cantor acquires Cantor Units from Newmark Holdings upon termination or bankruptcy of the Founding/Working Partners or redemption of their units by Newmark Holdings (which it has the right to do under certain circumstances), in which case such interests will be exchangeable with us for shares of Newmark Class A common stock or Newmark Class B common stock as described above, or (2) Cantor determines that such interests can be exchanged by such Founding/Working Partners with us for Newmark Class A common stock, with each Newmark Holdings unit exchangeable for a number of shares of Newmark Class A common stock equal to the Exchange Ratio (which was initially one, but is subject to adjustment as set forth in the Separation and Distribution Agreement), on terms and conditions to be determined by Cantor (which exchange of certain interests Cantor permits from time to time). Once a Newmark Holdings Founding/Working Partner interest becomes exchangeable, such Founding/Working Partner interest is automatically exchanged upon a termination or bankruptcy with us for Newmark Class A common stock.

Further, we provide exchangeability for partnership units under other circumstances in connection with (1) our partnership redemption, compensation and restructuring programs, (2) other incentive compensation arrangements and (3) business combination transactions.

As of December 31, 2024, Cantor was obligated to distribute 7,221,277 shares of Class A common stock to certain current and former partners of Cantor to satisfy certain deferred stock distribution obligations provided to such partners (i) on April 1, 2008, and (ii) on February 14, 2012 in connection with Cantor's payment of previous quarterly partnership distributions. Certain Cantor partners had elected to receive their distributed shares in 2008 and 2012, respectively, and others had elected to defer receipt of their shares until a future date. On February 18, 2025, Cantor exercised exchange rights with respect to 7,782,387 exchangeable limited partnership interests held by it, at the then-current Exchange Ratio of 0.9279, for 7,221,277 shares of Class A common stock, which Newmark issued to Cantor in reliance on the exemption from registration under the Securities Act provided by Section 4(a)(2) thereof for transactions not involving a public offering, and then immediately delivered those 7,221,277 shares of Class A common stock to those certain current and former Cantor partners in satisfaction of all its remaining distribution rights obligations.

As of March 31, 2025, 68,612,545 limited partnership units were outstanding (including Founding/Working Partner interests and Working Partner interests, and units held by Cantor). Limited partnership units will be only exchangeable with us in accordance with the terms and conditions of the grant of such units, which terms and conditions are determined in our sole discretion, as the Newmark Holdings general partner, with the consent of the Newmark Holdings exchangeable limited partnership interest majority in interest, in accordance with the terms of the Newmark Holdings limited partnership agreement.

