

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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 June 30, 2024

OR

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: 001-36155

MARCUS & MILLICHAP, INC.

(Exact name of registrant as specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

23975 Park Sorrento, Suite 400
Calabasas, California
(Address of Principal Executive Offices)

35-2478370

(I.R.S. Employer
Identification No.)

91302
(Zip Code)

(818) 212-2250

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	MMI	New York Stock Exchange

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 checkmark 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

Number of shares of common stock, par value \$0.0001 per share, of the registrant issued and outstanding as of August 2, 2024 was 38,729,323 shares.

MARCUS & MILLICHAP, INC.
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except for shares and par value)

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Current assets:		
Cash, cash equivalents, and restricted cash	\$ 161,993	\$ 170,753
Commissions receivable	15,731	16,171
Prepaid expenses	7,843	8,813
Income tax receivable	9,724	9,299
Marketable debt securities, available-for-sale (amortized cost of \$ 120,308 and \$ 169,018 at June 30, 2024 and December 31, 2023, respectively, and \$ 0 allowance for credit losses)	119,807	168,881
Advances and loans, net	11,125	3,574
Other assets, current	17,795	16,203
Total current assets	344,018	393,694
Property and equipment, net	27,366	27,450
Operating lease right-of-use assets, net	89,256	90,058
Marketable debt securities, available-for-sale (amortized cost of \$ 55,493 and \$ 69,538 at June 30, 2024 and December 31, 2023, respectively, and \$ 0 allowance for credit losses)	53,700	67,459
Assets held in rabbi trust	11,686	10,838
Deferred tax assets, net	49,595	46,930
Goodwill and other intangible assets, net	48,970	51,183
Advances and loans, net	185,612	175,827
Other assets, non-current	15,226	14,972
Total assets	\$ 825,429	\$ 878,411
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 10,036	\$ 8,126
Deferred compensation and commissions	46,644	55,769
Operating lease liabilities	17,858	18,336
Accrued bonuses and other employee related expenses	10,760	19,119
Other liabilities, current	7,791	3,919
Total current liabilities	93,089	105,269
Deferred compensation and commissions	28,188	47,771
Operating lease liabilities	70,590	69,407
Other liabilities, non-current	6,892	10,690
Total liabilities	198,759	233,137
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, \$ 0.0001 par value:		
Authorized shares – 25,000,000 ; issued and outstanding shares – none at June 30, 2024 and December 31, 2023, respectively	—	—
Common stock, \$ 0.0001 par value:		
Authorized shares – 150,000,000 ; issued and outstanding shares – 38,729,323 and 38,412,484 at June 30, 2024 and December 31, 2023, respectively	4	4
Additional paid-in capital	161,895	153,740
Retained earnings	466,132	492,298
Accumulated other comprehensive loss	(1,361)	(768)
Total stockholders' equity	626,670	645,274
Total liabilities and stockholders' equity	\$ 825,429	\$ 878,411

See accompanying notes to condensed consolidated financial statements.

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
<i>Revenue:</i>				
Real estate brokerage commissions	\$ 135,423	\$ 140,330	\$ 244,898	\$ 275,376
Financing fees	18,294	17,896	32,721	33,764
Other revenue	4,650	4,640	9,852	8,518
Total revenue	158,367	162,866	287,471	317,658
<i>Operating expenses:</i>				
Cost of services	98,081	101,163	174,949	196,590
Selling, general and administrative	65,003	68,910	133,919	141,129
Depreciation and amortization	3,329	3,468	6,751	6,675
Total operating expenses	166,413	173,541	315,619	344,394
Operating loss	(8,046)	(10,675)	(28,148)	(26,736)
Other income, net	4,812	4,890	10,380	9,700
Interest expense	(204)	(216)	(403)	(431)
Loss before provision (benefit) for income taxes	(3,438)	(6,001)	(18,171)	(17,467)
Provision (benefit) for income taxes	2,100	2,728	(2,646)	(2,905)
Net loss	\$ (5,538)	\$ (8,729)	\$ (15,525)	\$ (14,562)
<i>Net loss per share:</i>				
Basic	\$ (0.14)	\$ (0.23)	\$ (0.40)	\$ (0.37)
Diluted	\$ (0.14)	\$ (0.23)	\$ (0.40)	\$ (0.37)
<i>Weighted average common shares outstanding:</i>				
Basic	38,675	38,538	38,561	38,867
Diluted	38,675	38,538	38,561	38,867

See accompanying notes to condensed consolidated financial statements.

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net loss	\$ (5,538)	\$ (8,729)	\$ (15,525)	\$ (14,562)
<i>Other comprehensive loss:</i>				
Marketable debt securities, available-for-sale:				
Change in net unrealized gains and losses	97	(516)	(62)	600
Reclassification adjustment for net gains and losses included in other income, net	—	17	—	17
Net change, net of tax of \$ 33 and \$(16) for the three and six months ended June 30, 2024, and \$(168) and \$ 198 for the three and six months ended 2023, respectively	97	(499)	(62)	617
Foreign currency translation (loss) gain, net of tax of \$ 0 for each of the three and six months ended June 30, 2024 and 2023, respectively	(182)	346	(531)	400
Total other comprehensive (loss) income	(85)	(153)	(593)	1,017
Comprehensive loss	<u>\$ (5,623)</u>	<u>\$ (8,882)</u>	<u>\$ (16,118)</u>	<u>\$ (13,545)</u>

See accompanying notes to condensed consolidated financial statements.

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except for shares)
(Unaudited)

	Three Months Ended June 30, 2024							
	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	—	\$ —	38,633,603	\$ 4	\$ 155,157	\$ 471,670	\$ (1,276)	\$ 625,555
Net and comprehensive loss	—	—	—	—	—	(5,538)	(85)	(5,623)
<i>Stock-based award activity</i>								
Stock-based compensation	—	—	—	—	5,889	—	—	5,889
Shares issued pursuant to employee stock purchase plan	—	—	16,348	—	424	—	—	424
Issuance of common stock for vesting of restricted stock units	—	—	48,808	—	—	—	—	—
Issuance of common stock for unvested restricted stock awards	—	—	16,121	—	—	—	—	—
Shares withheld related to net share settlement of stock-based awards	—	—	(11,502)	—	(408)	—	—	(408)
Issuance of common stock for stock settled deferred consideration	—	—	25,945	—	833	—	—	833
Balance as of June 30, 2024	—	\$ —	38,729,323	\$ 4	\$ 161,895	\$ 466,132	\$ (1,361)	\$ 626,670
	Three Months Ended June 30, 2023							
	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount				
Balance at March 31, 2023	—	\$ —	38,876,354	\$ 4	\$ 132,905	\$ 551,696	\$ (2,447)	\$ 682,158
Net and comprehensive loss	—	—	—	—	—	(8,729)	(153)	(8,882)
<i>Stock-based award activity</i>								
Stock-based compensation	—	—	—	—	5,351	—	—	5,351
Shares issued pursuant to employee stock purchase plan	—	—	15,297	—	392	—	—	392
Issuance of common stock for vesting of restricted stock units	—	—	43,923	—	—	—	—	—
Issuance of common stock for unvested restricted stock awards	—	—	17,339	—	—	—	—	—
Shares withheld related to net share settlement of stock-based awards	—	—	(11,885)	—	(339)	—	—	(339)
Issuance of common stock for stock settled deferred consideration	—	—	58,205	—	1,833	—	—	1,833
Repurchases of common stock	—	—	(538,638)	—	—	(16,594)	—	(16,594)
Balance as of June 30, 2023	—	\$ —	38,460,595	\$ 4	\$ 140,142	\$ 526,373	\$ (2,600)	\$ 663,919

See accompanying notes to condensed consolidated financial statements.

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except for shares)
(Unaudited)

	Six Months Ended June 30, 2024							
	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	—	\$ —	38,412,484	\$ 4	\$ 153,740	\$ 492,298	\$ (768)	\$ 645,274
Net and comprehensive loss	—	—	—	—	—	(15,525)	(593)	(16,118)
Dividends	—	—	—	—	—	(10,087)	—	(10,087)
<i>Stock-based award activity</i>								
Stock-based compensation	—	—	—	—	11,684	—	—	11,684
Shares issued pursuant to employee stock purchase plan	—	—	16,348	—	424	—	—	424
Issuance of common stock for vesting of restricted stock units	—	—	415,367	—	—	—	—	—
Issuance of common stock for unvested restricted stock awards	—	—	16,121	—	—	—	—	—
Shares withheld related to net share settlement of stock-based awards	—	—	(140,042)	—	(4,786)	—	—	(4,786)
Issuance of common stock for stock settled deferred consideration	—	—	25,945	—	833	—	—	833
Repurchases of common stock	—	—	(16,900)	—	—	(554)	—	(554)
Balance as of June 30, 2024	—	\$ —	38,729,323	\$ 4	\$ 161,895	\$ 466,132	\$ (1,361)	\$ 626,670

	Six Months Ended June 30, 2023							
	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	—	\$ —	39,255,838	\$ 4	\$ 131,541	\$ 585,581	\$ (3,617)	\$ 713,509
Net and comprehensive (loss) income	—	—	—	—	—	(14,562)	1,017	(13,545)
Dividends	—	—	—	—	—	(10,284)	—	(10,284)
<i>Stock-based award activity</i>								
Stock-based compensation	—	—	—	—	10,362	—	—	10,362
Shares issued pursuant to employee stock purchase plan	—	—	15,297	—	392	—	—	392
Issuance of common stock for vesting of restricted stock units	—	—	337,796	—	—	—	—	—
Issuance of common stock for unvested restricted stock awards	—	—	17,339	—	—	—	—	—
Shares withheld related to net share settlement of stock-based awards	—	—	(125,319)	—	(3,986)	—	—	(3,986)
Issuance of common stock for stock settled deferred consideration	—	—	58,205	—	1,833	—	—	1,833
Repurchases of common stock	—	—	(1,098,561)	—	—	(34,362)	—	(34,362)
Balance as of June 30, 2023	—	\$ —	38,460,595	\$ 4	\$ 140,142	\$ 526,373	\$ (2,600)	\$ 663,919

See accompanying notes to condensed consolidated financial statements.

MARCUS & MILLICHAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net loss	\$ (15,525)	\$ (14,562)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,751	6,675
Non-cash lease expense	11,060	12,928
Credit loss expense	205	634
Stock-based compensation	11,684	10,362
Deferred taxes, net	(2,646)	5,188
Unrealized foreign exchange losses (gains)	35	(56)
Net realized losses on marketable debt securities, available-for-sale	—	23
Other non-cash items	(480)	(560)
Changes in operating assets and liabilities:		
Commissions receivable	145	(1,396)
Prepaid expenses	970	540
Advances and loans	(17,716)	(12,043)
Other assets	(1,951)	(4,981)
Accounts payable and accrued expenses	1,602	672
Income tax receivable	(425)	(8,808)
Accrued bonuses and other employee related expenses	(8,336)	(27,244)
Deferred compensation and commissions	(27,216)	(54,154)
Operating lease liabilities	(9,522)	(8,852)
Other liabilities	1,195	859
Net cash used in operating activities	(50,170)	(94,775)
Cash flows from investing activities		
Purchases of marketable debt securities, available-for-sale	(68,507)	(142,867)
Proceeds from sales and maturities of marketable debt securities, available-for-sale	131,575	230,795
Issuances of employee notes receivable	—	(119)
Payments received on employee notes receivable	5	33
Purchase of property and equipment	(4,296)	(5,469)
Net cash provided by investing activities	58,777	82,373
Cash flows from financing activities		
Taxes paid related to net share settlement of stock-based awards	(4,786)	(3,986)
Proceeds from issuance of shares pursuant to employee stock purchase plan	424	392
Dividends paid	(10,337)	(10,327)
Principal payments on stock appreciation rights liability	(1,976)	(1,945)
Principal payments on deferred and contingent consideration	—	(1,578)
Cash paid for stock repurchases	(554)	(34,928)
Net cash used in financing activities	(17,229)	(52,372)
Effect of currency exchange rate changes on cash, cash equivalents, and restricted cash	(138)	121
Net decrease in cash, cash equivalents, and restricted cash	(8,760)	(64,653)
Cash, cash equivalents, and restricted cash at beginning of period	170,753	235,873
Cash, cash equivalents, and restricted cash at end of period	\$ 161,993	\$ 171,220
Supplemental cash flow disclosures:		
Interest paid during the period	\$ 559	\$ 408
Income taxes paid, net	\$ 425	\$ 714
Supplemental disclosures of non-cash investing and financing activities:		
Reduction of accrued bonuses and other employee related expenses in settlement of employee notes receivable	\$ 19	\$ —
Unpaid purchases of property and equipment	\$ 645	\$ 382
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 10,273	\$ 27,593
Issuance of stock for the settlement of deferred consideration	\$ 833	\$ 1,833
Dividend payable	\$ 430	\$ 467

See accompanying notes to condensed consolidated financial statements.

MARCUS & MILLICHAP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Description of Business, Basis of Presentation and Recent Accounting Pronouncements

Description of Business

Marcus & Millichap, Inc. (the "Company," "Marcus & Millichap," or "MMI"), a Delaware corporation, is a real estate services firm specializing in commercial real estate investment sales, financing services, research and advisory services. As of June 30, 2024, MMI operates over 80 offices in the United States and Canada through its wholly-owned subsidiaries, including the operations of Marcus & Millichap Capital Corporation.

Reorganization and Initial Public Offering

MMI was formed in June 2013 in preparation for Marcus & Millichap Company ("MMC") to spin-off its majority-owned subsidiary, Marcus & Millichap Real Estate Investment Services, Inc. ("MMREIS"). Prior to the initial public offering ("IPO") of MMI, all of the preferred and common stockholders of MMREIS (including MMC and employees of MMREIS) contributed all of their outstanding shares to MMI, in exchange for new MMI common stock. As a result, MMREIS became a wholly-owned subsidiary of MMI. Thereafter, MMC distributed 80.0 % of the shares of MMI common stock to MMC's shareholders and exchanged the remaining portion of its shares of MMI common stock for cancellation of indebtedness of MMC. MMI completed its IPO on November 5, 2013 .

Basis of Presentation

The financial information presented in the accompanying unaudited condensed consolidated financial statements, has been prepared in accordance with rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for Quarterly Reports on Form 10-Q and Article 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("U.S. GAAP") for complete financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements and notes include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the condensed consolidated financial position, results of operations and cash flows for the periods presented. These unaudited condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements and notes thereto, including the Company's accounting policies for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K filed on February 27, 2024 with the SEC. The results of the three and six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024, for other interim periods or for future years.

Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the related disclosures at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash, cash equivalents, and restricted cash, investments in marketable debt securities, available-for-sale, investments in strategic alliance partners (included under other assets, current and non-current), security deposits (included under other assets, non-current), and commissions receivable, net. Cash, cash equivalents, and restricted cash are placed with high-credit quality financial institutions and invested in high-credit quality money market funds and commercial paper. Concentrations and ratings of investments in marketable debt securities, available-for-sale are limited by the approved investment policy.

MARCUS & MILLICHAP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

To reduce its credit risk, the Company monitors the credit standing of the financial institutions and money market funds that represent amounts recorded as cash, cash equivalents, and restricted cash. The Company historically has not experienced any significant losses related to cash, cash equivalents, and restricted cash.

In September 2021, the Company entered into a Strategic Alliance ("Strategic Alliance") with M&T Realty Capital Corporation ("MTRCC") pursuant to which the Company has agreed to provide loan opportunities that may be funded through MTRCC's Delegated Underwriting and Servicing Agreement ("DUS Agreement") with the Federal National Mortgage Association ("Fannie Mae") that requires MTRCC to guarantee a portion of each loan funded. On a loan-by-loan basis, the Company, at its option, can indemnify a portion of MTRCC's guarantee obligation of loan opportunities presented to and closed by MTRCC through the DUS Agreement. The Company manages and limits the concentration of risk related to the guarantees assumed by monitoring the underlying property type, geographic location, credit of the borrowers, underlying debt service coverage, and loan to value ratios.

The Company derives its revenue from a broad range of real estate investors, owners, and users in the United States and Canada, none of which individually represents a significant concentration of credit risk. The Company maintains allowances, as needed, for estimated credit losses based on management's assessment of the likelihood of collection. For the three and six months ended June 30, 2024 and 2023, no transaction represented 10% or more of total revenue. Further, while one or more transactions may represent 10% or more of commissions receivable at any reporting date, amounts due for brokerage and financing transactions are typically collected within 10 days of settlement and, therefore, do not expose the Company to significant credit risk.

During the three and six months ended June 30, 2024, the Company's Canadian operations represented 6.5 % and 5.6 % of total revenue, respectively. During the three and six months ended June 30, 2023, the Company's Canadian operations represented 3.5 % and 3.2 % of total revenue, respectively.

During the three and six months ended June 30, 2024 and 2023, no office represented 10% or more of total revenue.

Revenue Recognition

The Company generates real estate brokerage commissions by acting as a broker for real estate owners or investors seeking to buy or sell interests in commercial properties and generates financing fees from securing financing on purchase transactions, from refinancing its clients' existing mortgage debt and other ancillary fees associated with financing activities, including, but not limited to, debt and equity advisory services, loan sales, due diligence services, loan guarantee fees, loan performance fees and other consulting services.

Real Estate Brokerage Commissions

Contracts for representing buyers and sellers of real estate are usually negotiated on a transaction-by-transaction basis. The consideration associated with the successful outcome remains constrained until the completion of a transaction which happens at the close of escrow. At that time, the Company's performance is complete.

Financing Fees

Contracts for representing potential borrowers are usually negotiated on a transaction-by-transaction basis. The consideration associated with the successful outcome remains constrained until the completion of a transaction which occurs at the time the loan closes. At that time, the Company recognizes revenue related to the transaction. The Company's fee arrangements, with an exception for guarantee obligations, do not include terms or conditions that require the Company to perform any service or fulfill any obligation once the loan closes.

Loan Performance Fees - For loans originated through the Strategic Alliance with MTRCC, the Company receives variable consideration in the form of loan performance fees based on a portion of the servicing fees expected to be received under the servicing contract for servicing the loan. As the Company is not obligated to perform any servicing functions and has no further obligations related to the transaction giving rise to the loan performance fees, the estimated value of the loan performance fees to be received is recorded at the time the loan closes and are collected over the estimated term of the related loan. Any changes in the estimate of loan performance fees to be received are recorded in revenue in the period the estimate changes.

