



# Earnings Presentation

Third Quarter 2025

November 5, 2025



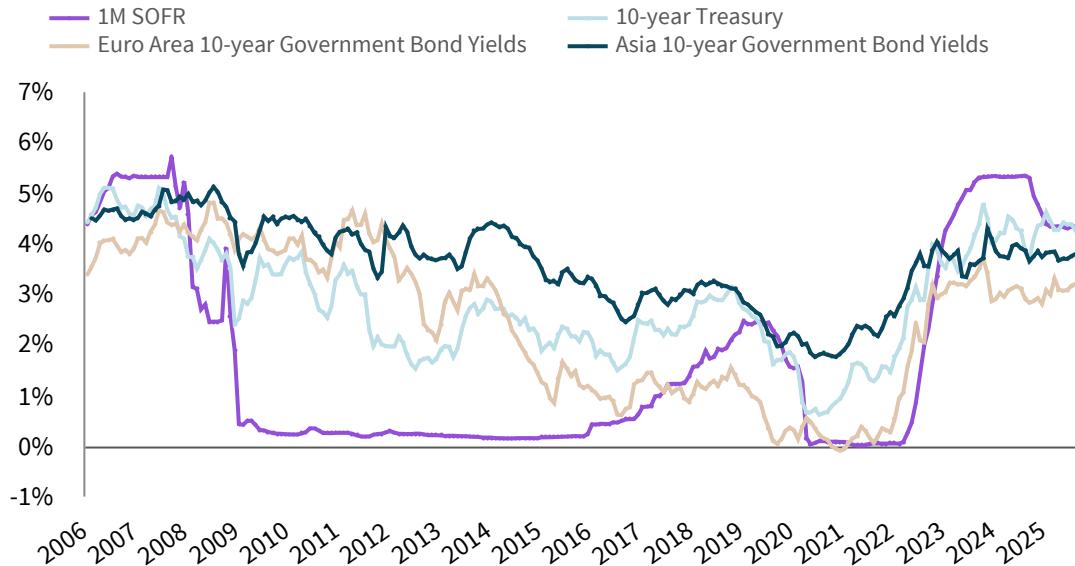
# Cautionary note regarding forward-looking statements

Statements in this presentation regarding, among other things, future financial results and performance, achievements, plans, objectives and share repurchases may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors, the occurrence of which are outside JLL's control which may cause JLL's actual results, performance, achievements, plans, and objectives to be materially different from those expressed or implied by such forward-looking statements. For additional information concerning risks, uncertainties, and other factors that could cause actual results to differ materially from those anticipated in forward-looking statements, and risks to JLL's business in general, please refer to those factors discussed under "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures about Market Risk," and elsewhere in JLL's Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date of this presentation, and except to the extent required by applicable securities laws, JLL expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements contained herein to reflect any change in expectations or results, new information, developments, any change in events.

# Third quarter 2025 industry highlights

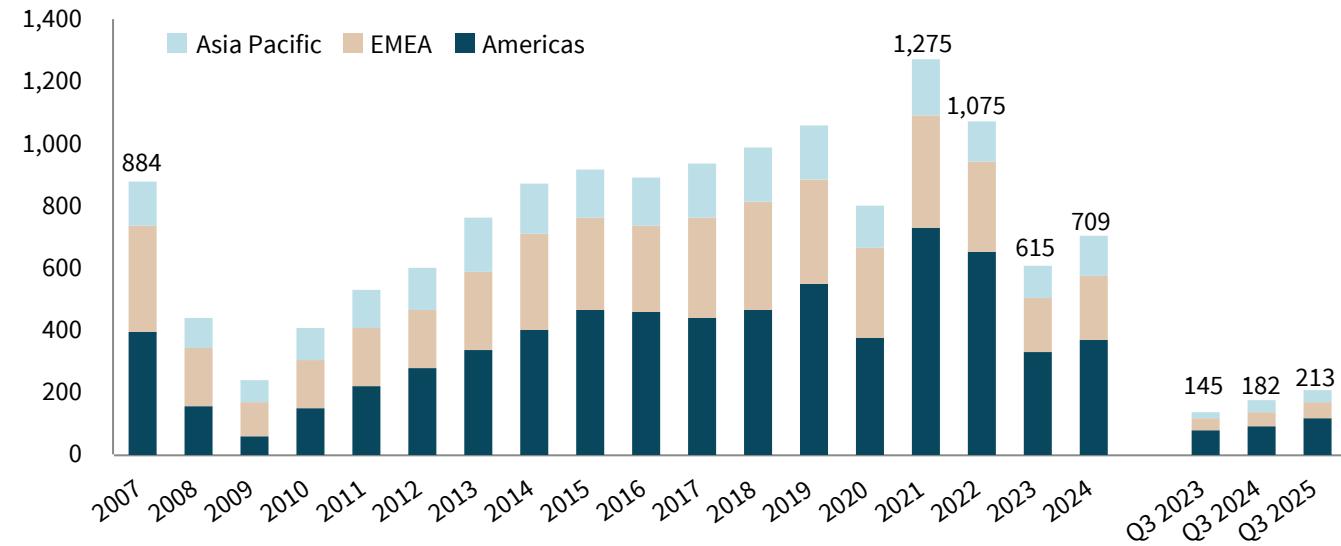
# Capital markets industry highlights

## Benchmark yields, 2006 – September 2025



## Real estate investment volumes by region, 2007 – Q3 2025

Direct investment volumes (US\$ billion)



## Third quarter highlights

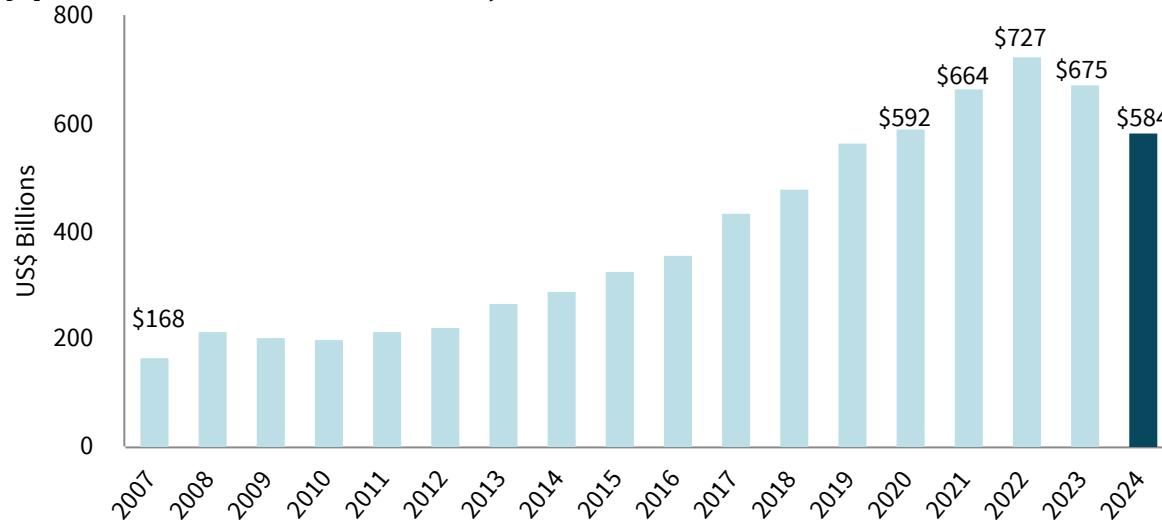
- Global direct investment grew 12% local currency (17% USD) compared with the prior-year, as markets largely stabilized and monetary and fiscal policies work to adjust to the new normal.
- Growth in the quarter was led by the Americas with investment activity up 25% local currency (26% USD) with easing monetary policy and robust debt markets bolstering activity; in EMEA, volumes increased 5% local currency (19% USD); Asia Pacific activity declined 7% local currency (8% USD).
- Debt markets remained highly liquid, with debt originations nearing record levels in the U.S., supported by strong credit availability and attractive spreads as corporate bond yields remain near historic lows; liquidity for larger transactions is improving.