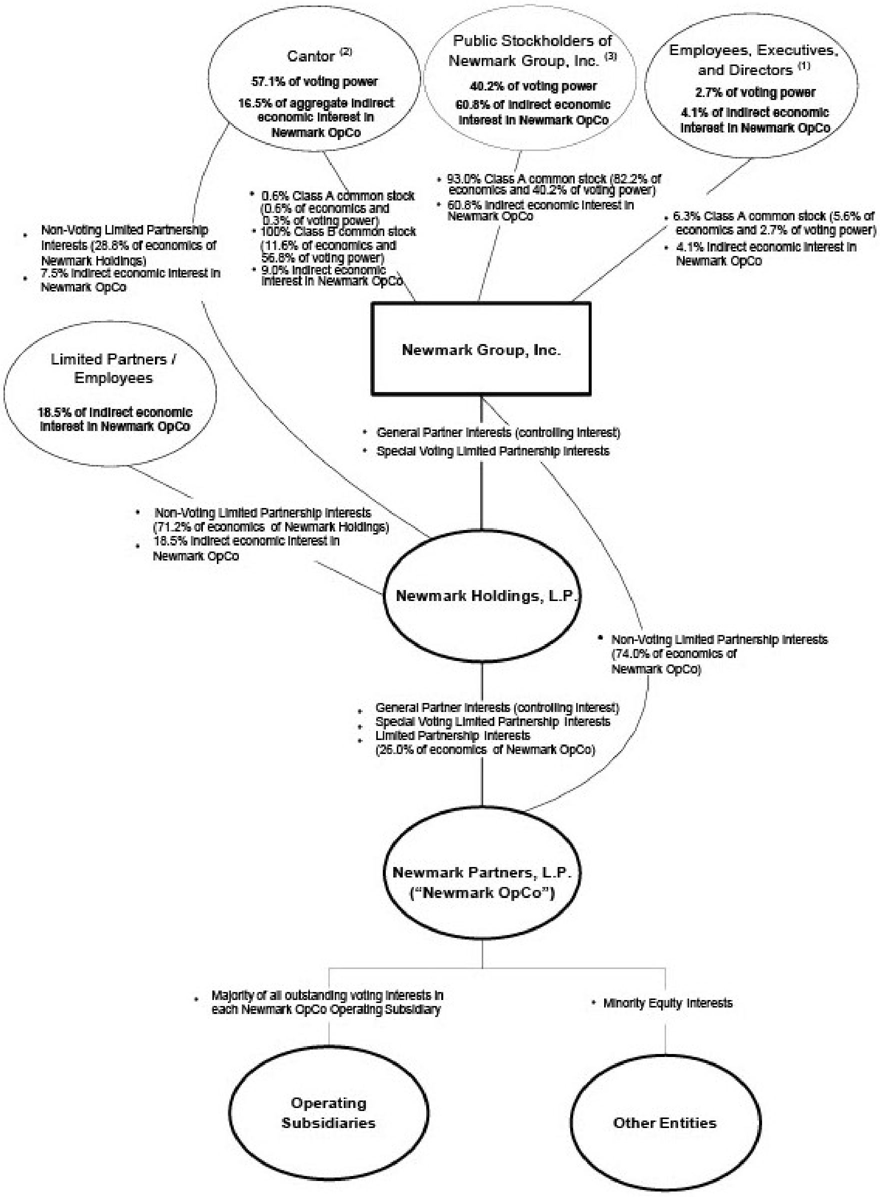
The Exchange Ratio between Newmark Holdings limited partnership interests and our common stock was initially one. However, this Exchange Ratio will be adjusted in accordance with the terms of the Separation and Distribution Agreement if our dividend policy and the distribution policy of Newmark Holdings are different. As of March 31, 2025, the Exchange Ratio was 0.9271.

With each exchange, our direct and indirect interest in Newmark OpCo will proportionately increase because, immediately following an exchange, Newmark Holdings will redeem the Newmark Holdings unit so acquired for the Newmark OpCo limited partnership interest underlying such Newmark Holdings unit.

The profit and loss of Newmark OpCo and Newmark Holdings, as the case may be, are allocated based on the total number of Newmark OpCo units and Newmark Holdings units, as the case may be, outstanding.

The following diagram illustrates the ownership structure of Newmark as of March 31, 2025. The diagram does not reflect the various subsidiaries of Newmark, Newmark OpCo or Cantor (including certain operating subsidiaries that are organized as corporations whose equity is either wholly owned by Newmark or whose equity is majority-owned by Newmark with the remainder owned by Newmark OpCo) or the results of any exchange of Newmark Holdings exchangeable limited partnership interests or, to the extent applicable, Newmark Holdings Founding Partner interests, Newmark Holdings Working Partner interests or Newmark Holdings limited partnership units.

STRUCTURE OF NEWMARK AS OF MARCH 31, 2025



(1) Excludes unrestricted Class A common stock owned by employees.

(2) Cantor includes Cantor Fitzgerald, L.P. and CFGM. Cantor Fitzgerald, L.P. has 11.4% of the economics and 55.9% of the voting power in Newmark Group, Inc. CFGM has 0.8% of the economics and 1.2% of the voting power in Newmark Group, Inc.

(3) Public Stockholders includes unrestricted shares of our Class A common stock owned by current employees due to an inability to track such shares once they leave the Company's transfer agent, as well as the holdings of the former Executive Chairman, Mr. Howard W. Lutnick, as he has stepped down from his positions with the Company.