MARCUS & MILLICHAP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Guarantee Obligations - For certain loans originated through the Strategic Alliance with MTRCC, the Company may agree, at its option, to indemnify MTRCC for a portion of MTRCC's obligations for loans sold to Fannie Mae. For these loans, the Company allocates a portion of the transaction price and records a loan guarantee obligation based on its fair value. Revenue for this stand-ready obligation is recorded on a straight-line basis over the term of the estimated guarantee period and is recorded in financing fees in the condensed consolidated statements of operations. The guarantee obligation is capped at 16.7 % of any unpaid principal balance in excess of the value of the collateral securing such loan. For these loans, the Company is required to pledge cash in a restricted bank account in support of the guarantee obligation. The Company records an allowance for estimated losses related to the loans subject to the guarantee considering the risk characteristics of the loan, the loan's risk rating, historical loss experience, potential adverse situations affecting individual loans and other forecasted information as appropriate.

Other Revenue

Other revenue includes fees generated from leasing, consulting and advisory services, as well as referral fees from other real estate brokers, and such fees are recognized when services are provided, or upon closing of the transaction or when the Company has no further performance obligations.

Recent Accounting Pronouncements

Pending Adoption

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative ("ASU 2023-06"). ASU 2023-06 was issued in response to the SEC's final amendments in Release No. 33-10532, Disclosure Update and Simplification that updated and simplified disclosure requirements that the SEC believed were duplicative, overlapping, or outdated, and to align the requirements in the FASB Accounting Standards Codification ("Codification") with the SEC's disclosure requirements. The effective date for each amendment in ASU 2023-06 will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. If the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K by June 30, 2027, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. The Company does not expect the adoption of ASU 2023-06 to have a material impact on its consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, to require the disclosure of segment expenses if they are (i) significant to the segment, (ii) regularly provided to the chief operating decision maker (the "CODM"), and (iii) included in each reported measure of a segment's profit or loss. Public entities will be required to provide this disclosure quarterly. In addition, this ASU requires an annual disclosure of the CODM's title and a description of how the CODM uses the segment's profit/loss measure to assess segment performance and to allocate resources. Compliance with these and certain other disclosure requirements will be required for the Company's Annual Report on Form 10-K for the year 2024, and for subsequent quarterly and annual reports, with early adoption permitted. The Company is evaluating the impact this ASU will have on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), to require disaggregated information about a reporting entity's effective tax rate reconciliation, as well as information on income taxes paid. The new requirements should be applied on a prospective basis with an option to apply them retrospectively. ASU 2023-09 will be effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact this ASU will have on its consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-02, Codification Improvements - Amendments to Remove References to the Concepts Statements ("ASU 2024-02"), which removes references to various FASB Concepts Statements in the guidance to simplify the Codification and draw a distinction between authoritative and nonauthoritative literature. ASU 2024-02 is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2024, with early adoption permitted. The Company does not expect the adoption of ASU 2024-02 to have a material impact on its consolidated financial statements and related disclosures.

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2. Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Computer software and hardware equipment	\$ 54,010	\$ 49,851
Furniture, fixtures and equipment	26,306	26,097
Less: accumulated depreciation and amortization	(52,950)	(48,498)
	<u>\$ 27,366</u>	<u>\$ 27,450</u>

Depreciation expense for property and equipment was \$ 2.3 million for both the three months ended June 30, 2024 and 2023 and \$ 4.7 million and \$ 4.3 million for the six months ended June 30, 2024 and 2023, respectively.

3. Investments in Marketable Debt Securities, Available-for-Sale

Amortized cost, allowance for credit losses, gross unrealized gains (losses) in accumulated other comprehensive loss and fair value of marketable debt securities, available-for-sale, by type of security consisted of the following (in thousands):

	June 30, 2024				
	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<i>Short-term investments:</i>					
U.S. treasuries	\$ 45,725	\$ —	\$ —	\$ (236)	\$ 45,489
Corporate debt	74,583	—	—	(265)	74,318
	<u>\$ 120,308</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (501)</u>	<u>\$ 119,807</u>
<i>Long-term investments:</i>					
U.S. treasuries	\$ 828	\$ —	\$ —	\$ (52)	\$ 776
U.S. government sponsored entities	1,033	—	6	(71)	968
Corporate debt	41,991	—	88	(1,515)	40,564
Asset-backed securities ("ABS") and other	11,641	—	69	(318)	11,392
	<u>\$ 55,493</u>	<u>\$ —</u>	<u>\$ 163</u>	<u>\$ (1,956)</u>	<u>\$ 53,700</u>
	December 31, 2023				
	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<i>Short-term investments:</i>					
U.S. treasuries	\$ 91,951	\$ —	\$ 60	\$ (171)	\$ 91,840
Corporate debt	77,067	—	14	(40)	77,041
	<u>\$ 169,018</u>	<u>\$ —</u>	<u>\$ 74</u>	<u>\$ (211)</u>	<u>\$ 168,881</u>
<i>Long-term investments:</i>					
U.S. treasuries	\$ 10,097	\$ —	\$ —	\$ (245)	\$ 9,852
U.S. government sponsored entities	1,069	—	29	(58)	1,040
Corporate debt	45,990	—	244	(1,669)	44,565
ABS and other	12,382	—	72	(452)	12,002
	<u>\$ 69,538</u>	<u>\$ —</u>	<u>\$ 345</u>	<u>\$ (2,424)</u>	<u>\$ 67,459</u>

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The Company's investments in marketable debt securities, available-for-sale, that have been in a continuous unrealized loss position, for which an allowance for credit losses has not been recorded, by type of security consisted of the following (in thousands):

	June 30, 2024					
	Less than 12 months		12 months or greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value ⁽¹⁾	Gross Unrealized Losses
U.S. treasuries	\$ 28,678	\$ (3)	\$ 17,328	\$ (285)	\$ 46,006	\$ (288)
U.S. government sponsored entities	—	—	453	(71)	453	(71)
Corporate debt	73,596	(167)	32,937	(1,613)	106,533	(1,780)
ABS and other	345	(1)	5,444	(317)	5,789	(318)
	<u>\$ 102,619</u>	<u>\$ (171)</u>	<u>\$ 56,162</u>	<u>\$ (2,286)</u>	<u>\$ 158,781</u>	<u>\$ (2,457)</u>

	December 31, 2023					
	Less than 12 months		12 months or greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value ⁽¹⁾	Gross Unrealized Losses
U.S. treasuries	\$ 9,982	\$ (1)	\$ 20,610	\$ (415)	\$ 30,592	\$ (416)
U.S. government sponsored entities	—	—	488	(58)	488	(58)
Corporate debt	45,251	(59)	30,423	(1,650)	75,674	(1,709)
ABS and other	1,701	(15)	5,988	(437)	7,689	(452)
	<u>\$ 56,934</u>	<u>\$ (75)</u>	<u>\$ 57,509</u>	<u>\$ (2,560)</u>	<u>\$ 114,443</u>	<u>\$ (2,635)</u>

⁽¹⁾ The fair value excludes accrued interest receivable.

Gross realized gains and losses from the sales of the Company's marketable debt securities, available-for-sale, consisted of the following (in thousands):

	Three Months Ended				Six Months Ended			
	June 30,				June 30,			
	2024		2023		2024		2023	
Gross realized gains ⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Gross realized losses ⁽¹⁾	\$ —	\$ (23)	\$ —	\$ —	\$ —	\$ (23)	\$ (23)	

⁽¹⁾ Recorded in other income, net in the condensed consolidated statements of operations. The cost basis of securities sold were determined based on the specific identification method.

The Company invests its excess cash in a diversified portfolio of fixed and variable rate debt securities to meet current and future cash flow needs. All investments are made in accordance with the Company's approved investment policy. As of June 30, 2024, the portfolio had a weighted average credit rating of A+ and a weighted term to contractual maturity of 2.3 years, with 190 securities in the portfolio representing an unrealized aggregate loss of \$ 2.5 million, or 1 % of amortized cost, and a weighted average credit rating of A+.

As of June 30, 2024, the Company performed an impairment analysis and determined an allowance for credit losses was not required. The Company determined that it did not have an intent to sell and it was not more likely than not that the Company would be required to sell any security based on its current liquidity position, or to maintain compliance with its investment policy, specifically as it relates to minimum credit ratings. The Company evaluated the securities with an unrealized loss considering severity of loss, credit ratings, specific credit events during the period since acquisition, overall likelihood of default, market sector, potential impact from the current economic environment, including interest rates, geopolitical unrest and a review of an issuer's and securities' liquidity and financial strength, as needed. The Company

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concluded that it would receive all scheduled interest and principal payments. The Company, therefore, determined qualitatively that the unrealized loss was related to changes in interest rates and other market factors and therefore no allowance for credit losses was required.

Amortized cost and fair value of marketable debt securities, available-for-sale, by contractual maturity consisted of the following (in thousands, except weighted average data):

	June 30, 2024		December 31, 2023	
	Amortized		Amortized	
	Cost	Fair Value	Cost	Fair Value
Due in one year or less	\$ 120,308	\$ 119,807	\$ 169,018	\$ 168,881
Due after one year through five years	35,472	34,686	48,241	47,200
Due after five years through ten years	10,888	10,205	12,950	12,279
Due after ten years	9,133	8,809	8,347	7,980
	<u>\$ 175,801</u>	<u>\$ 173,507</u>	<u>\$ 238,556</u>	<u>\$ 236,340</u>
Weighted average contractual maturity		2.3 years		1.9 years

Actual maturities may differ from contractual maturities because certain issuers have the right to prepay certain obligations with or without prepayment penalties.

4. Acquisitions, Goodwill and Other Intangible Assets

Goodwill is recorded as part of the Company's acquisitions and primarily arose from the acquired assembled workforce and brokerage and financing sales platforms. The Company expects all of the goodwill to be tax deductible, with the tax-deductible amount of goodwill related to the contingent and deferred consideration to be determined once the cash payments are made to settle any contingent and deferred consideration. The goodwill resulting from acquisitions is allocated to the Company's one reporting unit.

Goodwill and intangible assets, net consisted of the following (in thousands):

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Goodwill and intangible assets:						
Goodwill	\$ 37,871	\$ —	\$ 37,871	\$ 38,046	\$ —	\$ 38,046
Intangible assets ⁽¹⁾	30,846	(19,747)	11,099	31,022	(17,885)	13,137
	<u>\$ 68,717</u>	<u>\$ (19,747)</u>	<u>\$ 48,970</u>	<u>\$ 69,068</u>	<u>\$ (17,885)</u>	<u>\$ 51,183</u>

⁽¹⁾ Total weighted remaining average amortization period was 3.4 years and 3.8 years as of June 30, 2024 and December 31, 2023, respectively. Intangible assets principally include non-competes and customer relationships.

The Company recorded amortization expense for intangible assets of \$ 1.0 million and \$ 1.1 million for the three months ended June 30, 2024 and 2023, respectively, and \$ 2.0 million and \$ 2.3 million for the six months ended June 30, 2024 and 2023.

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The changes in the carrying amount of goodwill consisted of the following (in thousands):

	Six Months Ended June 30, 2024
Beginning balance	\$ 38,046
Additions from acquisitions	—
Impact of foreign currency translation	(175)
Ending balance	\$ 37,871

Estimated amortization expense for intangible assets by year for the next five years and thereafter consisted of the following (in thousands):

	June 30, 2024
Remainder of 2024	\$ 2,008
2025	3,869
2026	2,156
2027	1,856
2028	1,210
Thereafter	—
	\$ 11,099

The Company evaluates goodwill for impairment annually in the fourth quarter. In addition to the annual impairment evaluation, the Company evaluates at least quarterly whether events or circumstances have occurred in the period subsequent to the annual impairment testing, which indicate that it is more likely than not an impairment loss has occurred. The Company evaluates its intangible assets that have finite useful lives whenever an event or change in circumstances indicates that the carrying value of the asset may not be recoverable.

As of June 30, 2024, the Company considered the impact of economic conditions and evaluated its goodwill and intangible assets for impairment testing. The Company estimated the recoverability of the intangible assets by comparing the carrying amount of each asset to the future undiscounted cash flows that the Company expects the asset to generate. The sum of the undiscounted expected future cash flows was greater than the carrying amount of the intangible assets. The Company concluded that as of June 30, 2024, there was no impairment of its intangible assets or goodwill.

5. Selected Balance Sheet Data

Allowances on Advances and Loans

Allowance for credit losses for advances and loans as of June 30, 2024 and December 31, 2023 was \$ 883,000 and \$ 680,000 , respectively.

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Other Assets

Other assets consisted of the following (in thousands):

	Current		Non-Current	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Security deposits	\$ —	\$ —	\$ 1,320	\$ 1,491
Employee notes receivable	26	37	11	26
Securities, held-to-maturity ⁽¹⁾	9,500	9,500	—	—
Loan performance fee receivable	2,211	1,725	9,142	7,885
Investments in convertible notes ⁽²⁾	1,132	—	4,532	5,081
Other ⁽³⁾	4,926	4,941	221	489
	\$ 17,795	\$ 16,203	\$ 15,226	\$ 14,972

⁽¹⁾ Securities, held-to-maturity, are expected to mature on September 1, 2024 and accrue interest based on the 1-year treasury rate.

⁽²⁾ Convertible notes were purchased during the fourth quarter 2023 in connection with strategic alliances with companies in the real estate sector. The convertible notes accrue interest at rates between 6 % and 10 %, are convertible into equity for premiums and mature in a weighted average 1.2 years subject to extension at the option of the holders.

⁽³⁾ Other primarily includes customer trust accounts and prepaid lease costs.

Deferred Compensation and Commissions

Deferred compensation and commissions consisted of the following (in thousands):

	Current		Non-Current	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Stock appreciation rights ("SARs") liability ⁽¹⁾	\$ 2,603	\$ 2,480	\$ 9,178	\$ 11,418
Commissions payable to investment sales and financing professionals	43,651	52,689	9,742	28,198
Deferred compensation liability ⁽¹⁾	188	201	9,268	8,155
Other	202	399	—	—
	\$ 46,644	\$ 55,769	\$ 28,188	\$ 47,771

⁽¹⁾ The SARs and deferred compensation liabilities become subject to payout at the time the participant is no longer considered a service provider. As a result of the retirement of certain participants, estimated amounts to be paid to participants within the next twelve months have been classified as current.

SARs Liability

Prior to the IPO, certain employees of the Company were granted SARs under a stock-based compensation program assumed by MMC. In connection with the IPO, the SARs agreements were revised, the MMC liability of \$ 20.0 million for the SARs was frozen as of March 31, 2013 and was transferred to MMI through a capital distribution. The SARs liability will be settled with each participant in ten annual installments in January of each year upon retirement or termination from service, or in full upon consummation of a change in control of the Company.

Under the revised agreements, MMI is required to accrue interest on the outstanding balance beginning on January 1, 2014, at a rate based on the 10-year treasury note, plus 2 %. The rate resets annually. The rates at January 1, 2024 and 2023 were 5.95 % and 5.79 %, respectively. MMI recorded interest expense related to this liability of \$ 170,000 and \$ 190,000 for

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the three months ended June 30, 2024 and 2023, respectively, and \$ 340,000 and \$ 380,000 for the six months ended June 30, 2024 and 2023, respectively.

Estimated payouts within the next twelve months for participants that have separated from service have been classified as current. During the six months ended June 30, 2024 and 2023, the Company made total payments of \$ 2.5 million and \$ 2.3 million, respectively, consisting of principal and accumulated interest.

Commissions Payable

Certain investment sales and financing professionals can earn additional commissions after meeting certain annual revenue thresholds. These commissions are recognized as cost of services in the period in which they are earned as they relate to specific transactions closed. The Company may defer payment of certain commissions, at its election, for up to three years. Commissions that are not expected to be paid within twelve months are classified as long-term.

Deferred Compensation Liability

A select group of management is eligible to participate in the Marcus & Millichap Deferred Compensation Plan (the "Deferred Compensation Plan"). The Deferred Compensation Plan is a non-qualified deferred compensation plan that is intended to comply with Section 409A of the Internal Revenue Code and permits participants to defer compensation up to the limits set forth in the Deferred Compensation Plan. Amounts are paid out generally when the participant is no longer a service provider; however, an in-service payout election is available to participants. Participants may elect to receive payouts as a lump sum or quarterly over a two to fifteen-year period. The Company elected to fund the Deferred Compensation Plan through Company-owned variable life insurance policies. The Deferred Compensation Plan is managed by a third-party institutional fund manager, and the deferred compensation and investment earnings are held as a Company asset in a rabbi trust, which is recorded in assets held in rabbi trust in the accompanying condensed consolidated balance sheets. The assets in the trust are restricted unless the Company becomes insolvent, in which case the trust assets are subject to the claims of the Company's creditors. The Company may also, in its sole and absolute discretion, elect to withdraw at any time a portion of the trust assets by an amount by which the fair market value of the trust assets exceeds 110 % of the aggregate deferred compensation liability represented by the participants' accounts. Estimated payouts within the next twelve months for participants that have separated from service or elected an in-service payout have been classified as current. During the six months ended June 30, 2024 and 2023, the Company made total payments to participants of \$ 121,000 and \$ 163,000 respectively.

The assets held in the rabbi trust are carried at the cash surrender value of the variable life insurance policies, which represents its fair value. The net change in the carrying value of the assets held in the rabbi trust and the net change in the carrying value of the deferred compensation liability, each exclusive of additional contributions, distributions and trust expenses, consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Increase in the carrying value of the assets held in the rabbi trust ⁽¹⁾	\$ 280	\$ 472	\$ 969	\$ 930
Increase in the net carrying value of the deferred compensation obligation ⁽²⁾	\$ (161)	\$ (452)	\$ (736)	\$ (885)

⁽¹⁾ Recorded in other income, net in the condensed consolidated statements of operations.

⁽²⁾ Recorded in selling, general and administrative expense in the condensed consolidated statements of operations.

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Other Liabilities

Other liabilities consisted of the following (in thousands):

	Current		Non-Current	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Deferred consideration	\$ 759	\$ 1,178	\$ —	\$ 393
Contingent consideration	4,703	819	810	4,663
Dividends payable	832	802	1,403	1,680
Loan guarantee obligation	932	725	3,731	3,194
Other	565	395	948	760
	<u>\$ 7,791</u>	<u>\$ 3,919</u>	<u>\$ 6,892</u>	<u>\$ 10,690</u>

6. Related-Party Transactions

Shared and Transition Services

Certain services are provided to the Company under a Transition Services Agreement ("TSA") between MMC and the Company. The TSA is intended to provide certain services until the Company acquires these services separately. In addition, the Company charges MMC for certain shared licensing arrangements. Under the TSA, the Company received net charge-backs during the three months ended June 30, 2024 and 2023 of \$ 17,000 and \$ 19,000 , respectively, and during the six months ended June 30, 2024 and 2023 of \$ 27,000 and \$ 44,000 , respectively. These amounts are included in selling, general and administrative expense in the accompanying condensed consolidated statements of operations.