### Notes:

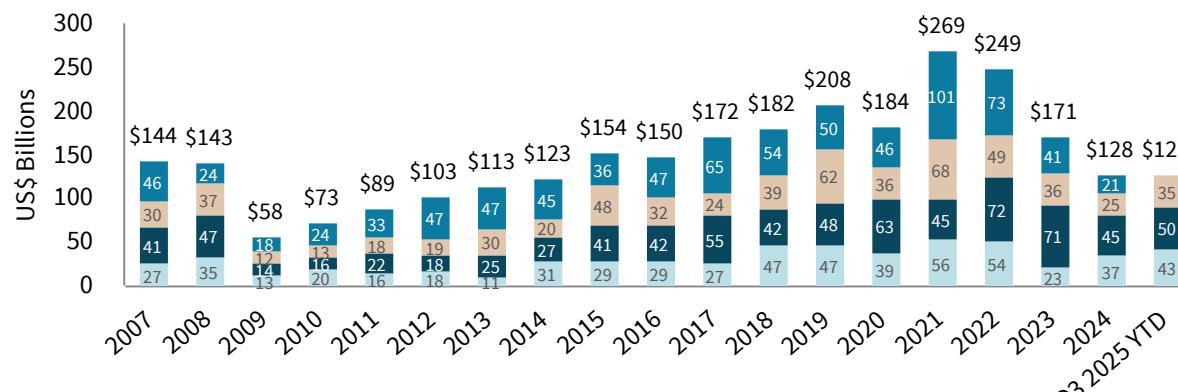
- Source: JLL Research, October 2025, FRED Economic Data; Benchmark yields data as of September 2025
- Real estate investment includes office, living / multifamily, retail, hotels, industrial, mixed use, healthcare and alternatives sectors. Excludes entity-level and development transactions.

# Capital markets industry trends

## Dry powder in closed-end funds, 2007 - 2024



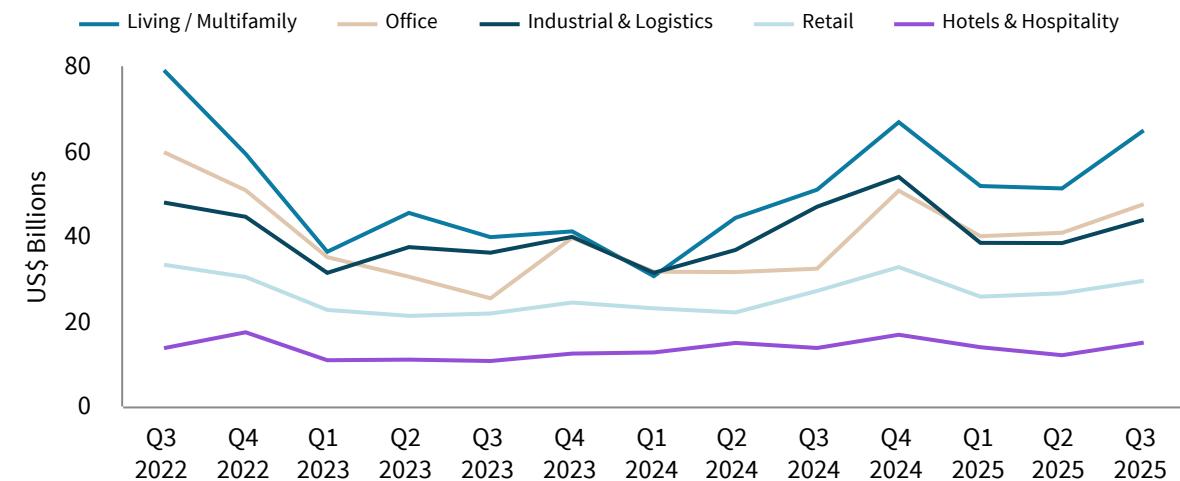
## Global fundraising for closed-end funds



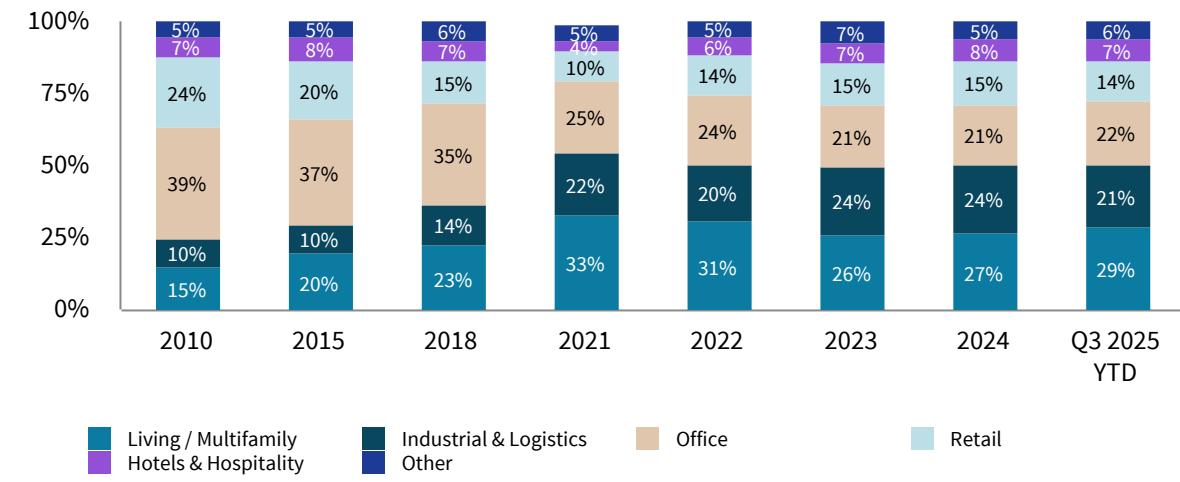
### Notes:

- Source: JLL Research, October 2025, Preqin, as of October 13, 2025; Upward revisions to prior years dry powder were made in July 2025 by Preqin