The diagram reflects Newmark Class A common stock and Newmark Holdings partnership unit activity from January 1, 2025 through March 31, 2025 as follows: (a) an aggregate of 3,850,912 limited partnership units granted by Newmark Holdings; (b) no shares of Newmark Class A common stock repurchased by us; (c) 60,238 shares of restricted Newmark Class A common stock forfeited; (d) 1,370,555 shares of Newmark Class A common stock issued for RSUs; (e) 101,497 shares of Class A common stock issued by us under our acquisition shelf registration statement on Form S-4 (Registration No. 333-231616), but not the 17,318,904 of such shares and rights to acquire such shares remaining available for issuance by us under such registration statement; (f) 791,830 terminated limited partnership units; and (g) the above-mentioned 7,782,387 exchangeable limited partnership interests exchanged for 7,221,277 shares of Class A common stock.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

Our multifamily origination business under the Fannie Mae DUS program originates and services multifamily loans for Fannie Mae without having to obtain Fannie Mae's prior approval for certain loans, as long as the loans meet the underwriting guidelines set forth by Fannie Mae. In return for the delegated authority to make loans and the commitment to purchase loans by Fannie Mae, we must maintain minimum collateral and generally are required to share risk of loss on loans sold through Fannie Mae. With respect to most loans, we are generally required to absorb approximately one-third of any losses on the unpaid principal balance of a loan at the time of loss settlement. Some of the loans that we originate under the Fannie Mae DUS program are subject to reduced levels of risk-sharing. However, we generally receive lower servicing fees with respect to such loans. Although our Berkeley Point business's average annual losses from such risk-sharing programs have been a minimal percentage of the aggregate principal amount of such loans, if loan defaults increase, actual risk-sharing obligation payments under the Fannie Mae DUS program could increase, and such defaults could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, a material failure to pay its share of losses under the Fannie Mae DUS program could result in the revocation of Berkeley Point's license from Fannie Mae and the exercise of various remedies available to Fannie Mae under the Fannie Mae DUS program.

Interest Rate Risk

On January 12, 2024, Newmark closed its offering of $600.0 million aggregate principal amount of 7.500% Senior Notes. These debt obligations are not currently subject to fluctuations in interest rates, although in the event of refinancing or issuance of new debt, such debt could be subject to changes in interest rates. Newmark had outstanding $600.0 million aggregate principal amount of 7.500% Senior Notes and $175.0 million outstanding on the Credit Facility as of March 31, 2025. The interest rate on the Credit Facility is currently based upon SOFR.

Berkeley Point is an intermediary that originates loans which are generally pre-sold prior to loan closing. Therefore, for loans held for sale to the GSEs and HUD, we are not currently exposed to unhedged interest rate risk. Prior to closing on loans with borrowers, we enter into agreements to sell the loans to investors, and originated loans are typically sold within 45 days of funding. The coupon rate for each loan is set concurrently with the establishment of the interest rate with the investor.

Some of our assets and liabilities are subject to changes in interest rates. Earnings from escrows are generally based on SOFR. The 30-day SOFR as of March 31, 2025 was 433 basis points and 532 basis points at March 31, 2024. A 100-basis point increase in the 30-day SOFR would increase our annual earnings by $11.6 million based on our escrow balances as of March 31, 2025 and by $10.1 million based on our escrow balances as of March 31, 2024. A 100-basis point decrease in the 30-day SOFR would decrease our annual earnings by $11.6 million based on our escrow balances as of March 31, 2025 and by $10.1 million based on the escrow balances as of March 31, 2024.

We use warehouse facilities and repurchase agreements to fund loans we originate under our various lending programs. The borrowing costs of our warehouse facilities and the repurchase agreement is based on SOFR. A 100-basis point increase in 30-day SOFR would decrease our annual earnings by $8.2 million based on our outstanding balances as of March 31, 2025 and by $4.9 million based on our outstanding balances as of March 31, 2024. A 100 basis-point decrease in 30-day SOFR would increase our annual earnings by approximately $8.2 million based on our outstanding warehouse balance as of March 31, 2025 and by approximately $4.9 million based on our outstanding warehouse balance as of March 31, 2024. During 2024, the borrowing costs we incurred on our warehouse facilities exceeded the amount of interest income we earned from loans held for sale due to the inverted yield curve. Our borrowing costs are based on a short term SOFR rate, while the interest rate we earn on loans held for sale are based on U.S. Treasury rates plus a credit spread.