Brokerage and Financing Services with the Subsidiaries of MMC

MMC has wholly or majority owned subsidiaries that buy and sell commercial real estate properties. The Company performs certain brokerage and financing services related to transactions of the subsidiaries of MMC. For the three months ended June 30, 2024 and 2023, the Company earned real estate brokerage commissions and financing fees of \$ 290,000 and \$ 0 , respectively, from transactions with subsidiaries of MMC related to these services. The Company incurred cost of services of \$ 168,000 and \$ 0 , respectively, related to this revenue. For the six months ended June 30, 2024 and 2023, the Company earned real estate brokerage commissions and financing fees of \$ 1,020,000 and \$ 441,000 , respectively, from transactions with subsidiaries of MMC related to these services. The Company incurred cost of services of \$ 610,000 and \$ 264,000 , respectively, related to this revenue.

Operating Lease with MMC

The Company has an operating lease with MMC for a single-story office building located in Palo Alto, California, which expires in May 2032. The related operating lease cost was \$ 290,000 and \$ 295,000 for the three months ended June 30, 2024 and 2023, respectively, and \$ 581,000 and \$ 592,000 for the six months ended June 30, 2024 and 2023, respectively. Operating lease cost is included in selling, general and administrative expense in the accompanying condensed consolidated statements of operations. The related operating lease right-of-use asset, net and operating lease liability as of June 30, 2024 was \$ 7,363,000 and \$ 7,918,000 , respectively and as of December 31, 2023 was \$ 7,800,000 and \$ 8,300,000 , respectively.

Amounts due to (from) MMC

As of June 30, 2024 and December 31, 2023, the Company recorded a receivable of \$ 2,100 and payable of \$ 10,000 with MMC, respectively. These amounts are included in other assets, current and accounts payable and accrued expenses, respectively, in the accompanying condensed consolidated balance sheets.

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Other

The Company makes advances to non-executive employees from time-to-time. At June 30, 2024 and December 31, 2023, the aggregate principal amount for employee notes receivable was \$ 37,000 and \$ 63,000 , respectively, which is included in other assets in the accompanying condensed consolidated balance sheets. See Note 5 - "Selected Balance Sheet Data".

As of June 30, 2024, George M. Marcus, the Company's founder and Chairman, beneficially owned approximately 39 % of the Company's issued and outstanding common stock, including shares owned by Phoenix Investments Holdings, LLC and the Marcus Family Foundation II.

7. Fair Value Measurements

U.S. GAAP defines the fair value of a financial instrument as the amount that would be received from the sale of an asset in an orderly transaction between market participants at the measurement date. The Company is responsible for the determination of fair value and the supporting methodologies and assumptions. The Company uses various pricing sources and third parties to provide and validate the values utilized.

The degree of judgment used in measuring the fair value of financial instruments is generally inversely correlated with the level of observable valuation inputs. Financial instruments with quoted prices in active markets generally have more pricing observability and less judgment is used in measuring fair value. Financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment.

Assets recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of the three "levels" based on the observability of inputs available in the marketplace used to measure the fair values as discussed below:

- *Level 1:* Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- *Level 2:* Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; or
- *Level 3:* Unobservable inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model. Management estimates include certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Recurring Fair Value Measurements

The Company values its investments including commercial paper and floating net asset value money market funds recorded in cash, cash equivalents, and restricted cash, investments in marketable debt securities, available-for-sale, assets held in the rabbi trust, deferred compensation liability, contingent and deferred consideration and investments in convertible notes at fair value on a recurring basis.

Fair values for investments included in cash, cash equivalents, and restricted cash and marketable debt securities, available-for-sale were determined for each individual security in the investment portfolio and all securities are Level 1 or 2 measurements as appropriate.

Fair values for assets held in the rabbi trust and related deferred compensation liability were determined based on the cash surrender value of the Company-owned variable life insurance policies and underlying investments in the trust, and are Level 2 and Level 1 measurements, respectively.

Contingent consideration in connection with acquisitions, is carried at fair value and determined on a contract-by-contract basis, calculated using unobservable inputs based on a probability of achieving EBITDA and other performance requirements, and is a Level 3 measurement. Deferred consideration in connection with acquisitions is carried at fair value

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and calculated using a discounted cash flow estimate with the only remaining condition on such payments being the passage of time, and is a Level 2 measurement.

We have elected to account for our investments in convertible notes, included in other assets, under the fair value option, with changes in fair value recognized in other income, net in the condensed consolidated statements of operations. We estimate the fair value of each convertible note at each balance sheet date using a scenario-based framework that incorporates various scenarios weighted based on the expected likelihood of occurrence. Within each scenario, a discounted cash flow approach was utilized, taking the expected settlement for the event, and discounting it based on the expected timing and a discount rate. Each of the assumptions in the model were considered significant assumptions. We noted that a change in the expected probability, expected payoff, timing, or discount rate, would result in a change to the fair value ascribed to the convertible notes. As these are significant inputs not observable in the market, the valuation is classified as a Level 3 measurement.

Assets and liabilities carried at fair value on a recurring basis consisted of the following (in thousands):

	June 30, 2024				December 31, 2023			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Assets held in rabbi trust	\$ 11,686	\$ —	\$ 11,686	\$ —	\$ 10,838	\$ —	\$ 10,838	\$ —
Convertible notes	\$ 5,664	\$ —	\$ —	\$ 5,664	\$ 5,081	\$ —	\$ —	\$ 5,081
Cash equivalents ⁽¹⁾ :								
Commercial paper	\$ 24,391	\$ —	\$ 24,391	\$ —	\$ 27,998	\$ —	\$ 27,998	\$ —
Money market funds	65,888	65,888	—	—	68,364	68,364	—	—
	\$ 90,279	\$ 65,888	\$ 24,391	\$ —	\$ 96,362	\$ 68,364	\$ 27,998	\$ —
Marketable debt securities, available-for-sale:								
<i>Short-term investments:</i>								
U.S. treasuries	\$ 45,489	\$ 45,489	\$ —	\$ —	\$ 91,840	\$ 91,840	\$ —	\$ —
Corporate debt	74,318	—	74,318	—	77,041	—	77,041	—
	\$ 119,807	\$ 45,489	\$ 74,318	\$ —	\$ 168,881	\$ 91,840	\$ 77,041	\$ —
<i>Long-term investments:</i>								
U.S. treasuries	\$ 776	\$ 776	\$ —	\$ —	\$ 9,852	\$ 9,852	\$ —	\$ —
U.S. government sponsored entities	968	—	968	—	1,040	—	1,040	—
Corporate debt	40,564	—	40,564	—	44,565	—	44,565	—
ABS and other	11,392	—	11,392	—	12,002	—	12,002	—
	\$ 53,700	\$ 776	\$ 52,924	\$ —	\$ 67,459	\$ 9,852	\$ 57,607	\$ —
Liabilities:								
Contingent consideration	\$ 5,513	\$ —	\$ —	\$ 5,513	\$ 5,482	\$ —	\$ —	\$ 5,482
Deferred consideration	\$ 759	\$ —	\$ 759	\$ —	\$ 1,571	\$ —	\$ 1,571	\$ —
Deferred compensation liability	\$ 9,456	\$ 9,456	\$ —	\$ —	\$ 8,356	\$ 8,356	\$ —	\$ —

⁽¹⁾ Included in cash, cash equivalents, and restricted cash on the accompanying condensed consolidated balance sheets.

There were no transfers in or out of Level 3 during the six months ended June 30, 2024 and 2023.

During the six months ended June 30, 2024, the Company considered current and future interest rates and the probability of achieving EBITDA and other performance targets in its determination of fair value for the contingent consideration. The Company is uncertain as to the extent of the volatility in the unobservable inputs in the foreseeable

MARCUS & MILLICHAP, INC.
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(Unaudited)

future. Deferred consideration in connection with acquisitions is carried at fair value and calculated using a discounted cash flow estimate with the only remaining condition on such payments being the passage of time.

As of June 30, 2024 and December 31, 2023, contingent and deferred consideration had a maximum undiscounted payment to be settled in cash or stock of \$ 13.2 million and \$ 14.7 million, respectively. Assuming the achievement of the applicable performance criteria and time requirements, the Company anticipates these payments will be made over the next one to three-year period. Changes in fair value are included in selling, general and administrative expense in the condensed consolidated statements of operations.

A reconciliation of contingent consideration measured at fair value on a recurring basis consisted of the following (in thousands):

	Six Months Ended June 30,	
	2024	2023
Beginning balance	\$ 5,482	\$ 7,067
Change in fair value of contingent consideration ⁽¹⁾	31	511
Payments of contingent consideration	—	(1,060)
Ending balance	<u>\$ 5,513</u>	<u>\$ 6,518</u>

⁽¹⁾ Includes immaterial impact of foreign currency translation.

Quantitative information about the valuation technique and significant unobservable inputs used in the valuation of the Company's Level 3 financial liabilities measured at fair value on a recurring basis consisted of the following (dollars in thousands):

	Fair Value at June 30, 2024	Valuation Technique	Unobservable inputs	Range (Weighted Average) ⁽¹⁾	
Contingent consideration	\$ 5,513	Discounted cash flow	Expected life of cash flows	0.3 - 3.3	(0.9)
			Discount rate	5.3 %- 6.7 %	(6.4 %)
			Probability of achievement	10.8 %- 100.0 %	(97.0 %)
	Fair Value at December 31, 2023	Valuation Technique	Unobservable inputs	Range (Weighted Average) ⁽¹⁾	
Contingent consideration	\$ 5,482	Discounted cash flow	Expected life of cash flows	0.8 - 3.8 years	(1.4 years)
			Discount rate	5.3 %- 6.4 %	(6.1 %)
			Probability of achievement	11.1 %- 100.0 %	(96.5 %)

⁽¹⁾ Unobservable inputs were weighted by the relative fair value of the instruments.

The fair value of the convertible notes considered (i) the contractual maturity which may be extended at the option of the holders, (ii) a weighted average premium at settlement of 113 % upon a subsequent financing, equity financing or a change in control, and (iii) a weighted average discount rate of 15.4 %. During the three months ended June 30, 2024, the fair value of the convertible notes increased by approximately \$ 391,000 . During the six months ended June 30, 2024, the fair value of the convertible notes increased by approximately \$ 583,000 primarily due to accrued interest and the reduction in the estimated time to settlement from a weighted average of 1.8 years to 0.9 years.

Nonrecurring Fair Value Measurements

In accordance with U.S. GAAP, from time to time, the Company measures certain assets at fair value on a nonrecurring basis. The Company reviews the carrying value of intangibles, goodwill and other assets for indications of

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impairment at least annually. When indications of potential impairment are identified, the Company may be required to determine the fair value of those assets and record an adjustment for the carrying amount in excess of the fair value determined. Any fair value determination would be based on valuation approaches, which are appropriate under the circumstances and utilize Level 2 and Level 3 measurements as required.

8. Stockholders' Equity

Common Stock

As of June 30, 2024 and December 31, 2023, there were 38,729,323 and 38,412,484 shares of common stock, \$ 0.0001 par value, issued and outstanding, which included unvested restricted stock awards ("RSAs") issued to non-employee directors, respectively. See Note 11 – "Loss per Share" for additional information.

On August 1, 2024, the Board of Directors declared a semi-annual regular dividend of \$ 0.25 per share, with a payment date of October 4, 2024, to stockholders of record at the close of business on September 16, 2024. The compensation committee of the Company's Board of Directors ("Compensation Committee") granted dividend equivalents to all unvested grants as of the record date.

As of June 30, 2024, the \$ 2.2 million dividend payable related to unvested stock awards remaining to be paid upon vesting of stock awards. The dividend payable is recorded in other liabilities in the condensed consolidated balance sheets, of which \$ 1.4 million is classified as non-current. See Note 5 – "Selected Balance Sheet Data."

Preferred Stock

The Company has 25,000,000 authorized shares of preferred stock with a par value \$ 0.0001 per share. At June 30, 2024 and December 31, 2023, there were no preferred shares issued or outstanding.

Accumulated Other Comprehensive Loss

Amounts reclassified from accumulated other comprehensive loss are included as a component of other income, net or selling, general and administrative expense, as applicable, in the condensed consolidated statements of operations. The reclassifications were determined on a specific identification basis.

The Company has not provided for U.S. taxes on unremitted earnings of its foreign subsidiary as it is operating at a loss and has no earnings and profits to remit. As a result, deferred taxes were not provided related to the cumulative foreign currency translation adjustments.

Repurchases of Common Stock

On August 2, 2022, the Company's Board of Directors authorized a common stock repurchase program (the "Repurchase Program") of up to \$ 70 million. On May 2, 2023, the Company's Board of Directors approved an additional \$ 70 million to repurchase common stock under the Repurchase Program. During the three months ended June 30, 2024, the Company did not purchase any shares of common stock under the Repurchase Program. During the six months ended June 30, 2024, the Company repurchased and retired 16,900 shares of common stock for \$ 0.6 million, at an average cost of \$ 32.77 per share. As of June 30, 2024, \$ 71.0 million remained authorized for repurchases under the Repurchase Program.

9. Stock-Based Compensation Plans

2013 Omnibus Equity Incentive Plan

The Company's Board of Directors adopted the 2013 Omnibus Equity Incentive Plan (the "2013 Plan") in October 2013. In February 2017, the Board of Directors amended and restated the 2013 Plan, which was approved by the Company's stockholders in May 2017. In October 2023, February 2024 and March 2024, the Board of Directors further amended the 2013 Plan to eliminate the term of the 2013 Plan and to make certain other best practice and administrative changes (the 2013 Plan, as amended, the "Amended Plan"). The Amended Plan was approved by the stockholders of the Company at the 2024 Annual Meeting of Stockholders.

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Grants are made from time to time by the Compensation Committee at its discretion, subject to certain restrictions as to the number and value of shares that may be granted to any individual. In addition, non-employee directors receive annual grants under a director compensation policy. The Compensation Committee, at its discretion, may credit dividend equivalents to certain unvested awards as provided in the Amended Plan. Any dividend equivalents credited to unvested awards are paid to the participant at the time the related grants vest. As of June 30, 2024, there were 3,033,769 shares available for future grants under the Amended Plan.

Awards Granted and Settled

Under the Amended Plan, the Company has issued RSAs to non-employee directors and restricted stock units ("RSUs") to employees and independent contractors. RSAs vest over a one-year period from the date of grant, subject to service requirements. RSUs generally vest in equal annual installments over a five-year period from the date of grant or earlier as approved by the Compensation Committee. Dividend equivalents granted for unvested stock awards that were granted prior to the Amended Plan are paid at the time the stock awards vest. Any unvested awards and dividend equivalents are canceled upon termination as a service provider. As of June 30, 2024, there were no issued or outstanding options, SARs, performance units or performance share awards under the Amended Plan.

During the six months ended June 30, 2024, 432,706 RSUs and RSAs vested, with 140,042 shares of common stock withheld to pay applicable required employee statutory withholding taxes based on the market value of the shares on the vesting date. The shares withheld for taxes were returned to the share reserve and are available for future issuance in accordance with provisions of the Amended Plan. Unvested RSUs will be settled through the issuance of new shares of common stock.

Outstanding Awards

Activity under the Amended Plan consisted of the following (dollars in thousands, except weighted average per share data):

	Shares	Weighted-Average Grant Date Fair Value Per Share
Nonvested shares at December 31, 2023 ⁽¹⁾	1,999,745	\$ 39.90
Granted ⁽²⁾	589,498	35.72
Vested	(432,706)	40.30
Forfeited/canceled	(41,994)	40.09
Nonvested shares at June 30, 2024 ⁽¹⁾	<u>2,114,543</u>	<u>\$ 38.64</u>

⁽¹⁾ Nonvested RSUs will be settled through the issuance of new shares of common stock.

⁽²⁾ On May 2, 2024, stockholders of the Company approved the Amended Plan. On that same date, previously approved RSU awards covering 547,424 shares were granted when the Amended Plan became effective.

As of June 30, 2024, the Company had unrecognized stock-based compensation relating to RSUs and RSAs of approximately \$ 69.5 million, which is expected to be recognized over a weighted-average period of 3.38 years.

Employee Stock Purchase Plan

In 2013, the Company adopted the 2013 Employee Stock Purchase Plan (the "ESPP"). The ESPP is intended to qualify under Section 423 of the Internal Revenue Code and provides for consecutive, non-overlapping six-month offering periods. The offering periods generally start on the first trading day on or after May 15 and November 15 of each year. Qualifying employees may purchase shares of the Company stock at a discount based on the lower of the market price at the beginning or end of the offering period, subject to Internal Revenue Service ("IRS") limitations. The Company determined that the ESPP was a compensatory plan and is required to expense the fair value of the awards over each six-month offering period.

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In October 2023 and February 2024, the Board of Directors amended the ESPP to (i) eliminate the term of the ESPP such that the ESPP shall continue in effect until the ESPP is terminated by the Board of Directors or the Compensation Committee, (ii) eliminate the “evergreen” feature providing for annual increases in the number of shares reserved for issuance under the ESPP without stockholder approval, (iii) increase the discount qualifying employees may purchase shares of the Company stock to 15 % based on the lower of the market price at the beginning or end of the offering period, subject to IRS limitations and (iv) make certain other best practice and administrative changes to the ESPP (the “Amended ESPP”). The Amended ESPP was approved by the stockholders of the Company at the 2024 Annual Meeting of Stockholders.

The ESPP initially had 366,667 shares of common stock reserved, and 94,746 shares of common stock remain available for issuance as of June 30, 2024. As of June 30, 2024, total unrecognized compensation cost related to the Amended ESPP was \$ 99,000 and is expected to be recognized over a weighted average period of 0.37 years.

SARs and DSUs

Prior to the IPO, certain employees were granted SARs. As of March 31, 2013, the outstanding SARs were frozen at the liability amount, and will be paid out to each participant in installments upon retirement or departure under the terms of the revised SARs agreements. To replace beneficial ownership in the SARs, the difference between the book value liability and the fair value of the awards was granted to plan participants in the form of deferred stock units (“DSUs”), which were fully vested upon receipt and were subsequently settled in stock of the Company. As of December 31, 2022, all DSUs were settled.

Summary of Stock-Based Compensation

Components of stock-based compensation are included in selling, general and administrative expense in the condensed consolidated statements of operations and consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
ESPP	\$ 54	\$ 28	\$ 108	\$ 83
RSUs and RSAs	5,835	5,323	11,576	10,279
	<u>\$ 5,889</u>	<u>\$ 5,351</u>	<u>\$ 11,684</u>	<u>\$ 10,362</u>

10. Income Taxes

The Company’s effective tax rate for the three and six months ended June 30, 2024 was (61.1)% and 14.6 %, respectively, compared to (45.5)% and 16.6 % for the three and six months ended June 30, 2023, respectively. The Company provides for the effects of income taxes in interim financial statements based on the Company’s estimate of its annual effective tax rate for the full year, which is based on forecasted income by jurisdiction where the Company operates, adjusted for any tax effects of items that relate discretely to the period, if any.