## Quarterly investment volumes by sector, Q3 2022 - Q3 2025



## Share of investment volume by sector

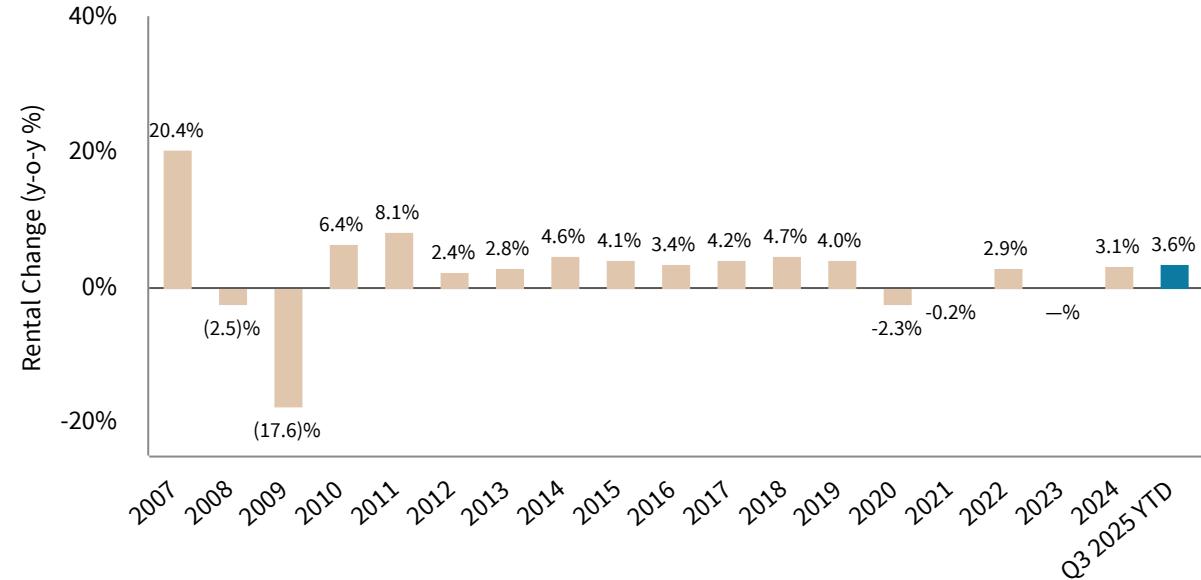


# Office leasing industry highlights

## Global office leasing volumes by region, 2007 – Q3 2025



## Rental growth for prime office assets, annual



## Third quarter highlights

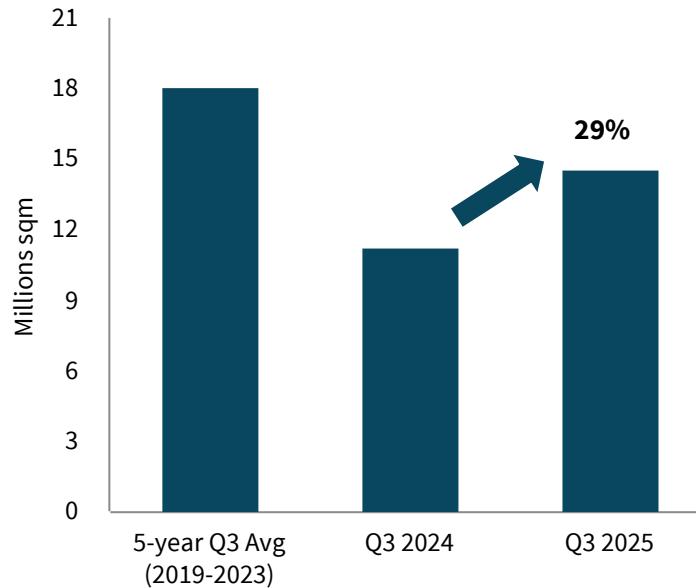
- Office leasing demand remained resilient despite regional divergence, with global office leasing volumes up 2% versus the prior-year quarter, led by North America (up 11%) while volumes moderated in Asia-Pacific (down 12%) and EMEA (down 6%).
- U.S. office demand strengthened in the third quarter, supported by an uptick in large transactions; office attendance mandates creating space pressures for companies who previously downsized.
- The global vacancy rate declined for the first time since 2019, falling 10 basis points to 16.9% in the third quarter compared with 17.0% in the second quarter 2025 and 16.7% a year ago; vacancy is expected to continue to decline amidst supply shortages in high-quality buildings and reduced downsizing in the U.S. and EMEA.

### Notes:

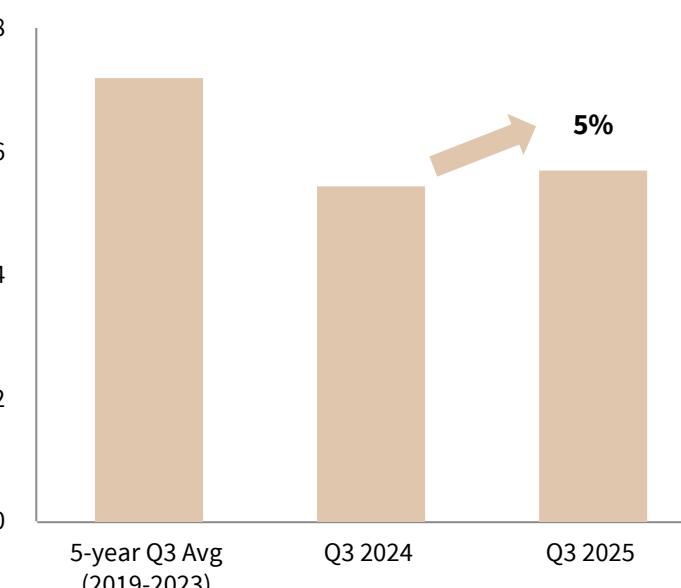
- Source: JLL Research, October 2025
- North America represents U.S. and Canadian markets only for quarterly results, U.S. only for annual results; Prime Office Rental Growth: unweighted average of 30 major markets

# Industrial leasing industry highlights

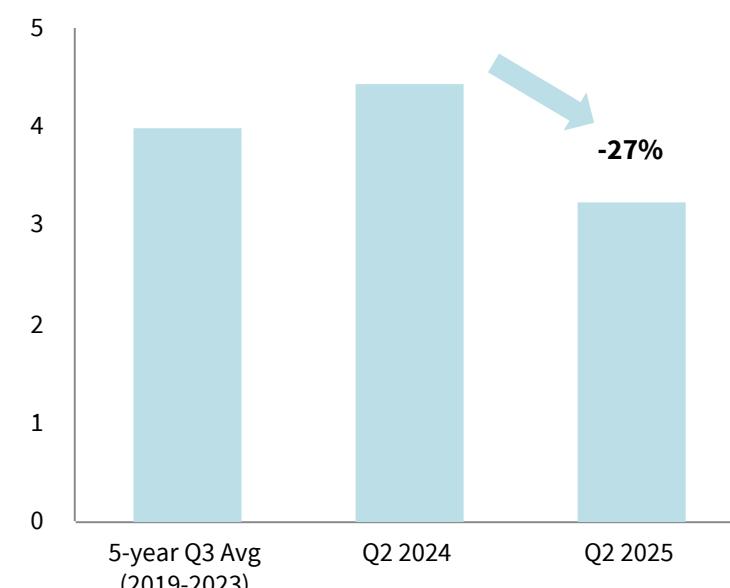
## North America Gross Leasing



## Europe Gross Leasing



## Asia Pacific Net Absorption



## Third quarter highlights

- Global activity in the industrial sector increased in the third quarter, led by North America where operational needs drove decision-making, while tenants remained more cautious on expansion plans in several Asia Pacific markets given tariff and political uncertainties.
- Third-party logistics tenants generally remain the most active as companies outsource logistics solutions for greater flexibility and efficiency; demand from manufacturing occupiers is growing.
- Flexibility and diversification remain key as markets adjust to complex conditions; structural drivers will underpin gradually strengthening activity across regions next year, including the regionalization of higher-value manufacturing, growing defense spending, rising e-commerce and urbanization.

### Notes:

- Source: JLL Research, October 2025
- North America Gross Leasing: 60 city markets; EMEA Gross Leasing: 13 national markets; Asia Pacific Net Absorption: 39 city markets

## Consolidated financials

# Reporting Changes and Segment Realignment

## **Reporting changes effective July 1, 2025:**

- We are isolating the activity related to the Proptech Investments portfolio from the Software and Technology Solution segment.
  - The activity associated with the Proptech Investments historically reported within Software and Technology Solutions will be presented outside of the reporting segments in "All Other".
  - Prior-period financial information was recast to conform with this presentation.
  - As a result of this "All Other" presentation, tables presenting segment-level measures may not sum to consolidated totals.

## **Segment realignment effective January 1, 2026:**

- Effective January 1, Software and Technology Solutions will run as a fifth business line within the Real Estate Management Services segment, alongside Workplace Management, Project Management, Property Management, and Portfolio Services & Other.
- The new structure will allow us to further scale the business, align on the most effective and client-centric go-to-market approach and fully realize top- and bottom-line synergies.
- We will be providing prior-period financial information recast to conform with this presentation prior to our Q1 2026 earnings release.

# Consolidated third quarter 2025 financial results

Growth rates represent % change over Q3 2024

	Q3 2025	Q3 2024	'25/'24 % Chg. USD	'25/'24 % Chg. Local Currency
Revenue	\$6,510M	\$5,869M	11%	10%
Gross contract costs	\$4,269M	\$3,862M	11%	10%
Platform operating expenses, excluding carried interest	\$1,952M	\$1,785M	9%	8%
Adjusted EBITDA	\$347M	\$298M	17%	16%
Adjusted net income	\$217M	\$170M	28%	29%
Adjusted diluted EPS	\$4.50	\$3.50	28%	29%

## Third quarter highlights

- Resilient revenue business lines continued to deliver strong growth, collectively up 9% local currency, led by Project Management and Workplace Management.
- Transactional businesses were collectively up 13% local currency, led by Investment Sales, Debt/Equity Advisory and Other and Leasing.
- The improved profit and margin were largely driven by Transactional revenue growth, with contributions from Resilient revenue growth, together with enhanced platform leverage and continued cost discipline, partially offset by the unfavorable impact on the current quarter associated with the timing of incentive compensation accruals and certain discrete expenses in the quarter.