Foreign Currency Risk

We are exposed to risks associated with changes in foreign exchange rates. Changes in foreign exchange rates create volatility in the U.S. dollar equivalent of our revenues and expenses. While our international results of operations, as measured in U.S. dollars, are subject to foreign exchange fluctuations, we do not consider the related risk to be material to our results of operations. While our exposure to foreign exchange risk is not currently material to us, we expect to grow our international revenues in the future, and any future potential exposure to foreign exchange fluctuations may present a material risk to our business.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Newmark Group, Inc. maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by Newmark Group, Inc. is recorded, processed, accumulated, summarized and communicated to its management, including its Chief Executive Officer and its Chief Financial Officer, to allow timely decisions regarding required disclosures, and reported within the time periods specified in the SEC's rules and forms. The Chief Executive Officer and the Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of Newmark Group, Inc.'s disclosure controls and procedures as of March 31, 2025. Based on that evaluation, Chief Executive Officer and the Chief Financial Officer concluded that Newmark Group, Inc.'s disclosure controls and procedures were effective as of March 31, 2025.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2025, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

See Note 27 — "Commitments and Contingencies" to the Company's unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the information under the heading "Legal Proceedings" included in Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, of this Quarterly Report on Form 10-Q, for descriptions of our legal proceedings which are incorporated by reference herein.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The information required by this Item is set forth in Note 5 — "Stock Transactions and Unit Purchases," Note 23 — "Related Party Transactions — Cantor Rights to Purchase Cantor Units from Newmark Holdings" and Note 26 — "Compensation" to our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q, and under the heading "Equity – Share Repurchase Program" included in Part I, Item 2, of this Quarterly Report on Form 10-Q, Management's Discussion and Analysis of Financial Condition and Results of Operations, and is incorporated by reference herein.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the quarter ended March 31, 2025, none of the Company's directors or executive officers informed the Company of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

ITEM 6. EXHIBITS

The Exhibit Index set forth below is incorporated by reference in response to this Item 6.

Exhibit Number	Exhibit Title
10.1	Change in Control Agreement, dated February 18, 2025, by and between Stephen Merkel and Newmark Group, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 19, 2025).
10.2	Offer Letter, by and between Newmark Partners, L.P. and Luis Alvarado, dated April 7, 2025 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 8, 2025).
31.1	Certification by the Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by the Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101	The following materials from Newmark Group, Inc.'s Quarterly Report on Form 10-Q for the period ended March 31, 2025 are formatted in inline eXtensible Business Reporting Language (iXBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Changes in Equity, (v) the Condensed Consolidated Statements of Cash Flows and (vi) Notes to the Consolidated Financial Statement. The XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL (included in Exhibit 101).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 to be signed on its behalf by the undersigned, thereunto duly authorized.

Newmark Group, Inc.

	/s/ Barry M. Gosin
Name:	**Barry M. Gosin**
Title:	**Chief Executive Officer**
	/s/ Michael J. Rispoli
Name:	**Michael J. Rispoli**
Title:	**Chief Financial Officer**

Date: May 9, 2025

Exhibit 31.1

CERTIFICATION

I, Barry Gosin, certify that:

1. I have reviewed this Report on Form 10-Q of Newmark Group, Inc. for the quarter ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of this disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Barry Gosin

Barry Gosin
Chief Executive Officer

Date: May 9, 2025

Exhibit 31.2

CERTIFICATION

I, Michael J. Rispoli, certify that:

1. I have reviewed this report on Form 10-Q of Newmark Group, Inc. for the quarter ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of this disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael J. Rispoli

Michael J. Rispoli
Chief Financial Officer

Date: May 9, 2025

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Report of Newmark Group, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof, each of Barry Gosin, Chief Executive Officer, and Michael J. Rispoli, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Barry Gosin		/s/ Michael J. Rispoli	
Name:	**Barry Gosin**	**Name:**	**Michael J. Rispoli**
Title:	**Chief Executive Officer**	**Title:**	**Chief Financial Officer**

Date: May 9, 2025