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The benefit for income taxes differs from the amount computed by applying the U.S. federal statutory rate to income before benefit for income taxes and consisted of the following (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate
Income tax benefit at the federal statutory rate	\$ (722)	21.0 %	\$ (1,260)	21.0 %	\$ (3,816)	21.0 %	\$ (3,668)	21.0 %
State income tax expense (benefit), net of federal benefit	146	(4.2)%	315	(5.3)%	(505)	2.8 %	(424)	2.4 %
Shortfall tax expense, net related to stock-based compensation	11	(0.3)%	119	(2.0)%	576	(3.2)%	773	(4.4)%
Change in valuation allowance	(889)	25.9 %	17	(0.3)%	(317)	1.7 %	244	(1.4)%
Permanent and other items ⁽¹⁾	3,554	(103.5)%	3,537	(58.9)%	1,416	(7.7)%	170	(1.0)%
	<u>\$ 2,100</u>	<u>(61.1)%</u>	<u>\$ 2,728</u>	<u>(45.5)%</u>	<u>\$ (2,646)</u>	<u>14.6 %</u>	<u>\$ (2,905)</u>	<u>16.6 %</u>

⁽¹⁾ Permanent items relate principally to compensation charges, qualified transportation fringe benefits, meals and entertainment, and other items principally related to the effect of providing taxes in the interim financial statements based on the estimated full year effective tax rate.

11. Loss per Share

Basic and diluted loss per share for the three and six months ended June 30, 2024 and 2023, respectively consisted of the following (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	Numerator (Basic and Diluted):			
Net loss	\$ (5,538)	\$ (8,729)	\$ (15,525)	\$ (14,562)
Change in value for stock settled consideration ⁽¹⁾	3	13	24	37
Adjusted net loss	<u>\$ (5,535)</u>	<u>\$ (8,716)</u>	<u>\$ (15,501)</u>	<u>\$ (14,525)</u>
Denominator:				
<i>Basic</i>				
Weighted average common shares issued and outstanding	38,692	38,553	38,578	38,880
Deduct: Unvested RSAs ⁽²⁾	(17)	(15)	(17)	(13)
Weighted average common shares outstanding	<u>38,675</u>	<u>38,538</u>	<u>38,561</u>	<u>38,867</u>
Basic loss per common share	<u>\$ (0.14)</u>	<u>\$ (0.23)</u>	<u>\$ (0.40)</u>	<u>\$ (0.37)</u>
<i>Diluted</i>				
Weighted average common shares outstanding from above	38,675	38,538	38,561	38,867
Add: Dilutive effect of RSUs, RSAs & ESPP ⁽³⁾	—	—	—	—
Add: Contingently issuable shares ⁽¹⁾⁽³⁾	—	—	—	—
Weighted average common shares outstanding	<u>38,675</u>	<u>38,538</u>	<u>38,561</u>	<u>38,867</u>
Diluted loss per common share	<u>\$ (0.14)</u>	<u>\$ (0.23)</u>	<u>\$ (0.40)</u>	<u>\$ (0.37)</u>
Antidilutive shares excluded from diluted loss per common share ⁽⁴⁾	<u>1,296</u>	<u>1,887</u>	<u>1,220</u>	<u>1,781</u>

⁽¹⁾ Relates to contingently issuable stock settled consideration.

⁽²⁾ RSAs were issued to the non-employee directors and have a one-year vesting term subject to service requirements. See Note 9 – “Stock-Based Compensation Plans” for additional information.

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- ⁽³⁾ Shares related to the Company's RSUs, RSAs, ESPP, and contingently issuable shares were excluded from the weighted average common shares outstanding for the six months ended June 30, 2024 because inclusion of such shares would be antidilutive in a period of loss.
- ⁽⁴⁾ Primarily pertaining to RSU grants to the Company's employees and independent contractors.

12. Commitments and Contingencies

Credit Agreement

On June 18, 2014, the Company entered into a credit agreement (the "Credit Agreement") with Wells Fargo Bank, National Association (the "Bank"). On May 31, 2022, the Company executed an amended and restated Credit Agreement to extend the maturity date of the Credit Agreement to August 1, 2022, and which included substantially the same terms and conditions as the original credit facility. On July 28, 2022, the Company entered into the Second Amended and Restated Credit Agreement to adjust the maturity date of the Credit Agreement to June 1, 2025, with principally the same terms and conditions as the extension signed in May 2022. On September 25, 2023, the Company executed the First Amendment to the Second Amended and Restated Credit Agreement which provides for a \$ 10 million line of credit and a maturity date of June 1, 2024. On May 30, 2024, the Company executed the Second Amendment to the Second Amended Restated Credit Agreement which extended the maturity date to June 1, 2025 (the "Credit Facility").

The Company may borrow, repay and reborrow amounts under the Credit Facility until its maturity date, at which time all amounts outstanding under the Credit Facility must be repaid in full. Borrowings under the Credit Facility are available for general corporate purposes and working capital. The Credit Facility includes a \$ 3.0 million sublimit for the issuance of standby letters of credit of which \$ 1,050,000 was utilized at June 30, 2024. Borrowings under the Credit Facility will bear interest at the Daily Simple SOFR rate plus a spread of 175 basis points. In connection with the amendments to the Credit Agreement, the Company paid bank fees and other expenses, which are being amortized over the remaining term of the Credit Agreement. The Company pays a commitment fee of up to 0.5 % per annum, payable quarterly, based on the amount of unutilized commitments under the Credit Facility. The amortization and commitment fees are included in interest expense in the accompanying condensed consolidated statements of operations and were \$ 33,000 and \$ 26,000 for the three months ended June 30, 2024 and 2023, respectively, and \$ 63,000 and \$ 51,000 for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, there were no amounts outstanding under the Credit Agreement.

The Credit Facility contains customary covenants, including financial covenants, financial reporting requirements and events of default. Financial covenants require the Company, on a combined basis with its guarantors, to maintain total liquidity including cash and cash equivalents and marketable securities, held for sale of \$ 100 million and an average daily cash balance of \$ 35 million with the Bank, on a combined basis with all the guarantors, calculated as of the end of the month. In addition, the Credit Facility requires that \$ 10 million of the minimum daily average cash deposits be held in a blocked account at the Bank, as cash collateral. The Credit Facility is secured by substantially all assets of the Company, including pledges of 100 % of the stock or other equity interest of each subsidiary except for the capital stock of a controlled foreign corporation (as defined in the Internal Revenue Code), in which case no such pledge is required. As of June 30, 2024, the Company was in compliance with all financial and non-financial covenants and has not experienced any limitation in its operations as a result of the covenants. Our ability to borrow under our Credit Facility is limited by our ability to comply with its covenants or obtain necessary waivers.

Strategic Alliance

The Company, in connection with the Strategic Alliance with MTRCC, has agreed to provide loan opportunities that may be funded through MTRCC's DUS Agreement with Fannie Mae. MTRCC's agreement with Fannie Mae requires MTRCC to guarantee a portion of each funded loan. On a loan-by-loan basis, the Company, at its option, can indemnify a portion of MTRCC's guarantee obligation of loan opportunities presented to and closed by MTRCC. As of June 30, 2024, the Company has agreed to a maximum aggregate guarantee obligation of \$ 194.7 million relating to loans with an unpaid balance of \$ 1,168.3 million. The Company would be liable for its maximum aggregate guarantee obligation only if all of the loans for which it is providing a guarantee to MTRCC were to default and all of the collateral underlying these loans were determined to be without value at the time of settlement. As of June 30, 2024 and December 31, 2023, the Company has recorded an allowance for loss-sharing obligations of \$ 1,039,000 and \$ 851,000 , respectively, and pledged \$ 532,000 and \$ 283,000 , respectively, in a restricted bank account in support of the guarantee obligation.

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Other

In connection with certain agreements with investment sales and financing professionals, the Company may agree to advance amounts to such professionals upon reaching certain time and performance goals. Such commitments as of June 30, 2024 aggregated \$ 22.5 million.

13. Subsequent Events

On August 1, 2024, the Board of Directors declared a semi-annual regular dividend of \$ 0.25 per share, or approximately \$ 10.2 million, with a payment date of October 4, 2024, to stockholders of record at the close of business on September 16, 2024.

In connection with the Strategic Alliance with MTRCC, the Company holds a \$ 9.5 million investment in MTRCC Mandatorily Redeemable Fixed-Rate Cumulative Preferred Stock classified as held-to-maturity, which matures on September 1, 2024. Upon the redemption of the above shares, the Company has committed to purchase \$ 9.5 million of Mandatorily Redeemable Fixed-Rate Cumulative Preferred Stock of MTRCC on September 1, 2024. The preferred stock will accrue dividends, as and if declared, based on the one-year treasury rate.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context requires otherwise, the words "Marcus & Millichap," "MMI," "we," the "Company," "us" and "our" refer to Marcus & Millichap, Inc., and its consolidated subsidiaries.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements, including our expectations regarding the long-term outlook of the commercial real estate transaction market and our positioning within it, our belief relating to the Company's long-term growth, our assessment of the key factors influencing the Company's business outlook for 2024 and the execution of our capital return program, including a semi-annual dividend and stock repurchase program. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results may be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- general uncertainty in the capital markets, a worsening of economic conditions, and the rate and pace of economic recovery following an economic downturn;
- changes in our business operations;
- market trends in the commercial real estate market or the general economy, including the impact of inflation and increased interest rates;
- our ability to attract and retain qualified senior executives, managers, and investment sales and financing professionals;
- the impact of forgivable loans and related expense resulting from the recruitment and retention of agents;
- the effects of increased competition on our business;
- our ability to successfully enter new markets or increase our market share;
- our ability to successfully expand our services and businesses and to manage any such expansions;
- our ability to retain existing clients and develop new clients;
- our ability to keep pace with changes in technology;
- any business interruption or technology failure, including cybersecurity risks and ransomware attacks, and any related impact on our reputation;
- changes in interest rates, availability of capital, tax laws, employment laws, or other government regulation affecting our business, in each case as may be impacted by the 2024 presidential election;
- our ability to successfully identify, negotiate, execute, and integrate accretive acquisitions; and
- other risk factors included under "Risk Factors" in our most recent Annual Report on Form 10-K.

In addition, in this Quarterly Report, the words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "goal," "expect," "predict," "potential," "should," and similar expressions, as they relate to our Company, our business and our management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

The results of operations for the six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2024, or for any other future period. The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Item 1 of this Quarterly Report on Form 10-Q and in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 27, 2024, including the "Risk Factors" section and the consolidated financial statements and notes included therein.

Overview

We are a leading national real estate services firm specializing in commercial real estate investment sales, financing services, research and advisory services. We have been the top commercial real estate investment broker in the United States based on the number of investment transactions for more than 15 years. As of June 30, 2024, we had 1,726 investment sales and financing professionals that are primarily exclusive independent contractors operating in more than 80 offices, who provide real estate brokerage and financing services to sellers and buyers of commercial real estate assets. During the three and six months ended June 30, 2024, we closed 1,800 and 3,364 investment sales, financing and other transactions with total sales volume of approximately \$9.5 billion and \$19.2 billion, respectively. During the year ended December 31, 2023, we closed 7,546 investment sales, financing and other transactions with total sales volume of approximately \$43.6 billion.

We generate revenue by collecting real estate brokerage commissions upon the sale, and financing fees upon the financing of commercial properties, by providing equity advisory services and loan sales, loan guarantees and by providing consulting and advisory services. Real estate brokerage commissions are typically based upon the value of the property and financing fees are typically based upon the size of the loan. During the three months ended June 30, 2024, approximately 86% of our revenue was generated from real estate brokerage commissions, 11% from financing fees and 3% from other real estate related services.

We divide commercial real estate into four major markets, characterized by price:

- Properties priced less than \$1 million;
- Private client market: properties priced from \$1 million to up to but less than \$10 million;
- Middle market: properties priced from \$10 million to up to but less than \$20 million; and
- Larger transaction market: properties priced from \$20 million and above.

We are the industry leader in serving private clients in the \$1-\$10 million private client market, which contributed approximately 63% and 69% of our real estate brokerage commissions during the three months ended June 30, 2024 and 2023, respectively, and approximately 65% and 68% of our real estate brokerage commissions during the six months ended June 30, 2024 and 2023, respectively. The following tables set forth the number of transactions, sales volume and revenue by each commercial real estate market for real estate brokerage:

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	Three Months Ended June 30,								
	2024			2023			Change		
	Number	Volume	Revenue	Number	Volume	Revenue	Number	Volume	Revenue
	(in millions)	(in thousands)		(in millions)	(in thousands)		(in millions)	(in thousands)	
<i>Real Estate Brokerage</i>									
<\$1 million	207	\$ 116	\$ 5,352	209	\$ 120	\$ 4,665	(2)	\$ (4)	\$ 687
Private Client Market (\$1 – <\$10 million)	922	2,899	84,816	1,070	3,571	96,238	(148)	(672)	(11,422)
Middle Market (\$10 – <\$20 million)	79	1,082	19,135	77	1,021	17,425	2	61	1,710
Larger Transaction Market (≥\$20 million)	64	3,072	26,120	66	2,830	22,002	(2)	242	4,118
	<u>1,272</u>	<u>\$ 7,169</u>	<u>\$ 135,423</u>	<u>1,422</u>	<u>\$ 7,542</u>	<u>\$ 140,330</u>	<u>(150)</u>	<u>\$ (373)</u>	<u>\$ (4,907)</u>

	Six Months Ended June 30,								
	2024			2023			Change		
	Number	Volume	Revenue	Number	Volume	Revenue	Number	Volume	Revenue
	(in millions)	(in thousands)		(in millions)	(in thousands)		(in millions)	(in thousands)	
<i>Real Estate Brokerage</i>									
<\$1 million	393	\$ 219	\$ 10,116	392	\$ 236	\$ 9,703	1	\$ (17)	\$ 413
Private Client Market (\$1 – <\$10 million)	1,730	5,489	157,979	2,040	6,825	186,741	(310)	(1,336)	(28,762)
Middle Market (\$10 – <\$20 million)	138	1,884	34,228	143	1,921	34,793	(5)	(37)	(565)
Larger Transaction Market (≥\$20 million)	113	5,238	42,575	126	5,692	44,139	(13)	(454)	(1,564)
	<u>2,374</u>	<u>\$ 12,830</u>	<u>\$ 244,898</u>	<u>2,701</u>	<u>\$ 14,674</u>	<u>\$ 275,376</u>	<u>(327)</u>	<u>\$ (1,844)</u>	<u>\$ (30,478)</u>

Factors Affecting Our Business

Our business and our operating results, financial condition and liquidity are significantly affected by the number and size of commercial real estate investment sales and financing transactions that we close in any period. The number and size of these transactions are affected by our ability to recruit and retain investment sales and financing professionals, identify and contract properties for sale, and identify those that need financing and refinancing. We principally monitor the commercial real estate market through four factors, which generally drive our business. The factors are the economy, commercial real estate supply and demand, capital markets, and investor sentiment and investment activity.

The Economy

Our business is dependent on economic conditions within the markets in which we operate. Changes in the economy on a global, national, regional, or local basis can have a positive or negative impact on our business. Economic indicators and projections related to job growth, unemployment, interest rates, retail spending and consumer confidence trends can have a positive or negative impact on our business. Overall market conditions, including global trade, interest rate changes, inflation, job creation, and global events can affect investor sentiment and, ultimately, the demand for our services from investors in real estate.

While a “soft landing” remains the leading consensus economic forecast for 2024, tapering economic performance has drawn the attention of the Federal Reserve. Average job creation fell to 170,000 positions in the trailing three months ending July 2024, while the unemployment rate increased by 40 basis points over the three-month span, reaching 4.3% in July. At the same time, inflation-adjusted retail sales gains were modest, up just 1.3% compared to the same period last year, and the Institute of Supply Chain Management leading economic indices also fell to mildly contractionary readings. We believe this combination of economic trends suggests the economy, though still positive, is moving toward a flatter trajectory and recession risks are beginning to rise. These trends have been noted by the Federal Reserve, and their commentary has begun to shift toward favoring reductions in the federal funds rate this year.

While a short-term inflation increase in the first quarter of 2024 spurred the Federal Reserve to hold back on rate cuts, both the Consumer Price Index (“CPI”) and the core Personal Consumption Expenditure (“PCE”) inflation metrics reverted

to trend in the second quarter of 2024, suggesting sustained disinflation. As of June, the primary inflation measurement monitored by the Federal Reserve, core PCE, reached 2.6%, down 170 basis points from the same period last year. Though they did not cut rates at their July meeting, Wall Street metrics suggest the Federal Reserve will make their first rate cut in September. We believe that such a move could positively impact investor sentiment and bolster the flow of capital into commercial real estate.

Commercial Real Estate Supply and Demand

Our business is dependent on the willingness of investors to invest in or sell commercial real estate, which is affected by many factors beyond our control. These factors include the supply of commercial real estate, coupled with user demand for these properties, and the performance of real estate assets, when compared with other investment alternatives, such as stocks and bonds.

All four major property types demonstrated positive space demand in the second quarter of 2024, though each demonstrated unique nuances. Nearly 164,000 net apartment units were filled in the quarter, the strongest quarterly results since 2021. The demand modestly outpaced apartment completions of 157,000 to reduce vacancy by 10 basis points to 5.8%. The completion of an additional 200,000 or more units is anticipated in the second half of the year, which will set a new multifamily construction high-tide mark with approximately 480,000 total new units coming to market this year. Apartment demand in the second half of 2024 could taper if consumer sentiment continues to decline and new household formation slows, but positive job creation and the prospect of an economic “soft landing” could revive consumer expectations.

The industrial vacancy rate increased in the second quarter of 2024 as elevated construction exceeded space demand. Industrial completions have been highly concentrated, with half of the second quarter additions being delivered in just seven metros. At the same time, many retailers have begun to shrink their warehouse industrial space needs in the post-pandemic era as supply chains have become increasingly reliable. Retail vacancy rates held firm near a record-low, with space absorption being restricted by limited space availability and nominal construction levels. Office vacancy rates also remained stable as the sector achieved minimal positive absorption.

Although the fundamentals of most property types remain sound, with the notable exception of urban office, both lending and investor activity remain below the pre-pandemic historical norm and the expectation gap between buyers and sellers remains challenging. The demand for space will continue to be influenced by consumer and business sentiment as well as the broader economic outlook. That said, should the Federal Reserve cut rates in the third quarter as expected, sentiment could shift and space demand could be lifted.