### Notes:

- Q3 2025 Organic Revenue growth up 10% local currency
- Excluded from platform operating expenses is carried interest expense of \$4.3 million and \$2.2 million for the three months ended September 30, 2025 and 2024, respectively, related to equity earnings on PropTech Investments
- Non-GAAP items listed above include Adjusted Net Income, Adjusted Diluted EPS, Adjusted EBITDA
- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

# Consolidated Year-to-Date 2025 financial results

Growth rates represent % change over nine months ended Q3 2024

	Q3 2025 YTD	Q3 2024 YTD	'25/'24 % Chg. USD	'25/'24 % Chg. Local Currency
Revenue	\$18,507M	\$16,622M	11%	11%
Gross contract costs	\$12,398M	\$11,108M	12%	12%
Platform operating expenses, excluding carried interest	\$5,466M	\$5,011M	9%	9%
Adjusted net income	\$488M	\$379M	29%	28%
Adjusted diluted EPS	\$10.10	\$7.84	29%	28%
Adjusted EBITDA	\$864M	\$732M	18%	18%

Notes:

- YTD 2025 Organic Revenue growth up 11% local currency
- Excluded from platform operating expenses is carried interest benefit of \$0.6 million and carried interest expense of \$4.3 million for the nine months ended September 30, 2025 and 2024, respectively, related to equity earnings/losses on Proptech Investments
- Non-GAAP items listed above include Adjusted Net Income, Adjusted Diluted EPS, Adjusted EBITDA
- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

## Business segments results

# Third quarter 2025 financial results – Business segments

\$M. Growth rates in local currency; represent % change over Q3 2024

	Revenue	Gross Contract Costs	Segment Platform Operating Expenses	Adjusted EBITDA
<b>Real Estate Management Services</b>	\$4,982 10%	\$4,256 11%	\$650 2%	\$102 8%
<b>Leasing Advisory</b>	\$742 7%	\$3 (68)%	\$613 9%	\$137 4%
<b>Capital Markets Services</b>	\$612 22%	\$2 (87)%	\$532 19%	\$90 36%
<b>Investment Management</b>	\$115 12%	\$8 (17)%	\$87 6%	\$24 62%
<b>Software and Technology Solutions</b>	\$59 3%	\$1 (45)%	\$68 2%	\$(1) 84%
<b>Consolidated</b>	\$6,510 10%	\$4,269 10%	\$1,956 9%	\$347 16%

Notes:

- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

# Year-to-Date 2025 financial results – Business segments

\$M. Growth rates in local currency; represent % change over nine months ended Q3 2024

	Revenue	Gross Contract Costs	Segment Platform Operating Expenses	Adjusted EBITDA
<b>Real Estate Management Services</b>	\$14,446 11%	\$12,359 12%	\$1,895 6%	\$275 7%
<b>Leasing Advisory</b>	\$2,005 8%	\$8 (65)%	\$1,677 9%	\$354 11%
<b>Capital Markets Services</b>	\$1,568 17%	\$4 (88)%	\$1,438 14%	\$193 54%
<b>Investment Management</b>	\$317 2%	\$24 (8)%	\$246 2%	\$56 (6)%
<b>Software and Technology Solutions</b>	\$172 3%	\$2 (49)%	\$207 5%	\$(15) 22%
<b>Consolidated</b>	\$18,507 11%	\$12,398 12%	\$5,465 9%	\$864 18%

Notes:

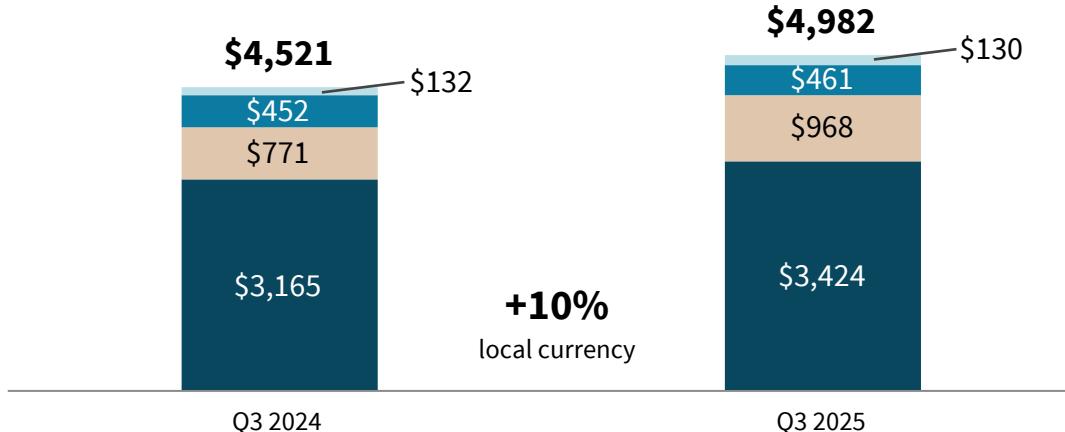
- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

# Real Estate Management Services

Growth rates represent % change over Q3 2024

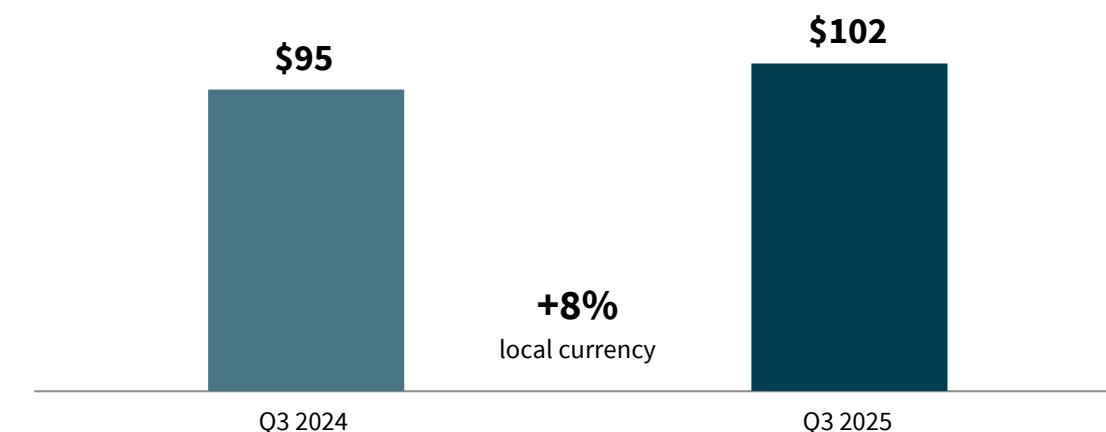
## Revenue

\$M



## Adjusted EBITDA

\$M



Workplace Management  
Property Management

Project Management  
Portfolio Services and Other

## Gross contract costs:

**\$3,830**

**\$4,256**

## Third quarter highlights

- Real Estate Management Services revenue growth of 10% local currency / USD was led by Workplace Management (up 8% local currency / USD) with client wins slightly outpacing mandate expansions, as incremental pass-through costs augmented mid single-digit management fee growth.
- Project Management revenue growth of 24% local currency (25% USD) was led by new or expanded contracts in the U.S. and Asia Pacific, as low double-digit management fee increases were supplemented by higher pass-through costs.
- The increase in Adjusted EBITDA and margin was primarily attributable to revenue growth, as well as lower gross receipts tax expense compared to the prior-year quarter (\$8.2 million impact), partially offset by headwinds from incentive compensation accruals timing and certain discrete items, including incremental bad debt expense.