Capital Markets

Credit and liquidity issues in the financial markets have a direct impact on the flow of capital to the commercial real estate market. Real estate purchases are often financed with debt, and as a result, credit and liquidity impact transaction activity and prices. Movements of interest rates in one direction, whether increasing or decreasing, could adversely or positively affect the operations and income potential of commercial real estate properties, as well as lender and equity underwriting for real estate investments. These changes directly influence investor demand for commercial real estate investments and what they are willing to pay. Furthermore, the use of debt or loan-to-value ratios can shift along with lender confidence and underwriting standards. At times of heightened uncertainty or liquidity issues, loan-to-values decline, requiring buyers to provide more equity and take more risk to close deals.

The capital markets remain at the heart of the commercial real estate transaction slowdown. The combination of sustained higher interest rates with tighter lender underwriting, reduced loan-to-value standards and a broad-based reduction in the volume of available debt capital have restrained market liquidity. This has forced investors to recalibrate their underwriting. This widened the buyer/seller expectation gap and reduced trading throughout 2023 and into the second quarter of 2024.

Although the Federal Reserve had suggested an increased likelihood of reductions in the overnight rate in 2024, stronger than expected economic momentum and higher than anticipated inflation readings in the first quarter caused the Federal Reserve to hold rates flat through July. FedWatch rate predictions have zeroed-in on the September 2024 Federal Reserve meeting as the most likely date for the first rate reduction of this cycle. FedWatch has also assigned a high likelihood of a second rate reduction this year. These expectations have placed downward pressure on the 10-year U.S. Treasury yield, causing the rate to fall by 50 basis points from its recent peak of 4.7% in late April 2024. It is widely

speculated that the first rate cut by the Federal Reserve will be a trigger point unlocking much of the capital awaiting deployment into commercial real estate investments. Despite the broad consensus that the Federal Reserve will reduce rates in September, there can be no certainty until the reduction takes place.

Investor Sentiment and Investment Activity

We facilitate investors buying, selling, and financing properties in order to generate commissions. Investors' desires and need to engage in real estate transactions are dependent on many factors that are beyond our control. The economy, supply and demand for properly positioned properties, available credit and market events impact investor sentiment and, therefore, transaction velocity. In addition, our private clients, who make up the largest source of revenue, are often motivated to buy, sell and/or refinance properties due to personal circumstances, such as death, divorce, partnership breakups and estate planning.

The commercial real estate sector once again saw below average sales activity as investors contended with persistent headwinds including still-elevated interest rates, tightened lender underwriting and the buyer/seller expectation gap. Although some signs of recovery have begun to emerge, including more exclusive inventory being brought to market, a sustainable recovery in trading volumes has yet to clearly take hold. We believe a significant volume of investment capital remains undeployed waiting for economic, interest rate, financial market, geopolitical and commercial real estate pricing clarity. Should the Federal Reserve reduce rates in September, it will likely take time to navigate the price discovery process and for sales activity to revive.

Office properties, particularly those in the urban core, continue to face the greatest uncertainty and the greatest challenges in acquiring debt financing. In addition, signs of distress and the potential for additional foreclosures in this commercial real estate segment continue to rise. Apartment financing, underpinned by Fannie Mae and Freddie Mac, has generally been the most attainable, with typically lower interest rates than other property types. However, the rapid interest rate spike relative to the sector's very low cap rates and the large apartment development pipeline together with slackening rent growth has impacted apartment sales. Defensive assets — such as single-tenant net lease properties backed by high-credit tenants — and medical office assets continue to receive buyer interest, but sales of these types of properties have also fallen as the flow of 1031 exchange capital coming from other property types has diminished. Ultimately, the market velocity will be dictated by a combination of the economic outlook, geopolitical forces, Federal Reserve action, interest rates and the narrowing of the buyer/seller expectation gap. If, and when, the Federal Reserve reduces rates, we believe commercial real estate investment activity could gain momentum.

Key Financial Measures and Indicators

Revenue

Our revenue is primarily generated from our real estate investment sales business. In addition to real estate brokerage commissions, we generate revenue from financing fees and from other revenue, which are primarily comprised of consulting and advisory fees.

Because our business is transaction oriented, we rely on investment sales and financing professionals to continually develop leads, identify properties to sell and finance, market those properties and close the sale timely to generate a consistent flow of revenue. While our sales volume is impacted by seasonality factors, the timing of closings is also dependent on many market and personal factors unique to a particular client or transaction, particularly clients transacting in the \$1 million to \$10 million private client market. These factors can cause transactions to be accelerated or delayed beyond our control. Further, commission rates earned are generally inversely related to the value of the property sold. As a result of our expansion into the middle and larger transaction markets, we have seen our overall commission rates fluctuate from period-to-period as a result of changes in the relative mix of the number and volume of investment sales transactions closed in the middle and larger transaction markets as compared to the \$1 million to \$10 million private client market. These factors may result in period-to-period variations in our revenue that differ from historical patterns.

A small percentage of our transactions include retainer fees and/or breakage fees. Retainer fees are credited against a success-based fee paid upon the closing of a transaction or a breakage fee. Transactions that are terminated before completion will sometimes generate breakage fees, which are usually calculated as a set amount or a percentage of the fee we would have received had the transaction closed.

Real Estate Brokerage Commissions

We earn real estate brokerage commissions by acting as a broker for commercial real estate owners seeking to sell or investors seeking to buy properties. Revenue from real estate brokerage commissions is recognized at the close of escrow.

Financing Fees

We earn financing fees by securing financing on purchase transactions or by securing refinancing of our clients' existing mortgage debt. We recognize financing fee revenue at the time the loan closes, and we have no remaining significant obligations in connection with the transaction.

To a lesser extent, we also earn fees on loan performance, equity advisory services, loan sales, loan guarantees and ancillary services associated with financing activities. We recognize guarantee fees over the term of the guarantee and other fees when we have no further performance obligations, generally upon the closing of a transaction.

Other Revenue

Other revenue includes fees generated from leasing, consulting and advisory services, as well as referral fees from other real estate brokers, and are recognized when services are provided, upon closing of the transaction or when we have no further performance obligations.

Operating Expenses

Our operating expenses consist of cost of services, selling, general and administrative expenses and depreciation and amortization. The significant components of our expenses are further described below.

Cost of Services

The majority of our cost of services expense is variable commissions paid to our investment sales and financing professionals and compensation-related costs related to our financing activities. Commission expenses are directly attributable to providing services to our clients for investment sales and financing services. Most of our investment sales and financing professionals are independent contractors and are paid commissions; however, because there are some who are initially paid a salary and certain of our financing professionals are employees, costs of services also include employee-related compensation, employer taxes and benefits for those employees. The commission rates we pay to our investment sales and financing professionals vary based on individual contracts negotiated and are generally higher for the more experienced professionals. Some of our most senior investment sales and financing professionals can also earn additional commissions after meeting certain annual financial thresholds. These additional commissions are recognized as cost of services in the period in which they are earned. Payment of a portion of these additional commissions are generally deferred for a period of three years, at our election, and paid at the end of the third calendar year. Cost of services also includes referral fees paid to other real estate brokers where we are the principal service provider. Cost of services, therefore, can vary based on the commission structure of the independent contractors that closed transactions in any particular period.

Selling, General and Administrative Expenses

The largest expense component within selling, general and administrative expenses is personnel expenses for our management team and sales and support staff, as well as business development, marketing, and expensing of forgivable loans over the retention period of our sales and financing professionals. In addition, these costs include facilities costs (excluding depreciation and amortization), staff related expenses, sales, marketing, legal, telecommunication, network, data sources, transaction costs related to acquisitions, changes in fair value for contingent and deferred consideration and other administrative expenses. Also included in selling, general and administrative are expenses for stock-based compensation to non-employee directors, employees and independent contractors (i.e. investment sales and financing professionals) under the Amended and Restated 2013 Omnibus Equity Incentive Plan (the "Amended Plan") and the Amended and Restated 2013 Employee Stock Purchase Plan (the "Amended ESPP").

Depreciation and Amortization Expense

Depreciation expense consists of depreciation recorded on our computer software and hardware, as well as our furniture, fixtures and equipment. Depreciation is recognized over estimated useful lives ranging from three to seven years

for assets. Amortization expense consists of amortization recorded on intangible assets amortized on a straight-line basis using a useful life between one and seven years.

Other Income, Net

Other income, net primarily consists of interest income, realized gains and losses on our marketable debt securities, available-for-sale, net gains or losses on our deferred compensation plan assets, foreign currency gains and losses and other non-operating income and expenses.

Interest Expense

Interest expense primarily consists of interest expense associated with the stock appreciation rights ("SARs") liability, and our credit agreement.

Benefit for Income Taxes

We are subject to U.S. and Canadian federal taxes and individual state and local taxes based on the income generated in the jurisdictions in which we operate. Our effective tax rate fluctuates as a result of (i) changes in our annual effective tax rate applied to current pre-tax income (loss), (ii) the change in the mix of our activities in the jurisdictions in which we operate due to differing tax rates in those jurisdictions and (iii) the impact of permanent items, including compensation charges, qualified transportation fringe benefits, uncertain tax positions, meals and entertainment and tax-exempt deferred compensation plan assets. Our benefit for income taxes includes the windfall tax benefits and shortfall expenses, net, from shares issued in connection with our Amended Plan and Amended ESPP.

We record deferred taxes, net based on the tax rate expected to be in effect at the time those items are expected to be recognized for tax purposes.

Results of Operations

The following is a discussion of our results of operations for the three and six months ended June 30, 2024 and 2023. The tables included in the period comparisons below provide summaries of our results of operations. The period-to-period comparisons of financial results are not necessarily indicative of future results.

Key Operating Metrics

We regularly review a number of key metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We also believe these metrics are relevant to investors' and others' assessment of our financial condition and results of operations. During the three months ended June 30, 2024 and 2023, we closed more than 1,800 and 1,900 investment sales, financing and other transactions, respectively, with total sales volume of approximately \$9.5 billion and \$9.7 billion, respectively. During the six months ended June 30, 2024 and 2023, we closed more than 3,300 and 3,700 investment sales, financing and other transactions,

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respectively, with total sales volume of approximately \$19.2 billion and \$20.2 billion, respectively. Such key metrics for real estate brokerage and financing activities (excluding other transactions) are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>Real Estate Brokerage</i>				
Average Number of Investment Sales Professionals	1,620	1,757	1,629	1,769
Average Number of Transactions per Investment Sales Professional	0.79	0.81	1.46	1.53
Average Commission per Transaction	\$ 106,465	\$ 98,686	\$ 103,159	\$ 101,954
Average Commission Rate	1.89 %	1.86 %	1.91 %	1.88 %
Average Transaction Size (in thousands)	\$ 5,636	\$ 5,303	\$ 5,404	\$ 5,433
Total Number of Transactions	1,272	1,422	2,374	2,701
Total Sales Volume (in millions)	\$ 7,169	\$ 7,542	\$ 12,830	\$ 14,674

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>Financing⁽¹⁾</i>				
Average Number of Financing Professionals	100	95	100	94
Average Number of Transactions per Financing Professional	2.72	2.99	5.06	5.99
Average Fee per Transaction	\$ 51,184	\$ 52,166	\$ 49,331	\$ 49,382
Average Fee Rate	0.76 %	0.90 %	0.72 %	0.82 %
Average Transaction Size (in thousands)	\$ 6,705	\$ 5,786	\$ 6,885	\$ 5,986
Total Number of Transactions	272	284	506	563
Total Financing Volume (in millions)	\$ 1,824	\$ 1,643	\$ 3,484	\$ 3,370

⁽¹⁾ Operating metrics exclude certain financing fees not directly associated to transactions.

Comparison of Three Months Ended June 30, 2024 and 2023

Below are key operating results for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 (dollars in thousands):

	Three Months Ended June 30, 2024	Percentage of Revenue	Three Months Ended June 30, 2023	Percentage of Revenue	Change	
					Dollar	Percentage
Revenue:						
Real estate brokerage commissions	\$ 135,423	85.5 %	\$ 140,330	86.2 %	\$ (4,907)	(3.5) %
Financing fees	18,294	11.6	17,896	11.0	398	2.2 %
Other revenue	4,650	2.9	4,640	2.8	10	0.2 %
Total revenue	158,367	100	162,866	100	(4,499)	(2.8) %
Operating expenses:						
Cost of services	98,081	61.9	101,163	62.1	(3,082)	(3.0) %
Selling, general and administrative	65,003	41.1	68,910	42.3	(3,907)	(5.7) %
Depreciation and amortization	3,329	2.1	3,468	2.1	(139)	(4.0) %
Total operating expenses	166,413	105.1	173,541	106.5	(7,128)	(4.1) %
Operating loss	(8,046)	(5.1)	(10,675)	(6.5)	2,629	(24.6) %
Other income, net	4,812	3.0	4,890	3.0	(78)	(1.6) %
Interest expense	(204)	(0.1)	(216)	(0.1)	12	(5.6) %
Loss before provision for income taxes	(3,438)	(2.2)	(6,001)	(3.7)	2,563	(42.7) %
Provision for income taxes	2,100	1.3	2,728	1.7	(628)	(23.0) %
Net loss	\$ (5,538)	(3.5) %	\$ (8,729)	(5.4) %	\$ 3,191	(36.6) %
Adjusted EBITDA ⁽¹⁾	\$ 1,441	0.9 %	\$ (1,056)	(0.6) %	\$ 2,497	236.5 %

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under U.S. generally accepted accounting principles ("U.S. GAAP") and should not be considered as an alternative to net loss, operating income or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss, which is the most directly comparable U.S. GAAP financial measure, see "Non-GAAP Financial Measure" below.

Revenue

Total revenue was \$158.4 million for the three months ended June 30, 2024 compared to \$162.9 million for the same period in 2023, a decrease of \$4.5 million, or 2.8%. Total revenue decreased as a result of decreases in real estate brokerage commissions, as described below. See "Factors Affecting Our Business" for additional market information.

Real estate brokerage commissions. Revenue from real estate brokerage commissions decreased to \$135.4 million for the three months ended June 30, 2024 from \$140.3 million for the same period in 2023, a decrease of \$4.9 million, or 3.5%. The decrease was the result of total sales volume decreasing by 4.9%, partially offset by the impact of a three basis point increase in the average commission rate earned during the three months ended June 30, 2024 compared to the same period in 2023. Private Client Market revenue decreased by 11.9%, while the combined Middle Market and Larger Transaction Market revenue increased by 14.8%.

Financing fees. Revenue from financing fees increased to \$18.3 million for the three months ended June 30, 2024 from \$17.9 million for the same period in 2023, an increase of \$0.4 million, or 2.2%, resulting primarily from an 11.0% increase in total financing volume, partially offset by a 14 basis point decrease in the average fee rate during the three months ended June 30, 2024 compared to the same period in 2023.

Other revenue. Other revenue increased by an immaterial amount for the three months ended June 30, 2024 compared to the same period in 2023.

Total Operating Expenses

Total operating expenses were \$166.4 million for the three months ended June 30, 2024 compared to \$173.5 million for the same period in 2023, a decrease of \$7.1 million, or 4.1%. Cost of services decreased by \$3.1 million, and selling, general, and administrative expenses decreased by \$3.9 million, as described below.

Cost of services. Cost of services are variable commissions paid to our investment sales professionals and compensation-related costs in connection with our financing activities. Cost of services decreased to \$98.1 million for the three months ended June 30, 2024 from \$101.2 million for the same period in 2023, a decrease of \$3.1 million, or 3.0%. The decrease was primarily due to decreased commission expenses driven by the related decreased revenue noted above. Cost of services as a percentage of total revenue decreased by 20 basis points to 61.9% compared to the same period in 2023 primarily due to our senior investment sales and financing professionals earning a lower amount of additional commissions due to lower revenue.

Selling, general, and administrative expense. Selling, general and administrative expense for the three months ended June 30, 2024 decreased to \$65.0 million, from \$68.9 million compared to the same period in 2023, a decrease of \$3.9 million or 5.7%. The decrease was primarily due to a reduction in marketing support and corporate bonus attributable to the lower revenue level.

Depreciation and amortization expense. Depreciation and amortization expense decreased by an immaterial amount for the three months ended June 30, 2024 compared to the same period in 2023.

Other Income, Net

Other income, net decreased by an immaterial amount to \$4.8 million for the three months ended June 30, 2024 from \$4.9 million compared to the same period in 2023.

Interest Expense

Interest expense decreased by an immaterial amount for the three months ended June 30, 2024 compared to the same period in 2023, and primarily relates to interest expense on the Company's SARs liability.

Provision (Benefit) for Income Taxes

The provision for income taxes was \$2.1 million for the three months ended June 30, 2024, compared to \$2.7 million for the same period in 2023. The effective income tax rate for the three months ended June 30, 2024, was (61.1)% compared to (45.5)% for the same period in 2023. The change in the effective tax rate is primarily due to the relationship of permanent and other items and the change in the valuation allowance to pre-tax loss as presented in Note 10 - "Income Taxes" in the Notes to the Condensed Consolidated Financial Statements in Item 1, Part I of this Quarterly Report on Form 10-Q.

Comparison of Six Months Ended June 30, 2024 and 2023

Below are key operating results for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 (dollars in thousands):

	Six Months Ended June 30, 2024	Percentage of Revenue	Six Months Ended June 30, 2023	Percentage of Revenue	Change	
					Dollar	Percentage
Revenue:						
Real estate brokerage commissions	\$ 244,898	85.2 %	\$ 275,376	86.7 %	\$ (30,478)	(11.1) %
Financing fees	32,721	11.4	33,764	10.6	(1,043)	(3.1) %
Other revenue	9,852	3.4	8,518	2.7	1,334	15.7 %
Total revenue	287,471	100	317,658	100	(30,187)	(9.5) %
Operating expenses:						
Cost of services	174,949	60.9	196,590	61.9	(21,641)	(11.0) %
Selling, general and administrative	133,919	46.6	141,129	44.4	(7,210)	(5.1) %
Depreciation and amortization	6,751	2.3	6,675	2.1	76	1.1 %
Total operating expenses	315,619	109.8	344,394	108.4	(28,775)	(8.4) %
Operating loss	(28,148)	(9.8)	(26,736)	(8.4)	(1,412)	5.3 %
Other income, net	10,380	3.6	9,700	3.0	680	7.0 %
Interest expense	(403)	(0.1)	(431)	(0.1)	28	(6.5) %
Loss before benefit for income taxes	(18,171)	(6.3)	(17,467)	(5.5)	(704)	4.0 %
Benefit for income taxes	(2,646)	(0.9)	(2,905)	(0.9)	259	(8.9) %
Net loss	\$ (15,525)	(5.4) %	\$ (14,562)	(4.6) %	\$ (963)	6.6 %
Adjusted EBITDA ⁽¹⁾	\$ (8,641)	(3.0) %	\$ (8,479)	(2.7) %	\$ (162)	(1.9) %

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under U.S. generally accepted accounting principles ("U.S. GAAP") and should not be considered as an alternative to net loss, operating income or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss, see "Non-GAAP Financial Measure."

Revenue

Total revenue was \$287.5 million for the six months ended June 30, 2024 compared to \$317.7 million for the same period in 2023, a decrease of \$30.2 million, or 9.5%. Total revenue decreased as a result of decreases in real estate brokerage commissions and financing fees, partially offset by an increase in other revenue, as described below. See "Factors Affecting Our Business" for additional market information.

Real estate brokerage commissions. Revenue from real estate brokerage commissions decreased to \$244.9 million for the six months ended June 30, 2024 from \$275.4 million for the same period in 2023, a decrease of \$30.5 million, or 11.1%. The decrease was the result of total sales volume decreasing by 12.6%, partially offset by the impact of a three basis point increase in the average commission rate earned for the six months ended June 30, 2024 compared to the same period in 2023. Private Client Market revenue decreased by 15.4% and the combined Middle Market and Larger Transaction Market decreased by 2.7%.

Financing fees. Revenue from financing fees decreased to \$32.7 million for the six months ended June 30, 2024 from \$33.8 million for the same period in 2023, a decrease of \$1.0 million, or 3.1%, resulting primarily from a decrease of 10 basis points in the average fee rate, partially offset by a 3.4% increase in total financing volume.

Other revenue. Other revenue increased to \$9.9 million for the six months ended June 30, 2024 from \$8.5 million for the same period in 2023, an increase of \$1.3 million, or 15.7%. The increase was primarily driven by increases in leasing fees partially offset by decreases in consulting and advisory services during the six months ended June 30, 2024, compared to the same period in 2023.

Total Operating Expenses

Our total operating expenses were \$315.6 million for the six months ended June 30, 2024 compared to \$344.4 million for the same period in 2023, a decrease of \$28.8 million, or 8.4%. Cost of services decreased by \$21.6 million and selling, general, and administrative expenses decreased by \$7.2 million, as described below.

Cost of services. Cost of services are variable commissions paid to our investment sales professionals and compensation-related costs in connection with our financing activities. Cost of services decreased to \$174.9 million for the six months ended June 30, 2024 from \$196.6 million for the same period in 2023, a decrease of \$21.6 million, or 11.0%. The decrease was primarily due to decreased commission expenses driven by the related decreased revenue noted above. Cost of services as a percentage of total revenue decreased by 100 basis points to 60.9% compared to the same period in 2023 primarily due to our senior investment sales and financing professionals earning a lower amount of additional commissions due to lower revenue.

Selling, general, and administrative expense. Selling, general and administrative expense for the six months ended June 30, 2024 decreased to \$133.9 million, from \$141.1 million compared to the same period in the prior year, a decrease of \$7.2 million or 5.1%. The change was primarily due to a reduction in marketing support and corporate bonuses attributable to the lower revenue level for the first half of 2024, partially offset by an increase in compensation-related costs.

Depreciation and amortization expense. Depreciation and amortization expense increased by an immaterial amount for the six months ended June 30, 2024 compared to the same period in the prior year.

Other Income, Net

Other income, net increased to \$10.4 million for the six months ended June 30, 2024 from \$9.7 million for the same period in 2023. The increase of \$0.7 million was primarily driven by an increase in interest income as a result of rebalancing the Company's investments.

Interest Expense

Interest expense increased by an immaterial amount for the three months ended June 30, 2024 compared to the same period in 2023, and primarily relates to interest expense on the Company's SARs liability.

Provision (Benefit) for Income Taxes

The benefit for income taxes was \$2.6 million for the six months ended June 30, 2024, compared to \$2.9 million for the same period in 2023. The effective income tax rate for the six months ended June 30, 2024 was 14.6% compared to 16.6% for the same period in 2023. The effective income tax rate decreased primarily due to relationship of permanent nondeductible items to projected pre-tax loss for the full year.

Non-GAAP Financial Measure

In this Quarterly Report on Form 10-Q, we include a non-GAAP financial measure, Adjusted EBITDA. We define Adjusted EBITDA as net loss before (i) interest income and other, including net realized gains (losses) on marketable debt securities, available-for-sale and cash, cash equivalents, and restricted cash, (ii) interest expense, (iii) provision (benefit) for income taxes, (iv) depreciation and amortization, and (v) stock-based compensation. We use Adjusted EBITDA in our business operations to evaluate the performance of our business, develop budgets and measure our performance against those budgets, among other things. We also believe that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate our overall operating performance. However, Adjusted EBITDA has material limitations as a supplemental metric and should not be considered in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. We find Adjusted EBITDA to be a useful management metric to assist in evaluating performance, because Adjusted EBITDA eliminates items related to capital structure, taxes and non-cash items. In light of the foregoing limitations, we do not rely solely on Adjusted EBITDA as a performance measure and also consider our U.S. GAAP results. Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net loss, operating income or any other measures calculated in accordance with U.S. GAAP. Because Adjusted EBITDA is not calculated in the same manner by all companies, it may not be comparable to other

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similarly titled measures used by other companies. A reconciliation of the most directly comparable U.S. GAAP financial measure, net loss, to Adjusted EBITDA is as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net loss	\$ (5,538)	\$ (8,729)	\$ (15,525)	\$ (14,562)
Adjustments:				
Interest income and other ⁽¹⁾	(4,543)	(4,090)	(9,308)	(8,480)
Interest expense	204	216	403	431
Provision (benefit) for income taxes	2,100	2,728	(2,646)	(2,905)
Depreciation and amortization	3,329	3,468	6,751	6,675
Stock-based compensation	5,889	5,351	11,684	10,362
Adjusted EBITDA	\$ 1,441	\$ (1,056)	\$ (8,641)	\$ (8,479)

⁽¹⁾ Other includes net realized losses on marketable debt securities, available-for-sale.

Liquidity and Capital Resources

Our primary sources of liquidity are cash, cash equivalents, and restricted cash, cash flows from operations, marketable debt securities, available-for-sale and, if necessary, borrowings under our Credit Agreement (as defined herein). In order to enhance yield to us, we have invested a portion of our cash in money market funds and fixed and variable income debt securities, in accordance with our investment policy approved by the Board of Directors. Certain of our investments in money market funds may not maintain a stable net asset value and may impose a discretionary liquidity fee. To date, the Company has not experienced any restrictions or gating fees on its ability to redeem funds from money market funds. Although we have historically funded our operations through operating cash flows, there can be no assurance that we can continue to meet our cash requirements entirely through our operations, cash, net of restricted cash, cash equivalents, and proceeds from the sale of marketable debt securities, available-for-sale or availability under our Credit Agreement.

Cash Flows

Our total cash, cash equivalents, and restricted cash balance decreased by \$8.8 million to \$162.0 million at June 30, 2024, compared to \$170.8 million at December 31, 2023. The following table sets forth our summary cash flows for the six months ended June 30, 2024 and 2023 (in thousands):

	Six Months Ended	
	June 30,	
	2024	2023
Net cash flows used in operating activities	\$ (50,170)	\$ (94,775)
Net cash flows provided by investing activities	58,777	82,373
Net cash flows used in financing activities	(17,229)	(52,372)
Effect of currency exchange rate changes on cash, cash equivalents, and restricted cash	(138)	121
Net decrease in cash, cash equivalents, and restricted cash	(8,760)	(64,653)
Cash, cash equivalents, and restricted cash at beginning of period	170,753	235,873
Cash, cash equivalents, and restricted cash at end of period	\$ 161,993	\$ 171,220

Operating Activities

Cash flows used in operating activities were \$50.2 million for the six months ended June 30, 2024 compared to \$94.8 million for the same period in 2023. The \$44.6 million decrease in cash flows used in operating activities for the six months ended June 30, 2024 compared to the same period in 2023 was primarily due to decreased payments for bonuses, deferred commission and compensation and advances and loans payments in the current year compared to the same period in prior year, partially offset by decreased operating income as discussed above. The larger bonus and commission

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payments made in the 2023 period primarily related to amounts accrued in 2022. The cash flows from operating activities are also affected by the timing of certain cash receipts and payments.

Investing Activities

Cash flows provided by investing activities were \$58.8 million for the six months ended June 30, 2024 compared to \$82.4 million for the same period in 2023. The \$23.6 million decrease in cash flows from investing activities for the six months ended June 30, 2024 compared to the same period in 2023 was primarily due to a net decrease of \$24.9 million in net proceeds from sales and maturities of securities in 2024 compared to the same period in 2023. Net proceeds from marketable debt securities, available-for-sale during the six month period ended June 30, 2023 were used to fund stock repurchases.

Financing Activities

Cash flows used in financing activities were \$17.2 million for the six months ended June 30, 2024 compared to \$52.4 million for the same period in 2023. The decrease of \$35.1 million in cash flows used in financing activities for the six months ended June 30, 2024 compared to the same period in 2023 was primarily due to a decrease of \$34.4 million in stock repurchases in 2024 compared to the same period in 2023.

Liquidity

We believe that our existing balances of cash, cash equivalents, cash flows expected to be generated from our operations, and proceeds from the sale of marketable debt securities, available-for-sale will be sufficient to satisfy our operating requirements for at least the next 12 months and the foreseeable future. If we need to raise additional capital through public or private debt or equity financings, strategic relationships or other arrangements, this capital might not be available to us in a timely manner, on acceptable terms, or at all. Our failure to raise sufficient capital when needed could prevent us from funding acquisitions or otherwise financing our growth or operations. As of June 30, 2024, cash, excluding restricted cash, cash equivalents, and marketable debt securities, available-for-sale, aggregated \$325.0 million.

Credit Agreement

Our credit agreement with Wells Fargo Bank, National Association (as amended, the "Credit Agreement") provides for a \$10.0 million principal amount senior secured revolving credit facility that is guaranteed by all of our domestic subsidiaries and matures on June 1, 2025. The Company maintains a \$10.0 million restricted cash balance in support of the Credit Agreement. The Company is monitoring covenant compliance on a regular basis to ensure continued compliance with the Credit Agreement. Our ability to borrow under our Credit Agreement is limited by our ability to comply with its covenants or obtain necessary waivers. See Note 12 – "Commitments and Contingencies" of our Notes to Condensed Consolidated Financial Statements in Item 1, Part I of this Quarterly Report on Form 10-Q for additional information on the Credit Agreement.

Off Balance Sheet Arrangements

The Company, in connection with the Strategic Alliance with M&T Realty Capital Corporation ("MTRCC"), has agreed to provide loan opportunities that may be funded through MTRCC's agreement with Fannie Mae, which requires MTRCC to guarantee a portion of each funded loan. On a loan-by-loan basis, the Company, at its option, can assume a portion of MTRCC's guarantee obligation to Fannie Mae of loan opportunities presented to and closed by MTRCC. As of June 30, 2024, the Company has agreed to a maximum aggregate guarantee obligation of \$194.7 million relating to loans with an unpaid balance of \$1,168.3 million. The maximum guarantee obligation is not representative of the actual loss we would incur. The Company would be liable for this amount only if all of the loans for which it is providing a guarantee to MTRCC were to default and all of the collateral underlying these loans was determined to be without value at the time of settlement. The Company records a loan-loss obligation and posted cash collateral of \$532,000 to MTRCC for this obligation as of June 30, 2024.

Material Cash Requirements

There have been no material changes in our commitments under contractual obligations, as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023 through the date the condensed consolidated financial

statements were issued, other than commitments that are already disclosed in the accompanying notes to the condensed consolidated financial statements.

Inflation

Our commissions and other variable costs related to revenue are primarily affected by real estate market supply and demand, which may be affected by uncertain or changing economic and market conditions, including inflation/deflation arising in connection with and in response to various macroeconomic factors and impact of increased interest rates on the broader economy.

The annual CPI inflation rate in the U.S. peaked at 9.1% in June 2022, the highest annual inflation rate since November 1981, then fell to 3.1% in November 2023. In the first quarter of 2024, the headline CPI inflation rate trended upward to a reading of 3.5% in March 2024, but it has since been reduced to 3.0% and is likely to continue to decline. In 2022 through 2023, the Federal Reserve increased the federal funds rate to the 5.25%-5.5% range in an effort to combat inflation, which has had an adverse impact on commercial real estate transactions. The inflation volatility in the first quarter of 2024 raised questions about whether and when the Federal Reserve will reduce interest rates. At the beginning of the year, there were broad expectations that the Federal Reserve would make several rate cuts in 2024, but expectations were pared back to just one or two rate reductions this year. The uncertainty surrounding the interest rate outlook continues to restrain investor transaction activity in the commercial real estate market.

Critical Accounting Estimates

We prepare our financial statements in accordance with U.S. GAAP. In applying many of these accounting principles, we make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our condensed consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective and our actual results may change based on changing circumstances or changes in our analyses. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. There were no significant changes in our critical accounting policies, as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 27, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We maintain a portfolio of investments in a variety of fixed and variable debt rate securities, including U.S. Treasuries, U.S. government sponsored entities, corporate debt, asset-backed securities and others. As of June 30, 2024, the fair value of investments in marketable debt securities, available-for-sale was \$173.5 million. The primary objective of our investment activity is to maintain the safety of principal and to provide for future liquidity requirements while maximizing yields without significantly increasing risk. While some investments may be securities of companies in foreign countries, all investments are denominated and payable in U.S. Dollars. We do not enter into investments for trading or speculative purposes. While our intent is not to sell these investment securities prior to their stated maturities, we may choose to sell any of the securities for strategic reasons including, but not limited to, anticipated capital requirements, anticipation of credit deterioration, duration management, yield management and because a security no longer meets the criteria of our investment policy. We do not use derivatives or similar instruments to manage our interest rate risk. We seek to invest in high quality investments. The weighted average credit rating of our portfolio investments (exclusive of cash, cash equivalents, and restricted cash) was A+ as of June 30, 2024. Maturities are maintained consistent with our short-, medium- and long-term liquidity objectives.

Currently, our portfolio of investments predominantly consists of fixed interest rate debt securities; however, a portion of our investment portfolio may consist of variable interest rate debt securities. Our investments in fixed interest rate debt securities are subject to various market risks. Changes in prevailing interest rates may adversely or positively impact their fair market value should interest rates generally rise or fall. Accordingly, we also may have interest rate risk with variable interest rate debt securities as the income produced may decrease if interest rates fall. Contraction in market liquidity may adversely affect the value of portions of our portfolio and affect our ability to sell securities in the time frames required and at acceptable prices. Uncertainty in future market conditions may raise market participant's expectations of returns, thus impacting the value of securities in our portfolio as well. The following table sets forth the

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impact on the fair value of our investments as of June 30, 2024 from changes in interest rates based on the weighted average duration of the debt securities in our portfolio (in thousands):

Change in Interest Rates	Approximate Change in Fair Value of Investments	
	Increase (Decrease)	
2% Decrease	\$	3,840
1% Decrease	\$	1,920
1% Increase	\$	(1,919)
2% Increase	\$	(3,837)

Due to the nature of our business and the manner in which we conduct our operations, we believe we do not face any material interest rate risk with respect to other assets and liabilities, equity price risk or other market risks. The functional currency of our Canadian operations is the Canadian dollar. We are exposed to foreign currency exchange rate risk for the settlement of transactions of the Canadian operations as well as unrealized translation adjustments. Historically foreign exchange rate risk has not been material.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f), including maintenance of (i) records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets, and (ii) policies and procedures that provide reasonable assurance that (a) transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, (b) our receipts and expenditures are being made only in accordance with authorizations of management and our Board of Directors, and (c) we will prevent or timely detect unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Our management, with the supervision and participation of our chief executive officer ("CEO") and chief financial officer ("CFO"), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q, based on the criteria established under the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on such evaluation, our management has concluded that as of June 30, 2024, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in claims and legal actions arising in the ordinary course of our business, some of which involve claims for damages that are substantial in amount. Most of these litigation matters are covered by our insurance policies, which contain deductibles, exclusions, claim limits and aggregate policy limits. Such litigation and other proceedings may include, but are not limited to, actions relating to commercial relationships, standard brokerage disputes like the alleged failure to disclose physical or environmental defects or property expenses or contracts, the alleged inadequate disclosure of matters relating to the transaction like the relationships among the parties to the transaction, potential claims or losses pertaining to the asset, vicarious liability based upon conduct of individuals or entities outside of our control, general fraud claims, conflicts of interest claims, employment law claims, including claims challenging the classification of our sales professionals as independent contractors, claims alleging violations of state consumer fraud statutes and intellectual property. While the ultimate liability for these legal proceedings cannot be determined, we review the need for an accrual for loss contingencies quarterly and record an accrual for litigation related losses where the likelihood of loss is both probable and estimable. We do not believe, based on information currently available to us, that the final outcome of these proceedings will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes from the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer

There were no share repurchases as part of the publicly announced plans or programs during the three months ended June 30, 2024, and the approximate dollar value of shares available for purchase under the plans or programs is \$71.0 million.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this report.

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Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1*	Second Amendment to the Second Amended and Restated Credit Agreement dated May 30, 2024, by and between Marcus & Millichap, Inc. and Wells Fargo Bank National Association
10.2*	Amended and Restated 2013 Omnibus Equity Incentive Plan, Amended and Restated effective May 2, 2024
10.3*	2013 Employee Stock Purchase Plan, Amended and Restated Effective May 2, 2024
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Loss, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished, not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Marcus & Millichap, Inc.

Date: August 7, 2024

By: /s/ Hessam Nadji

Hessam Nadji
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2024

By: /s/ Steven F. DeGennaro

Steven F. DeGennaro
Chief Financial Officer
(Principal Financial Officer)

SECOND AMENDMENT TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of May 30, 2024, by and between MARCUS & MILLICHAP, INC., a Delaware corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

WHEREAS, Borrower is currently indebted to Bank pursuant to the terms and conditions of that certain Second Amended and Restated Credit Agreement between Borrower and Bank dated as of July 28, 2022 (as amended from time to time, the "Credit Agreement").