### Notes:

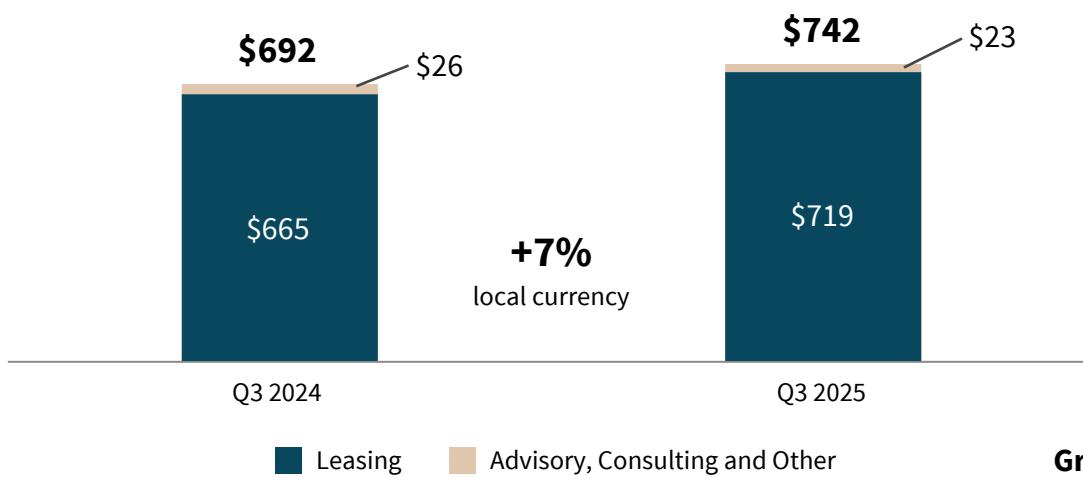
- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

# Leasing Advisory

Growth rates represent % change over Q3 2024

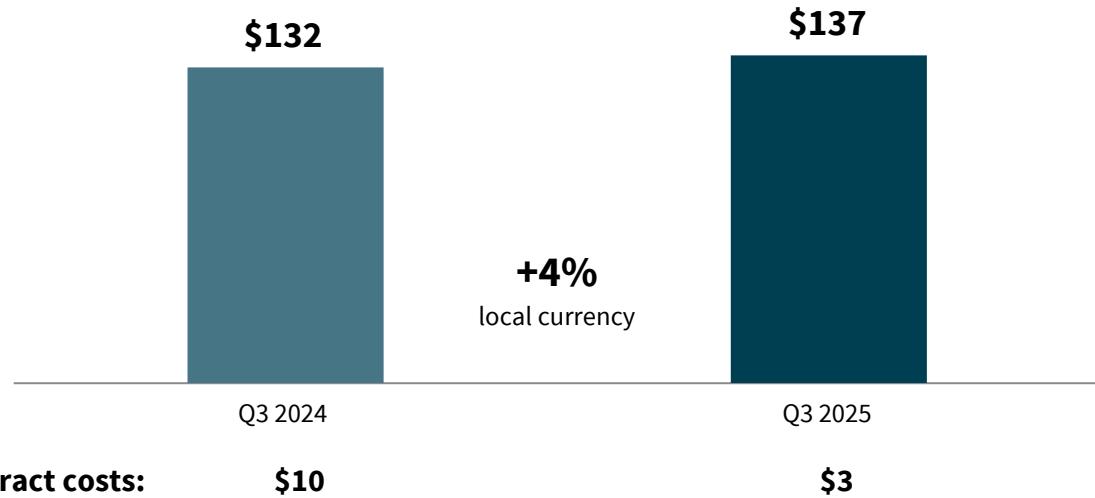
## Revenue

\$M



## Adjusted EBITDA

\$M



## Gross contract costs:

\$10

\$3

## Third quarter highlights

- Leasing Advisory revenue growth of 7% local currency / USD with broad-based Leasing growth across major asset classes, led by continued momentum in office, with the most significant growth in the U.S. as well as notable contributions from Germany and Canada.
- Office Leasing growth outperformed global office volumes (up 14% compared with market volumes up 2% according to JLL Research), highlighted by U.S. outperformance (up 14% compared with market volumes up 4% according to JLL Research).
- U.S. growth was primarily driven by office, from both higher volume and deal size, as well as industrial from increased deal volume.
- The Adjusted EBITDA increase was driven by revenue growth, meaningfully offset by the year-over-year impact from the timing of incentive compensation accruals.

### Notes:

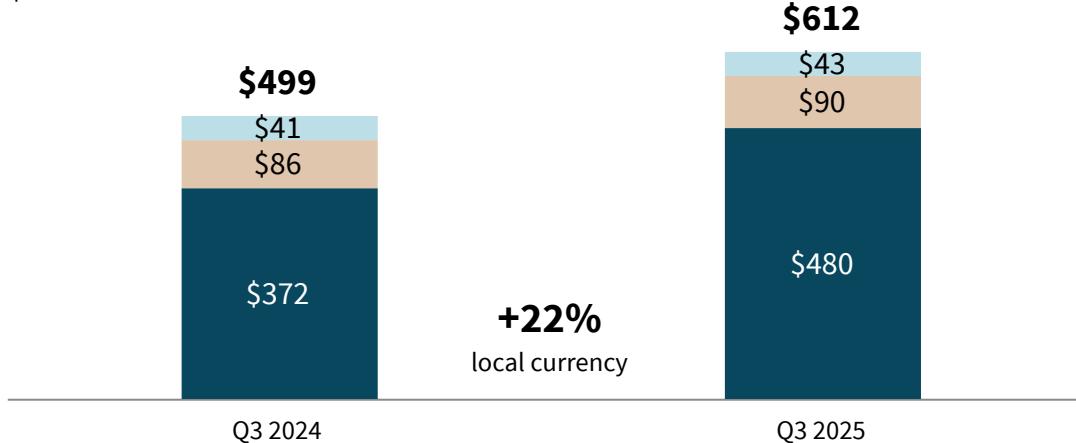
- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

# Capital Markets Services

Growth rates represent % change over Q3 2024

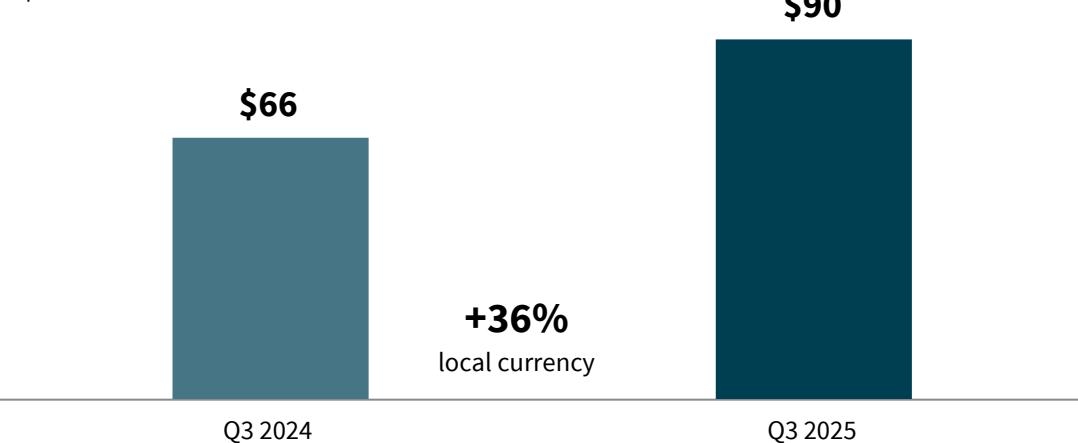
## Revenue

\$M



## Adjusted EBITDA

\$M



### Gross contract costs:

MSR:

\$12

\$(5)

\$2

\$-

## Third quarter highlights

- Capital Markets Services revenue growth of 22% local currency (23% USD) was led by debt advisory, investment sales and equity advisory businesses.
- Excluding the impact of Mortgage Servicing Rights (MSRs), Investment Sales, Debt/Equity Advisory and Other revenue increased 26% local currency (27% USD) with growth across nearly all sectors, with the most significant contributions coming from multifamily and retail. Geographically, the revenue growth was led by the U.S., augmented by strong contributions from Japan and Australia.
- Globally, investment sales achieved 22% growth, significantly outpacing the broader investment sales market, which grew 12% over the same period according to JLL Research.
- Adjusted EBITDA and margin improvements for the quarter were primarily attributable to revenue growth which was partially offset by \$7.2 million of incremental expense associated with loan-related losses, including an increase in loan loss reserves.

### Notes:

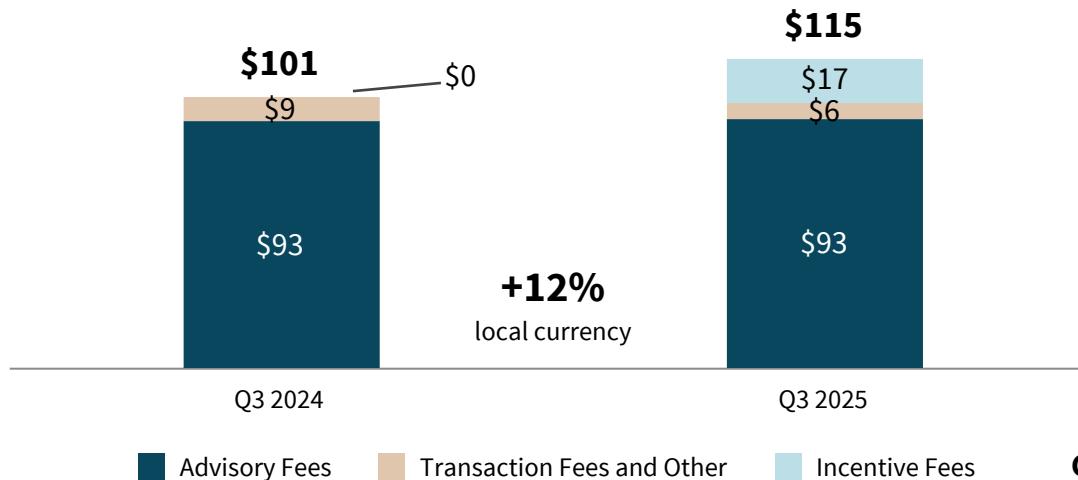
- Net non-cash MSR and mortgage banking derivative activity shown as "MSR" above
- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

# Investment Management

Growth rates represent % change over Q3 2024

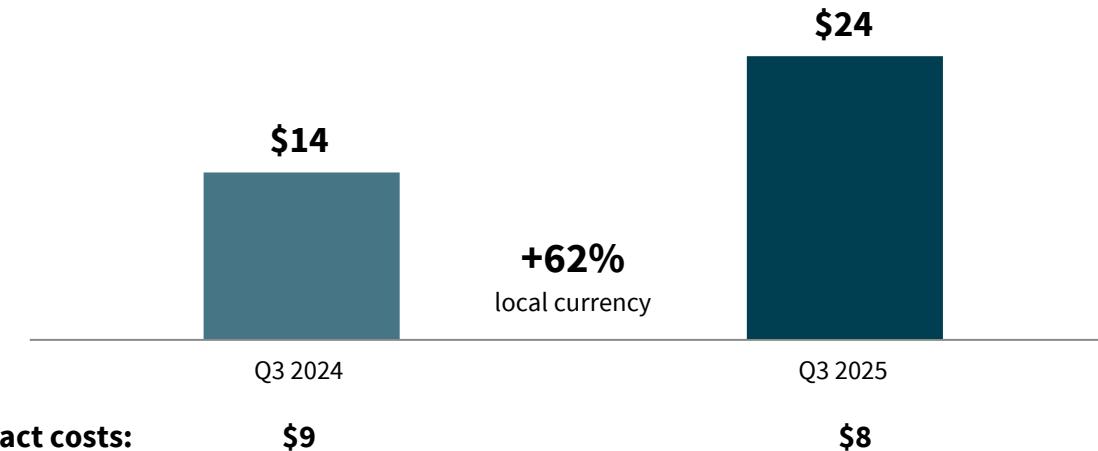
## Revenue

\$M



## Adjusted EBITDA

\$M



## Third quarter highlights

- Investment Management's revenue growth of 12% local currency (14% USD) was fueled by higher incentive fees; advisory fees were largely flat compared to the prior year (down 1% local currency / 0% USD) as strong performance in U.S. core open-end funds offset the impact to assets under management from client asset dispositions in Q4 2024.
- Assets under management of \$88.5 billion at quarter end increased 1% local currency (5% USD) over the trailing twelve months, reflecting modest valuation increases, offset by net dispositions / withdrawals.
- Higher Adjusted EBITDA and margin primarily reflected the increased revenue, net of related incentive compensation costs.

### Notes:

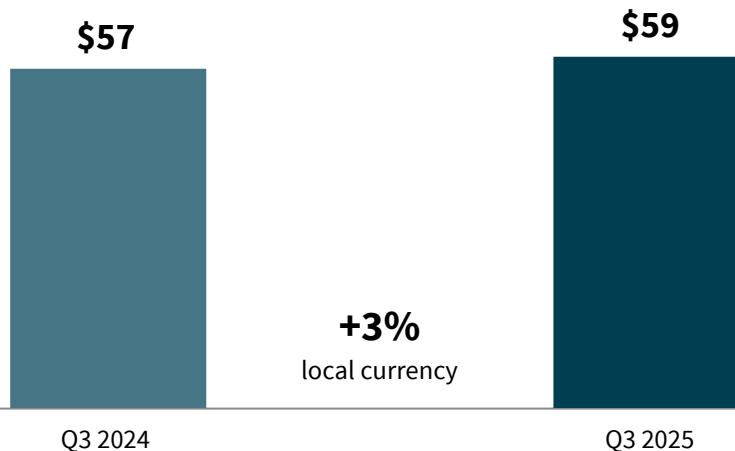
- Assets under management reported on a one quarter lag
- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures

# Software and Technology Solutions

Growth rates represent % change over Q3 2024

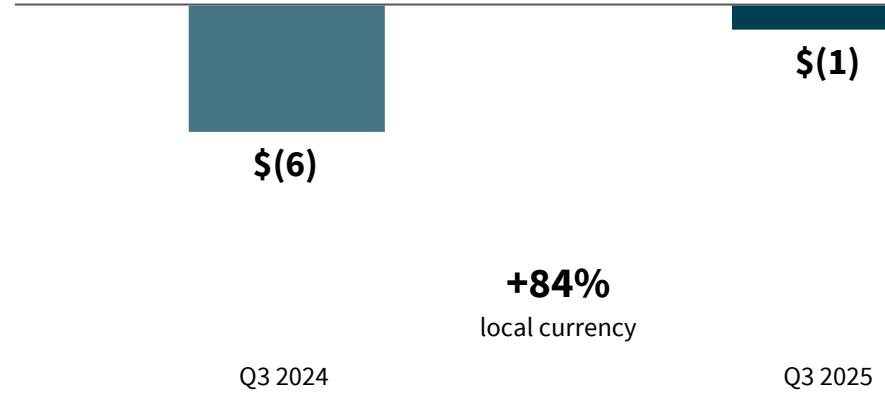
## Revenue

\$M



## Adjusted EBITDA

\$M



## Gross contract costs:

\$1

\$1

## Third quarter highlights

- Software and Technology Solutions revenue increased 3% local currency / USD, due to double-digit growth in software products, offset by declines in technology solutions as certain large existing clients reduced their discretionary technology spend.
- Adjusted EBITDA improvement was driven by the increased revenue and cost management actions.

### Notes:

- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures
- Carried Interest expense (benefit) related to equity earnings (losses) on Proptech Investments is now presented outside of the Software and Technology Solutions segment in "All Other" and not included in segment Adjusted EBITDA

# Capital allocation and balance sheet

# Debt and leverage

## Highlights:

- Strong balance sheet with ample liquidity provides operational flexibility.
- Sequential quarter reduction in net debt was driven by positive free cash flow in Q3 2025.
- Year-over-year reduction in net debt reflected improved free cash flow over the trailing 12 months compared with the 12 month period ended September 30, 2024.