WHEREAS, Bank and Borrower have agreed to certain changes in the terms and conditions set forth in the Credit Agreement and have agreed to amend the Credit Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendments. The Credit Agreement is amended as follows:

a. Section 1.2(c) of the Credit Agreement is hereby amended and restated, in its entirety, to read as follows:

"(c) Commitment Fee. Borrower shall pay to Bank a non-refundable annual commitment fee for the Line of Credit equal to Fifty Thousand Dollars (\$50,000) for each year, which fee shall be due and payable in full on each June 1 during the term of this Agreement."

b. Section 4.9 of the Credit Agreement is hereby amended and restated, in its entirety, to read as follows:

"SECTION 4.9. FINANCIAL CONDITION; CASH DEPOSITS; CASH COLLATERAL ACCOUNT. Maintain Borrower's Unencumbered Liquid Assets (excluding availability under the Line of Credit) of not less than One Hundred Million Dollars (\$100,000,000) at all times. Borrower shall also maintain daily average cash deposits with Bank of not less than Thirty Five Million Dollars (\$35,000,000) measured on a monthly basis as of the end of each month. In addition, Borrower hereby agrees that an amount equal to Ten Million Dollars (\$10,000,000) of the minimum daily average cash deposits shall be held in a blocked account in the name of the Borrower at the Bank, as cash collateral, and that Borrower shall not have access to such funds in such blocked account, which funds shall be held until all obligations of Borrower to Bank have been fully repaid and all commitments have been terminated and which may be used by Bank to pay or repay any outstanding indebtedness or obligations hereunder and under the other Loan Documents at any time from and after the occurrence and during the continuation of an Event of Default."

- c. Section 8.1 of the Credit Agreement is hereby amended by amending and restating the definition of "Maturity Date", in its entirety, to read as follows:

"Maturity Date" means June 1, 2025.

2. Conditions Precedent to Effectiveness of Amendment. This Amendment shall be effective only upon the satisfaction in full of the following conditions precedent:

a. Bank shall have received counterparts to this Amendment, duly executed by Borrower;

b. Bank shall have received the Guarantor's Consent and Reaffirmation attached hereto, duly executed by each guarantor;

c. Bank shall have received a payment of \$50,000.00 as a commitment fee, which fee is in lieu of the fee otherwise due on July 1, 2024 under Section 1.2(c) of the Credit Agreement, and which fee shall be due and payable as of the date hereof; and

d. Bank shall have received a payment of \$5,530.00 for legal fees incurred in connection with this Amendment, which fee shall be due and payable as of the date hereof.

3. Affirmation. Except as specifically provided herein, all terms and conditions of the Credit Agreement remain in full force and effect, without waiver or modification. All terms defined in the Credit Agreement shall have the same meaning when used in this Amendment. This Amendment and the Credit Agreement shall be read together, as one document.

3. Borrower Representations and Certifications. Borrower hereby remakes all representations and warranties contained in the Credit Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment there exists no Event of Default as defined in the Credit Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

[Signatures are on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

MARCUS & MILLICHAP, INC.

By: 

Name: Steve DeGennaro

Title: Executive Vice President, Chief Financial Officer

Second Amendment to
Second Amended and Restated Credit Agreement

WELLS FARGO BANK, NATIONAL
ASSOCIATION



By: _____
Name: Amir Darpi
Title: Vice President

Second Amendment to
Second Amended and Restated Credit Agreement

GUARANTORS' CONSENT AND REAFFIRMATION

Each of the undersigned guarantors of all indebtedness of MARCUS & MILLICHAP, INC. to WELLS FARGO BANK, NATIONAL ASSOCIATION hereby: (i) consents to the foregoing Second Amendment to Second Amended and Restated Credit Agreement; (ii) reaffirms its obligations under its respective Continuing Guaranty; (iii) reaffirms its waivers of each and every one of the defenses to such obligations as set forth in its respective Continuing Guaranty; and (iv) reaffirms that its obligations under its respective Continuing Guaranty are separate and distinct from the obligations of any other party under said Second Amended and Restated Credit Agreement, as amended, and the other Loan Documents described therein.


GUARANTORS:

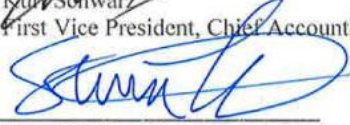
MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF NORTH CAROLINA, INC.

By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer


By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer


MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF NEVADA, INC.

By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer

By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer

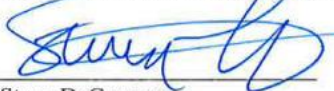
MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES, INC.

By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer

By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer

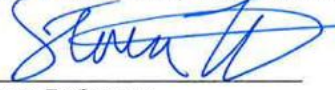
MARCUS & MILLICHAP CAPITAL CORPORATION

By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer


By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer


MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF FLORIDA, INC.

By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer


By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer


MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF CHICAGO, INC.

By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer


By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer

MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF ATLANTA, INC.

By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer

By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer

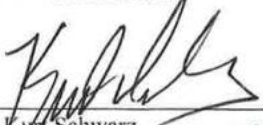
MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF SEATTLE, INC.

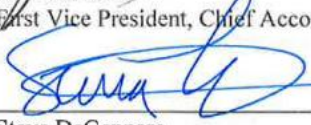
By: 
Name: Kurt Schwarz
Title: First Vice President, Chief Accounting Officer

By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer

Second Amendment to
Second Amended and Restated Credit Agreement

MARCUS & MILLICHAP CHICAGO MULTI-FAMILY BROKERS, LLC

By: 
Name: Kim Schwarz
Title: First Vice President, Chief Accounting Officer

By: 
Name: Steve DeGennaro
Title: Executive Vice President, Chief Financial Officer

Second Amendment to
Second Amended and Restated Credit Agreement

MARCUS AND MILLICHAP, INC.

AMENDED AND RESTATED 2013 OMNIBUS EQUITY INCENTIVE PLAN

(Amended and restated effective May 2, 2024)

1. Purposes of the Plan. The purposes of this Plan are (a) to attract and retain the best available personnel to ensure the Company's success and accomplish the Company's goals; (b) to incentivize Employees, Directors and Independent Contractors with long-term equity-based compensation to align their interests with the Company's stockholders; and (c) to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" except as may otherwise be provided in an Award Agreement or other applicable agreement, means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 2(f)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 2(f)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause, if any Person (as defined below in Section 2(f)(iv)) is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control;

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (iv), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company; or

(v) A complete winding up, liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent required for compliance with Code Section 409A, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

(g) “Code” means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(h) “Committee” means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof

(i) “Common Stock” means the common stock of the Company.

(j) “Company” means Marcus and Millichap, Inc., a Delaware corporation, or any successor thereto.

(k) “Director” means a member of the Board.

(l) “Disability” means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(m) “Employee” means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

(n) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(o) “Exchange Program” means a program established by the Committee under which outstanding Awards are amended to provide for a lower Exercise Price or surrendered or cancelled in exchange for (i) Awards with a lower exercise price, (ii) a different type of Award or awards under a different equity incentive plan, (iii) cash, or (iv) a combination of (i), (ii) and/or (iii). Notwithstanding the preceding, the term Exchange Program does not include any (i) action described in Section 13 or any action taken in connection with a change in control transaction nor (ii) transfer or other disposition permitted under Section 12. For the purpose of clarity, each of the actions described in the prior sentence, none of which constitute an Exchange Program, may be undertaken (or authorized) by the Committee in its sole discretion without approval by the Company’s shareholders.

(p) “Fair Market Value” means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(q) “Fiscal Year” means the fiscal year of the Company.

(r) “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(s) “Independent Contractor” means any person, including an advisor, consultant or agent engaged by the Company or a Parent or Subsidiary to render services to such entity.

(t) “Inside Director” means a Director who is an Employee.

(u) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) “Option” means a stock option granted pursuant to the Plan.

(x) “Outside Director” means a Director who is not an Employee.

(y) “Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(z) “Participant” means the holder of an outstanding Award.

(aa) “Performance Goal” means a performance goal established by the Committee pursuant to Section 10(c) of the Plan.

(bb) “Performance Share” means an Award denominated in Shares which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(cc) “Performance Unit” means an Award which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may

determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(dd) “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ee) “Plan” means this Amended and Restated 2013 Omnibus Equity Incentive Plan.

(ff) “Restricted Stock” means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan.

(gg) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(hh) “Rule 16b-3” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ii) “Section 16(b)” means Section 16(b) of the Exchange Act.

(jj) “Service Provider” means an Employee, Director or Independent Contractor.

(kk) “Share” means a share of the Common Stock, as adjusted in accordance with Section 13 of the Plan.

(ll) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(mm) “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 8,800,000. The Shares may be authorized, but unissued, or reacquired Common Stock. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in this Section 3(a), plus, to the extent allowable under Section 422 of the Code and

the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Section 3(b).

(b) Shares Available for Subsequent Issuance. The following Shares will become available again for issuance under the Plan: (A) any Shares subject to an Award that are not issued because such Award or any portion thereof expires or otherwise terminates without all of the Shares covered by such Award having been issued; (B) any Shares subject to an Award that are not issued because such Award or any portion thereof is settled in cash; (C) any Shares issued pursuant to an Award that are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such Shares; and (D) any Shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with any Award granted under the Plan (other than an Option or Stock Appreciation Right).

(c) Shares Not Available for Subsequent Issuance. The following Shares will not become available again for issuance under the Plan: (A) any Shares that are reacquired or withheld (or not issued) by the Company to satisfy the exercise or strike price of any Option or Stock Appreciation Right granted under the Plan (including any Shares subject to such Award that are not delivered because such Award is exercised through a reduction of Shares subject to such Award); (B) any Shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with any Option or Stock Appreciation Right granted under the Plan; (C) any Shares repurchased by the Company on the open market with the proceeds of the exercise or strike price of any Option or Stock Appreciation Right granted under the Plan; and (D) in the event that a Stock Appreciation Right granted under the Plan is settled in Shares, the gross number of Shares subject to such Award.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

hereunder;

(ii) to select the Service Providers to whom Awards may be granted

granted hereunder;

(iii) to determine the number of Shares to be covered by each Award

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations established for the purpose of satisfying applicable foreign laws, for qualifying for favorable tax treatment under applicable foreign laws or facilitating compliance with foreign laws; sub-plans may be created for any of these purposes;

(viii) to modify or amend each Award (subject to Section 18 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(ix) to allow Participants to satisfy withholding tax obligations in such manner as prescribed in Section 14 of the Plan;

(x) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xi) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

(d) Exchange Program. Notwithstanding anything in this Section 4, the Committee shall not implement an Exchange Program without the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any annual or special meeting of Company's shareholders.

(e) Delegation by the Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more Directors or officers of the Company; provided, however, that the Committee may not delegate its authority and powers (a) with respect to an Officer or (b) in any way which would disqualify transactions as exempt under Rule 16b-3.

5. Award Eligibility and Limitations.

(a) Award Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

(b) Award Limitations. The following limits shall apply to the grant of any Award:

(i) Options and Stock Appreciation Rights. Subject to adjustment as provided in Section 13, no Employee shall be granted within any fiscal year of the Company one or more Options or Stock Appreciation Rights, which in the aggregate cover more than 500,000 Shares reserved for issuance under the Plan; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may be granted Options or Stock Appreciation Rights, which in the aggregate cover up to an additional 1,000,000 Shares reserved for issuance under the Plan.

(ii) Restricted Stock and Restricted Stock Units. Subject to adjustment as provided in Section 13, no Employee shall be granted within any fiscal year of the Company one or more awards of Restricted Stock or Restricted Stock Units, which in the aggregate cover more than 500,000 Shares reserved for issuance under the Plan; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may be granted Restricted Stock or Restricted Stock Units, which in the aggregate cover up to an additional 1,000,000 Shares reserved for issuance under the Plan.

(iii) Performance Units and Performance Shares. Subject to adjustment as provided in Section 13, no Employee shall receive Performance Units or Performance Shares having a grant date value (assuming maximum payout) greater than two million dollars (\$2 million) or covering more than 500,000 Shares, whichever is greater; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may receive Performance Units or Performance Shares having a grant date value (assuming maximum payout) of up to an additional amount equal five million dollars (\$5 million) or covering up to 1,000,000 Shares, whichever is greater. No Participant may be granted more than one award of Performance Units or Performance Shares for the same Performance Period.

(c) Limitation on Grants to Non-Employee Directors. The maximum number of shares of Common Stock subject to Awards granted under the Plan during any one fiscal year to any Outside Director, taken together with any cash fees paid by the Company to such Outside Director during such fiscal year for service as an Outside Director, will not exceed \$500,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes), including for this purpose, the value of any Awards that

are received in lieu of all or a portion of any annual committee cash retainers or other similar cash based payments.

(d) No Dividends and Dividend Equivalents on Unvested Awards. Dividends and dividend equivalents will not be paid or settled with respect to any Award granted under the Plan until the underlying shares or units vest, and no dividend equivalents or otherwise may be credited with respect to Options and Stock Appreciation Rights.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. With respect to the Committee's authority in Section 4(b)(viii), if, at the time of any such extension, the exercise price per Share of the Option is less than the Fair Market Value of a Share, the extension shall, unless otherwise determined by the Committee, be limited to the earlier of (1) the maximum term of the Option as set by its original terms, or (2) ten (10) years from the grant date. Unless otherwise determined by the Committee, any extension of the term of an Option pursuant to this Section 6(a) shall comply with Code Section 409A to the extent necessary to avoid taxation thereunder.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration for both types of Options may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise: Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive

dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be credited with all dividends and other distributions that are paid by the Company on an equivalent number of Shares that are not subject to such restrictions. Any such dividends and other distributions shall be distributed to a Service Provider (with or without interest or other earnings, as provided at the discretion of the Administrator) only if, when and to the extent the related Shares of Restricted Stock vest. Dividends and other distributions credited with respect to any Shares of Restricted Stock that do not vest shall be forfeited.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the

terms, conditions, and restrictions (if any) related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis (including the passage of time) determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Dividend Equivalents. The Administrator may, in its sole discretion, provide that dividend equivalents will be credited in connection with the grant of Restricted Stock Units that may be settled in cash, in Shares of equivalent value, or in some combination thereof. Any dividend equivalents credited with respect to Restricted Stock Units shall be equal in value to the dividends and other distributions that are paid by the Company on an equivalent number of Shares and shall be settled in cash or Shares to the Participant (with or without interest or other earnings, as provided at the discretion of the Administrator) only if, when and to the extent the related Restricted Stock Units vest. Dividend equivalents credited with respect to any Restricted Stock Unit that does not vest shall be forfeited.

(e) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made upon the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(f) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan,

will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(b) relating to the maximum term and Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set Performance Goals or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The

Administrator may set performance objectives based upon the achievement of Company-wide, divisional, or individual goals, applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Measurement of Performance Goals. Performance Goals shall be established by the Committee on the basis of targets to be attained (“Performance Targets”) with respect to one or more measures of business or financial performance (each, a “Performance Measure”), subject to the following:

(i) Performance Measures. For each Performance Period, the Committee shall establish and set forth in writing the Performance Measures, if any, and any particulars, components and adjustments relating thereto, applicable to each Participant. The Performance Measures, if any, will be objectively measurable and will be based upon the achievement of a specified percentage or level in one or more objectively defined and non-discretionary factors pre-established by the Committee. Performance Measures may be one or more of the following, as determined by the Committee: (i) pre-tax income or after-tax income; (ii) income or earnings including operating income, earnings before or after taxes, interest, stock-based compensation expense, depreciation and/or amortization; (iii) net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (iv) earnings or book value per share (basic or diluted); (v) return on assets (gross or net), return on investment, return on capital, or return on equity; (vi) return on revenues; (vii) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (viii) economic value created; (ix) operating margin or profit margin; (x) stock price or total stockholder return; (xi) income or earnings from continuing operations; (xii) capital expenditures, cost targets, reductions and savings and expense management; (xiii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic or product specialty expansion, recruitment and retention goals, or objective customer or agent satisfaction, and objective goals relating to divestitures, joint ventures, mergers, acquisitions and similar transactions, each with respect to the Company and/or one or more of its affiliates or operating units; and (xiv) any other metric that the Committee so designates, provided that such objectives do not result in adverse accounting, tax, reporting or other consequences.

(ii) Committee Discretion on Performance Measures. As determined in the discretion of the Committee, the Performance Measures for any Performance Period may (a) differ from Participant to Participant, Performance Period to Performance Period and from Award to Award, (b) be based on the performance of the Company as a whole, the performance of a specific Participant or against any affiliate(s), a particular segment(s), a business unit(s) or a product(s) of the Company or individual project company, (c) be measured on a per share, share per capita basis, and/or other objective basis, (d) be measured on a pre-tax or after-tax basis, and (e) be measured on an absolute basis or in relative terms (including, but not limited to, any increase (or decrease) over the passage of time and/or any measurement against other companies or financial or business or stock index metrics particular to the Company), (f) be measured using an actual foreign exchange rate or on a foreign exchange neutral basis. Without limiting the foregoing, the Committee shall adjust any performance criteria, Performance Measures or other feature of an Award that relates to or is wholly or partially based on the number of, or the value of, any stock

of the Company, to reflect any stock dividend or split, repurchase, recapitalization, combination, or exchange of shares or other similar changes in such stock.

(e) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any Performance Goals or other vesting provisions for such Performance Unit/Share.

(f) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made upon the time set forth in the applicable Award Agreement. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(g) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence unless contrary to Applicable Law. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Participant's employer or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Participant's employer is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate; provided, that in no event may any Award be transferred for consideration to a third-party financial institution.

13. Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company or any Subsidiary is reduced (for example, and without limitation, if the Participant is an employee of the Company and the employee has a change in status from full-time to part-time or takes an extended leave of absence) after the date of grant of any Award, the Administrator, in that party's sole discretion,

may, subject to Applicable Laws, (x) make a corresponding reduction in the number of Shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting schedule applicable to such Award (in accordance with Section 409A of the Code, as applicable). In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so amended.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, recapitalization (including a recapitalization through a large nonrecurring cash dividend) or reclassification of the Shares, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, split-up, repurchase, or exchange of Common Stock or other securities of the Company or other significant corporate transaction, or other change affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number, kind and class of securities that may be delivered under the Plan and/or the number, class, kind and price of securities covered by each outstanding Award, the numerical Share limits in Section 3 of the Plan. Notwithstanding the forgoing, all adjustments under this Section 14 shall be made in a manner that does not result in taxation under Code Section 409A.

(b) Dissolution or Liquidation. In the event of the proposed winding up, dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control.

Except as set forth in an Award Agreement, in the event of a Change in Control, if the successor corporation does not assume or substitute for outstanding Awards, the Participants will fully vest in and have the right to exercise all of their outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all Performance Goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time as set forth in the Award Agreement, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for

each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 13(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or prior to any time the Award or Shares are subject to taxation, the Company and/or the Participant's employer will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation or social insurance contributions) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld or Shares having a Fair Market Value in excess of such amount that have been held for such period. Except as otherwise determined by the Administrator, the Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A (or an exemption therefrom) and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A (or an exemption therefrom), such that the grant, payment, settlement or deferral

will not be subject to the additional tax or interest applicable under Code Section 409A. In no event will the Company be responsible for or reimburse a Participant for any taxes or other penalties incurred as a result of applicable of Code Section 409A.