Debt and leverage (\$M)	Q3 2025	Q2 2025	Q3 2024
Cash and cash equivalents	429	401	438
Total debt	1,528	1,988	2,035
Short-term borrowings	141	107	100
Commercial paper	389	690	800
Credit facility	186	380	345
Long term senior notes	811	811	791
<b>Total Net Debt</b>	<b>\$1,099</b>	<b>\$1,587</b>	<b>\$1,597</b>
<b>Adjusted TTM EBITDA</b>	<b>\$1,319</b>	<b>\$1,269</b>	<b>\$1,115</b>
<b>Net Debt /Adjusted TTM EBITDA</b>	<b>0.8x</b>	<b>1.2x</b>	<b>1.4x</b>
<b>Corporate Liquidity</b>	<b>\$3,543</b>	<b>\$3,321</b>	<b>\$3,393</b>

## Investment Grade Credit Ratings

Moody's: Baa1  
S&P: BBB+

**\$3.3B**

**Credit Facility**  
Maturing in November 2028

**\$2.5B**

**Commercial Paper Program**

**\$400M**

**LT Senior Notes**  
(Public Offering)

5-yr debt 6.875% fixed (due 2028)

**€350M**

**LT Senior Euro Notes**  
(Private Placement)

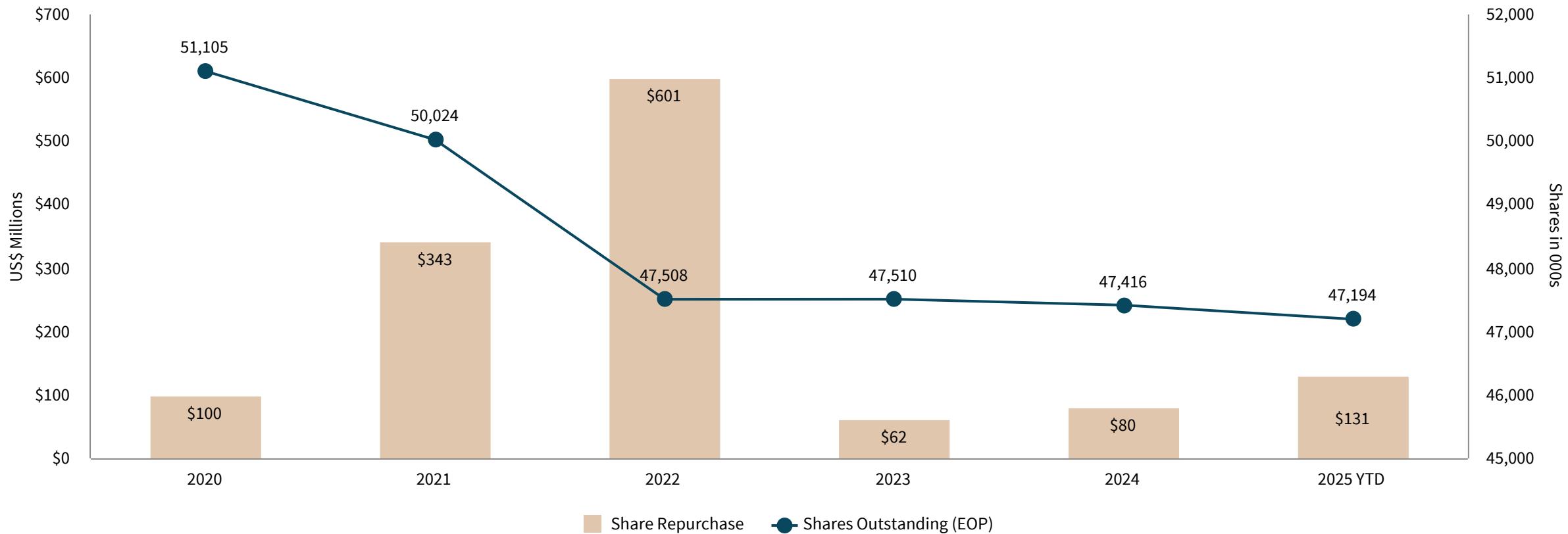
10-yr debt 1.96% fixed (due 2027)

12-yr debt 2.21% fixed (due 2029)

### Notes:

- Refer to pages 25 - 28 for definitions and reconciliations of non-GAAP financial measures
- Commercial Paper, Credit Facility and Long-Term Senior Notes amounts shown are gross of debt issuance costs
- Credit Facility figures shown in table above represent amounts drawn

# Return of capital to shareholders



## Highlights

- Share repurchases totaled \$70 million in Q3 2025, compared with \$41 million in Q2 2025, bringing the year-to-date total to \$131 million.
- Approximately \$880 million remains on our share repurchase authorization.
- \$1.3B repurchased at an average share price of \$201 since the beginning of 2020.



Financial targets

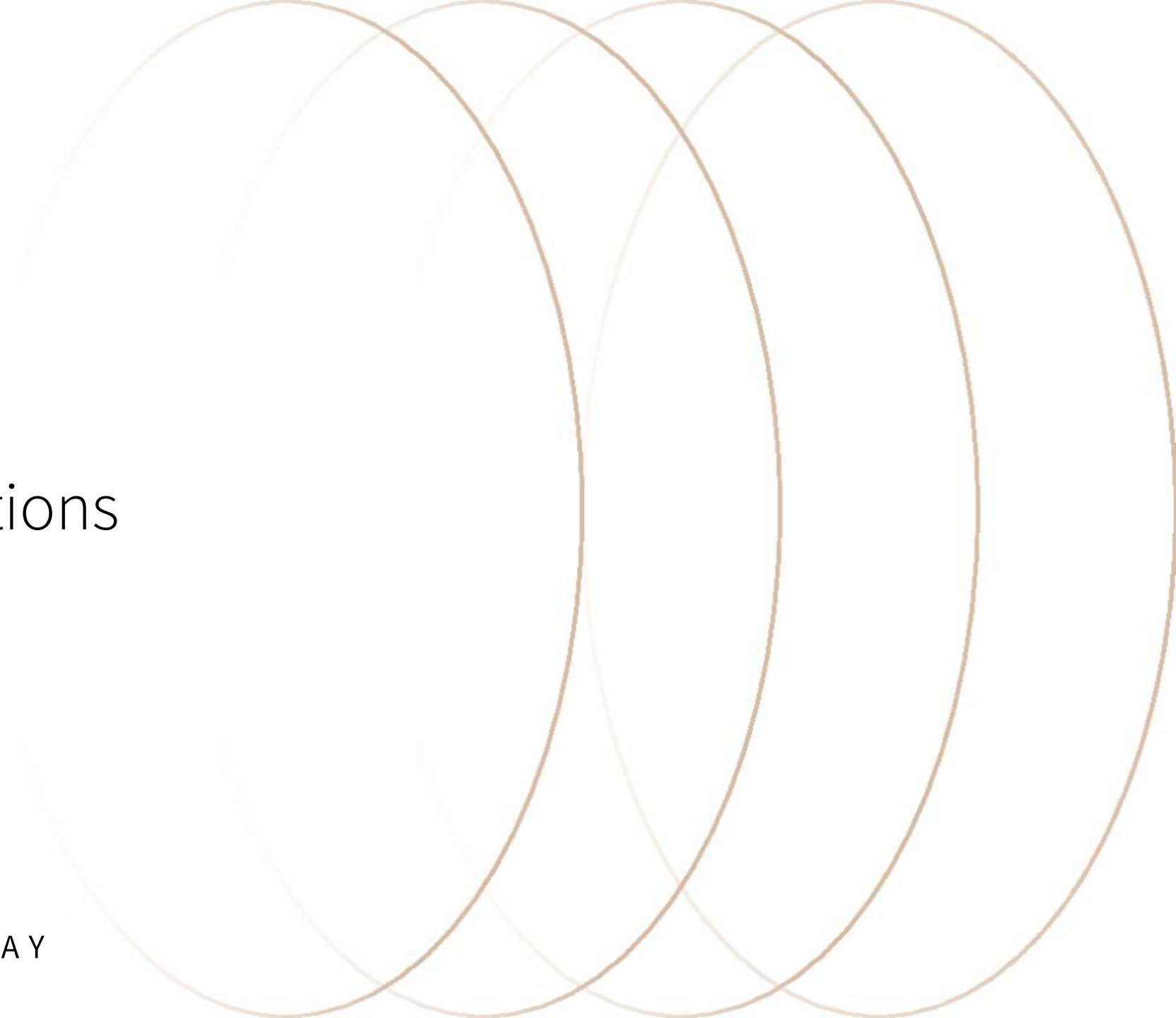
# 2025 Financial Targets

## 2025 Consolidated Financial Targets

Adjusted EBITDA

**\$1,375 - \$1,450M**

- \$75M increase to the bottom of the range. Previous range was \$1,300 - \$1,450M.
- On track this year to achieve the low end of our mid-term Adjusted EBITDA margin target range, in line with our original timeline provided in November 2022.