16. Compliance with Applicable Law and Company Policies; Compensation Recovery. For the avoidance of doubt, each Participant must comply with applicable law, the Company's Code of Ethics, and the Company's corporate policies, as applicable, including without limitation the Company's Compensation Recovery Policy. Notwithstanding anything to the contrary herein, (i) compliance with applicable law, the Company's Code of Ethics, and the Company's corporate policies, as applicable, will be a pre-condition to earning, or vesting in, any Award under this Plan and (ii) any Awards under this Plan which are subject to the Company's Compensation Recovery Policy will not be earned or vested, even if already granted, paid or settled, until the Company's Compensation Recovery Policy ceases to apply to such Awards and any other vesting conditions applicable to such Awards are satisfied.

17. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, or (if different) the Participant's employer, nor will they interfere in any way with the Participant's right or the Participant's employer's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

18. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Committee may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws. Further, no Incentive Stock Options may be granted after October 6, 2033 without further stockholder approval. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply

with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

22. Stockholder Approval. The amendment and restatement of the Plan will be subject to approval by the stockholders of the Company at the annual meeting of stockholders that will be held in 2024. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

23. Governing Law. The Plan and all Awards hereunder shall be construed in accordance with and governed by the laws of the State of California, but without regard to its conflict of law provisions.

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MARCUS AND MILLICHAP, INC.

2013 EMPLOYEE STOCK PURCHASE PLAN

(Amended and restated effective May 2, 2024)

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Subsidiaries with an opportunity to purchase Common Stock through accumulated payroll deductions (or through other means as set forth below). The Company's intention is to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. Notwithstanding the forgoing, the Company may make offerings under the Plan that are not intended to qualify under Section 423 of the Code to the extent deemed advisable for Designated Subsidiaries outside the United States ("Non-423 Component"). Furthermore, the Company may make separate offerings under the Plan, each of which may have different terms, but each separate offering will be intended to comply with the requirements of Section 423 of the Code, except to the extent such offering is made under the Non-423 Component.

2. Definitions.

(a) "Administrator" means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 15.

(b) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

(d) "Change in Control" means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 2(d)(i) in connection with a merger,

consolidation or corporate reorganization which does not result in a Change in Control under Section 2(d)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause, if any Person (as defined below in Section 2(d)(iv)) is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control;

(iv) The consummation of any transaction as a result of which any Person becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company’s then outstanding voting securities. For purposes of this Paragraph (iv), the term “person” shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company; or

(v) A complete winding up, liquidation or dissolution of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transactions.

Notwithstanding the foregoing, to the extent required for compliance with Code Section 409A, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(e) “Code” means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(f) “Committee” means a committee of the Board appointed in accordance with Section 15 hereof.

(g) “Common Stock” means the common stock of the Company.

(h) “Company” means Marcus and Millichap, Inc., a Delaware corporation, or any successor thereto.

(i) “Compensation” means an Eligible Employee’s regular and recurring straight time gross earnings, payments for overtime and shift premium, but exclusive of payments for incentive compensation, bonuses, profit sharing contributions, employee benefits paid for by the Company or any Designated Subsidiary, imputed income (whether or not arising under any Company or Designated Subsidiary group insurance or benefit program), traveling expenses, business expense reimbursements, moving expense reimbursements, housing and living allowances, income received, reported or otherwise recognized in connection with equity awards, contributions made by the Company or a Designated Subsidiary under any employee benefit plan, and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period. In addition, the Administrator has the authority to make decisions about how Compensation should be interpreted for Eligible Employees outside the United States to the extent there are items of compensation or remuneration not specifically addressed above.

(j) “Designated Subsidiary” means any Subsidiary that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. Unless the Administrator expressly states otherwise, each Designated Subsidiary will be designated to be participating in the portion of the Plan that qualifies under Section 423 of the Code.

(k) “Director” means a member of the Board.

(l) “Eligible Employee” means any individual who is a common law employee of an Employer and is customarily employed for more than twenty (20) hours per week and more than five (5) months in any calendar year by the Employer. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on military leave, sick leave or other leave of absence that the Employer approves. Where the period of leave exceeds three (3) months and the individual’s right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Offering Date determine (to the extent compliant with the Section 423 of the Code rules regarding equal rights and privileges) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is an executive, officer or other manager, or (v) is a highly compensated employee under Section 414(q) of the Code. With respect to offerings made under the Non-423 Component of the Plan, the Administrator may limit eligibility further.

(m) “Employer” means any one or all of the Company and its Designated Subsidiaries. With respect to a particular Eligible Employee, Employer means the Company or Designated Subsidiary, as the case may be, that directly employs the Eligible Employee.

(n) “Exchange Act” means the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(o) “Exercise Date” means the first Trading Day on or after May 15 and November 15 of each year.

(p) “Fair Market Value” means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean of the closing bid and asked prices for the Common Stock on the date of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator; or

(q) “Fiscal Year” means the fiscal year of the Company.

(r) “New Exercise Date” means a new Exercise Date set by shortening any Offering Period then in progress.

(s) “Offering Date” means the first Trading Day of each Offering Period.

(t) “Offering Periods” means the periods of approximately six (6) months during which an option granted pursuant to the Plan may be exercised, (i) commencing on the first Trading Day on or after May 15 of each year and terminating on the first Trading Day on or following November 15, approximately six (6) months later, and (ii) commencing on the first Trading Day on or after November 15 of each year and terminating on the first Trading Day on or following May 15, approximately six (6) months later. The duration and timing of Offering Periods may be changed pursuant to Sections 4 and 21; provided that, no Offering Period shall be more than 27 months.

(u) “Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a

Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(v) “Participant” means an Eligible Employee who participates in the Plan.

(w) “Plan” means this means Marcus and Millichap, Inc., 2013 Employee Stock Purchase Plan.

(x) “Purchase Price” means an amount equal to (i) with respect to any Offering Period that commences prior to May 15, 2024, ninety percent (90%) of the Fair Market Value of a share of Common Stock on the Offering Date or on the Exercise Date, whichever is lower and (ii) with respect to any Offering Period that commences on or after May 15, 2024, eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Offering Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for Offering Periods commencing on or after May 15, 2024 by the Administrator, in its discretion, subject to compliance with Section 423 of the Code or pursuant to Section 21.

(y) “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(z) “Trading Day” means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

3. Eligibility.

(a) Any Eligible Employee on a given Offering Date subsequent to the first Offering Period will be eligible to participate in the Plan, subject to the requirements of Section 5.

(b) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate which exceeds twenty-five thousand dollars (\$25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time.

4. Offering Periods. The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after May 15 and November 15 each year, or on such other date as the Administrator will determine. The Administrator will

have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter; provided that, no Offering Period shall be more than 27 months.

5. Participation. An Eligible Employee may participate in the Plan pursuant to Section 3(a) by (i) submitting to the Company's payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable Offering Date, a properly completed subscription agreement authorizing payroll deductions in the form provided by the Administrator for such purpose, or (ii) following an electronic or other enrollment procedure prescribed by the Administrator.

6. Payroll Deductions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have payroll deductions made on each pay day during the Offering Period in an amount not exceeding fifteen percent (15%) of the Compensation which he or she receives on each pay day during the Offering Period; provided, however, that should a pay day occur on an Exercise Date, a Participant will have the payroll deductions made on such day applied to his or her account under the subsequent Offering Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 11 hereof.

(b) Payroll deductions for a Participant will commence on the first pay day following the Offering Date and will end on the last pay day prior to the Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 11 hereof.

(c) All payroll deductions made for a Participant will be credited to his or her account under the Plan (which will be recorded by the Company or Designated Subsidiary on its books, but not be an externally held account unless required under Applicable Law) and will be withheld in whole percentages only. A Participant may not make any additional payments into such account, subject to the exception set forth below in Section 6(f) below.

(d) A Participant may discontinue his or her participation in the Plan as provided in Section 11. If permitted by the Administrator, as determined in its sole discretion, for an Offering Period, a Participant may increase or decrease the rate of his or her payroll deductions during the Offering Period by (i) properly completing and submitting to the Company's payroll office (or its designee), on or before a date prescribed by the Administrator prior to an applicable Exercise Date, a new subscription agreement authorizing the change in payroll deduction rate in the form provided by the Administrator for such purpose, or (ii) following an electronic or other procedure prescribed by the Administrator. If a Participant has not followed such procedures to change the rate of payroll deductions, the rate of his or her payroll deductions will continue at the originally elected rate throughout the Offering Period and future Offering Periods (unless terminated as provided in Section 11). The Administrator may, in its sole discretion, limit the nature and/or number of payroll deduction rate changes that may be made by Participants during any Offering Period. Any change in payroll deduction rate made pursuant to this Section 6(d) will be effective as of the first full payroll period following five (5) business days after the date on which the change is made by the Participant

(unless the Administrator, in its sole discretion, elects to process a given change in payroll deduction rate more quickly).

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(b), a Participant's payroll deductions may be decreased to zero percent (0%) at any time during an Offering Period. Subject to Section 423(b)(8) of the Code and Section 3(b) hereof, payroll deductions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Offering Period which is scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 11.

(f) If there are countries outside the United States in which payroll deductions for Plan participation are not permitted under Applicable Law, the Administrator may allow Eligible Employees to participate by remitting payment to the Company or Designated Subsidiary by check, wire transfer or other feasible means, and shall determine procedures for facilitating participation in the Plan.

7. Tax Withholding. At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of, the Participant must make adequate provision for the Company's or Employer's federal, state, foreign or any other tax or social insurance contribution liability payable to any authority, national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock. At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Eligible Employee. Alternatively, the Company may refuse to release Shares purchased until the Eligible Employee satisfies the required tax withholding obligations.

8. Grant of Option. On the Offering Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date with respect to an Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's payroll deductions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Offering Period more than 1,250 shares of the Common Stock (subject to any adjustment pursuant to Section 20), and provided further that such purchase will be subject to the limitations set forth in Sections 3(b) and 14. The Eligible Employee may accept the grant of such option under the Plan, by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion (but in accordance with Section 423 of the Code), the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Offering Period. Exercise of the option will occur as provided in Section 9, unless the Participant has withdrawn pursuant to Section 11. The option will expire on the last day of the Offering Period.

9. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 11, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated payroll deductions in his or her account. No fractional shares of Common Stock will be purchased; any payroll deductions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Offering Period, subject to earlier withdrawal by the Participant as provided in Section 11. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Offering Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Offering Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or terminate all Offering Periods then in effect pursuant to Section 21. The Company may make a pro rata allocation of the shares available on the Offering Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Offering Date.

10. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 10.

11. Withdrawal.

(a) A Participant may withdraw all but not less than all the payroll deductions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's payroll office (or its designee) a written notice of withdrawal in the form prescribed by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure

prescribed by the Administrator. All of the Participant's payroll deductions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further payroll deductions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, payroll deductions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan which may hereafter be adopted by the Company or in succeeding Offering Periods, which commence after the termination of the Offering Period from which the Participant withdraws.

12. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the payroll deductions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 16, and such Participant's option will be automatically terminated. Subject to Section 2(l), whether a termination of employment has occurred and the date of such termination shall be determined by the Administrator, in its sole discretion, regardless of any notice period or garden leave required under local law. The Administrator may also establish rules regarding when leaves of absence or changes of employment status will be considered to be a termination of employment, including rules regarding transfer of employment among the Company and Designated Subsidiaries, and the Administrator may establish termination of employment procedures for this Plan, which are independent of similar rules established under other benefit plans of the Company and its Subsidiaries. However, for purposes of this section and subject to applicable law, a Participant's participation in the Plan shall not terminate for purposes of the Plan while the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed three months, or if longer, so long as the Participant's right to reemployment upon the expiration of such leave is guaranteed by contract or statute.

13. Interest. No interest will accrue on the payroll deductions of a Participant in the Plan, unless legally required in any foreign country in which the Plan is offered and such term does not violate the requirements of Section 423 of the Code.

14. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 20 hereof, the maximum number of shares of Common Stock which will be made available for sale under the Plan will be 366,667 shares. All of these Shares may be issued under the offerings made under the Plan that comply with the requirements of Section 423 of the Code.

(b) Until the shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a Participant will only have

the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse.

15. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to determine eligibility and to adjudicate all disputed claims filed under the Plan. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties. Notwithstanding any provision to the contrary in this Plan, the Administrator may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures for jurisdictions outside of the United States. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of payroll deductions, making of contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold payroll deductions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates which vary with local requirements.

16. Designation of Beneficiary.

(a) The Administrator may allow a Participant to file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, the Administrator may allow a Participant to file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective in the United States or to the extent required by Applicable Law.

(b) If made, such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time.

17. Transferability. Neither payroll deductions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 16 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 11 hereof.

18. Use of Funds. The Company may use all payroll deductions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such payroll deductions, unless and to the extent legally required in any foreign country in which the Plan is offered. Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to such shares.

19. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of payroll deductions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

20. Adjustments, Dissolution, Liquidation, or Change in Control.

(a) Adjustments. In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, recapitalization (including a recapitalization through a large nonrecurring cash dividend) or reclassification of the Shares, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, split-up, repurchase, or exchange of Common Stock or other securities of the Company or other significant corporate transaction, or other change affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number, kind and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan which has not yet been exercised, and the numerical limits of Sections 8 and 14. Notwithstanding the forgoing, all adjustments under this Section 20 shall be made in a manner that does not result in taxation under Code Section 409A.

(b) Dissolution or Liquidation. In the event of the proposed winding up, dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 11 hereof.

(c) Change in Control. In the event of a Change in Control (other than a winding up, dissolution or liquidation), each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In

the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date and will end on the New Exercise Date. The New Exercise Date will occur before the date of the Company's proposed Change in Control. The Administrator will notify each Participant in writing prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 11 hereof.

21. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 20). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts which have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under local laws) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 21(a), the Administrator will be entitled to amend the Offering Periods, determine the terms of new Offering Periods (including, but not limited to (i) the length of such Offering Periods, provided that no such Offering Period shall be more than 27 months, (ii) whether such Offering Periods will include one or more embedded Offering Periods and/or (iii) whether such Offering Periods will have an automatic restart or reset provision), provide for overlapping Offering Periods, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable which are consistent with the Plan and Section 423 of the Code.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under Financial Accounting Standards Board Accounting Standards Codification Topic 718, including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period by setting a New Exercise Date, including an Offering Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as payroll deductions; and

(v) reducing the maximum number of Shares a Participant may purchase during any Offering Period.

Such modifications or amendments will not require stockholder approval or the consent of any Plan Participants.

22. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

23. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

24. Governing Law. The Plan and all options hereunder shall be construed in accordance with and governed by the laws of the State of California, but without regard to its conflict of law provisions.

EXHIBIT A

MARCUS AND MILLICHAP, INC.

2013 EMPLOYEE STOCK PURCHASE PLAN

SUBSCRIPTION AGREEMENT

_____ Original Application
_____ Change in Payroll Deduction Rate
_____ Change of Beneficiary(ies)

Offering Date: _____

1. _____ hereby elects to participate in the Marcus and Millichap, Inc. 2013 Employee Stock Purchase Plan (the "Plan") and subscribe to purchase shares of the Company's Common Stock in accordance with this Subscription Agreement and the Plan.

2. I hereby authorize payroll deductions from each paycheck in the amount of ____% of my Compensation on each payday (from 0 to 15%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted and will be rounded down to the nearest whole percent.)

3. I understand that such payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the Plan.

4. I have received a copy of the complete Plan and its accompanying prospectus. I understand that my participation in the Plan is in all respects subject to the terms of the Plan. Any conflict between this Subscription Agreement and the Plan will be resolved in favor of the Plan.

5. I understand that if I dispose of any shares received by me pursuant to the Plan either within two (2) years after the Offering Date (the first day of the Offering Period during which I purchased such shares) or one (1) year after the Exercise Date, I will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased by me over the price which I paid for the shares. I hereby agree to notify the Company in writing within thirty (30) days after the date of any disposition of my shares and I will make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the disposition of the Common Stock. The Company may, but will not be obligated to, withhold from my compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by me. If I dispose of such shares at any time after the expiration of both the two (2)-year and one (1)-year holding periods, I understand that I will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (a) the excess of the fair market value of the shares at the time of such

disposition over the purchase price which I paid for the shares, or (b) fifteen percent (15%) of the fair market value of the shares on the first trading day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

6. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

In the event of my death, I hereby designate the following as my beneficiary to receive all payments and shares due me under the Plan:

NAME OF BENEFICIARY: (Please print)

(First) (Middle) (Last)

Relationship

(Address)

PERSONAL INFORMATION: (Please print)

Employee's Social Security Number: _____

Employee's Address:

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT SHALL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Signature of Employee Date

Spouse's Signature (If beneficiary other than spouse) Date

EXHIBIT B

MARCUS AND MILLICHAP, INC.

2013 EMPLOYEE STOCK PURCHASE PLAN

NOTICE OF WITHDRAWAL

The undersigned Participant in the Offering Period of the Marcus and Millichap, Inc. 2013 Employee Stock Purchase Plan that began on _____, _____ (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be automatically terminated. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

Signature:

Date: _____

**Certification of Chief Executive Officer of Marcus & Millichap, Inc . pursuant to
Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Hessam Nadji, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marcus & Millichap, Inc.;
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(s) 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 the 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; and
5. The registrant's other certifying officer(s) 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.

Date: August 7, 2024

/s/ Hessam Nadji

Hessam Nadji
President and Chief Executive Officer

**Certification of Chief Financial Officer of Marcus & Millichap, Inc. pursuant to
Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Steven F. DeGennaro, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marcus & Millichap, Inc.;
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(s) 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 the 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; and
5. The registrant's other certifying officer(s) 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.

Date: August 7, 2024

/s/ Steven F. DeGennaro

Steven F. DeGennaro
Chief Financial Officer

**Certifications of Chief Executive Officer and Chief Financial Officer of Marcus & Millichap, Inc. Pursuant to
Rule 13a-14(b) under the Exchange Act and 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of Marcus & Millichap, Inc. on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Hessam Nadji, President and Chief Executive Officer of the Company, and Steven F. DeGennaro, Chief Financial Officer of the Company, certify, to the best of our knowledge, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	August 7, 2024	/s/ Hessam Nadji
		Hessam Nadji President and Chief Executive Officer (Principal Executive Officer)
Date:	August 7, 2024	/s/ Steven F. DeGennaro
		Steven F. DeGennaro Chief Financial Officer (Principal Financial Officer)