Non-GAAP reconciliations

# Reconciliation of net income to adjusted net income and adjusted diluted earnings per share

	Three months ended September 30,		Nine months ended September 30,	
(\$M except per share data)	2025	2024	2025	2024
Net income attributable to common shareholders	\$222.8	\$155.1	\$390.4	\$305.6
Shares (in 000s)	48,349	48,497	48,362	48,355
<b>Diluted earnings per share</b>	<b>\$4.61</b>	<b>\$3.20</b>	<b>\$8.07</b>	<b>\$6.32</b>
Net income attributable to common shareholders	\$222.8	\$155.1	\$390.4	\$305.6
Restructuring and acquisition charges	11.7	-8.8	52.7	4.4
Net non-cash MSR and mortgage banking derivative activity	0.2	5.1	17.3	25.9
Amortization of acquisition-related intangibles <sup>(1)</sup>	9.0	15.6	41.1	46.6
Interest on employee loans, net of forgiveness	(1.5)	(1.8)	(5.1)	(4.1)
Equity losses - Investment Management and Proptech Investments <sup>(1)</sup>	(26.6)	2.2	29.1	23.4
Credit losses on convertible note investments	2.2	6.3	2.9	6.3
Tax impact of adjusted items <sup>(2)</sup>	(0.4)	(3.7)	(40.0)	(28.9)
<b>Adjusted net income</b>	<b>\$217.4</b>	<b>\$170.0</b>	<b>\$488.4</b>	<b>\$379.2</b>
Shares (in 000s)	48,349	48,497	48,362	48,355
<b>Adjusted diluted earnings per share<sup>(3)</sup></b>	<b>\$4.50</b>	<b>\$3.50</b>	<b>\$10.10</b>	<b>\$7.84</b>

(1) This adjustment excludes the noncontrolling interest portion which is not attributable to common shareholders.

(2) For the first nine months of 2025 and first half of 2024, the tax impact of adjusted items was calculated using the applicable statutory rates by tax jurisdiction. For the third quarter of 2024, the tax impact of adjusted items was calculated using the consolidated effective tax rate, as this was deemed to approximate the tax impact of adjusted items calculated using applicable statutory tax rates.

(3) Calculated on a local currency basis, the results for the three and nine months ended September 30, 2025, include \$0.02 unfavorable impact and \$0.02 favorable impact, respectively, due to foreign exchange rate fluctuations.

# Reconciliation of net income attributable to common shareholders to adjusted EBITDA

(\$M)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net income attributable to common shareholders	\$222.8	\$155.1	\$390.4	\$305.6
Interest expense, net of interest income	29.2	38.1	89.1	110.3
Income tax provision	52.6	37.4	93.3	73.8
Depreciation and amortization <sup>(1)</sup>	56.7	64.5	194.1	185.9
Restructuring and acquisition charges	11.7	(8.8)	52.7	4.4
Net non-cash MSR and mortgage banking derivative activity	0.2	5.1	17.3	25.9
Interest on employee loans, net of forgiveness	(1.5)	(1.8)	(5.1)	(4.1)
Equity losses - Investment Management and Proptech Investments <sup>(1)(2)</sup>	(26.6)	2.2	29.1	23.4
Credit losses on convertible note investments	2.2	6.3	2.9	6.3
<b>Adjusted EBITDA</b>	<b>\$347.3</b>	<b>\$298.1</b>	<b>\$863.8</b>	<b>\$731.5</b>

(1) This adjustment excludes the noncontrolling interest portion which is not attributable to common shareholders.

(2) The Proptech Investments, including convertible notes receivables, totaled ~\$450 million and had a carrying value of ~\$370 million as of September 30, 2025.

# Non-GAAP measures

Management uses certain non-GAAP financial measures to develop budgets and forecasts, measure and reward performance against those budgets and forecasts, and enhance comparability to prior periods. These measures are believed to be useful to investors and other external stakeholders as supplemental measures of core operating performance and include the following:

- (i) Adjusted EBITDA attributable to common shareholders ("Adjusted EBITDA"),
- (ii) Adjusted net income attributable to common shareholders and Adjusted diluted earnings per share,
- (iii) Net Debt and
- (iv) Percentage changes against prior periods, presented on a local currency basis.

However, non-GAAP financial measures should not be considered alternatives to measures determined in accordance with U.S. generally accepted accounting principles ("GAAP"). Any measure that eliminates components of a company's capital structure, cost of operations or investments, or other results has limitations as a performance measure. In light of these limitations, management also considers GAAP financial measures and does not rely solely on non-GAAP financial measures. Because the company's non-GAAP financial measures are not calculated in accordance with GAAP, they may not be comparable to similarly titled measures used by other companies.

## Adjustments to GAAP Financial Measures Used to Calculate non-GAAP Financial Measures

***Net Non-Cash Mortgage Servicing Rights ("MSR") and Mortgage Banking Derivative Activity*** consists of the balances presented within Revenue composed of (i) derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity and (ii) gains recognized from the retention of MSR upon origination and sale of mortgage loans, offset by (iii) amortization of MSR intangible assets over the period that net servicing income is projected to be received. Non-cash derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity are calculated as the estimated fair value of loan commitments and subsequent changes thereof, primarily represented by the estimated net cash flows associated with future servicing rights. MSR gains and corresponding MSR intangible assets are calculated as the present value of estimated cash flows over the estimated mortgage servicing periods. The above activity is reported entirely within Revenue of the Capital Markets segment. Excluding net non-cash MSR and mortgage banking derivative activity reflects how the company manages and evaluates performance because the excluded activity is non-cash in nature.

# Non-GAAP measures (cont.)

**Restructuring and Acquisition Charges** primarily consist of: (i) severance and employment-related charges, including those related to external service providers, incurred in conjunction with a structural business shift, which can be represented by a notable change in headcount, change in leadership or transformation of business processes; (ii) acquisition, transaction and integration-related charges, including fair value adjustments, which are generally non-cash in the periods such adjustments are made, to assets and liabilities recorded in purchase accounting such as earn-out liabilities and intangible assets; and (iii) lease exit charges. Such activity is excluded as the amounts are generally either non-cash in nature or the anticipated benefits from the expenditures would not likely be fully realized until future periods. Restructuring and acquisition charges are excluded from segment operating results and therefore are not line items in the segments' reconciliation to Adjusted EBITDA.

**Amortization of Acquisition-Related Intangibles** is primarily associated with the fair value ascribed at closing of an acquisition to assets such as acquired management contracts, customer backlog and relationships, and trade name. Such activity is excluded as it is non-cash and the change in period-over-period activity is generally the result of longer-term strategic decisions and therefore not necessarily indicative of core operating results.

**Gain or Loss on Disposition** reflects the gain or loss recognized on the sale of businesses. Given the low frequency of business disposals by the company historically, the gain or loss directly associated with such activity is excluded as it is not considered indicative of core operating performance.

**Interest on Employee Loans, Net of Forgiveness** reflects interest accrued on employee loans less the amount of accrued interest forgiven. Certain employees (predominantly in our Leasing and Capital Markets businesses) receive cash payments structured as loans, with interest. Employees earn forgiveness of the loan based on performance, generally calculated as a percentage of revenue production. Such forgiven amounts are reflected in Compensation and benefits expense. Given the interest accrued on these employee loans and subsequent forgiveness are non-cash and the amounts perfectly offset over the life of the loan, the activity is not indicative of core operating performance and is excluded from non-GAAP measures.

**Equity Earnings/Losses (Investment Management and Proptech Investments)** primarily reflects valuation changes on investments reported at fair value. Investments reported at fair value are increased or decreased each reporting period by the change in the fair value of the investment. Where the measurement alternative has been elected, our investment is increased or decreased upon observable price changes. Such activity is excluded as the amounts are generally non-cash in nature and not indicative of core operating performance.

Note: Equity earnings/losses for segments other than Investment Management represent the results of unconsolidated operating ventures (not investments), and therefore the amounts are included in adjusted profit measures on both a segment and consolidated basis.

**Credit Losses on Convertible Note Investments** reflects credit impairments associated with pre-equity convertible note investments in early-stage proptech enterprises. Such losses are similar to the equity investment-related losses included in equity earnings/losses for Proptech Investments and are therefore consistently excluded from adjusted measures.