

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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: 001-39558

PERELLA WEINBERG PARTNERS

(Exact Name of Registrant as Specified in its Charter)

Delaware

84-1770732

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

(State or other jurisdiction of incorporation or organization)

767 Fifth Avenue

New York, NY

10153

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (212) 287-3200

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	PWP	Nasdaq Global Select Market

Securities registered pursuant to the Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☒ Non- ☐ Smaller reporting company ☒ Emerging growth ☒  
accelerated filer accelerated filer company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's

executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common stock of the registrant held by non-affiliates, based on the closing price on the Nasdaq Global Select Market as of June 30, 2023 was \$344,735,834.

As of February 20, 2024, the registrant had 44,734,947 shares of Class A common stock, par value \$0.0001 per share, and 41,589,339 shares of Class B common stock, par value \$0.0001 per share, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Perella Weinberg Partners' Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after December 31, 2023 are incorporated by reference into Part III of this Form 10-K.

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Perella Weinberg Partners

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On June 24, 2021 (the "Closing Date" or the "Closing"), Perella Weinberg Partners consummated a business combination pursuant to that certain Business Combination Agreement, dated as of December 29, 2020 (the "Business Combination Agreement"). As contemplated by the Business Combination Agreement, (i) Perella Weinberg Partners acquired certain partnership interests in PWP Holdings LP ("PWP OpCo"), (ii) PWP OpCo became jointly-owned by Perella Weinberg Partners, PWP Professional Partners LP (together with its successors (including pursuant to the Division (as defined below)) and assigns, as applicable, "Professional Partners") and certain existing partners of PWP OpCo, and (iii) PWP OpCo serves as Perella Weinberg Partners' operating partnership as part of an umbrella limited partnership C-corporation (Up-C) structure (collectively with the other transactions contemplated by the Business Combination Agreement, the "Business Combination"). On December 31, 2023 and as part of an internal reorganization, Professional Partners was divided into three partnerships pursuant to a plan of division (the "Division"), which, among other things, provided that (i) all of its limited partnership interests in PWP OpCo were allocated to one of the divided partnerships, PWP AdCo Professionals LP ("AdCo Professionals"), (ii) all of its shares of Class B-1 common stock of the Company were allocated to another divided partnership, PWP VoteCo Professionals LP ("VoteCo Professionals") and (iii) PWP Professional Partners LP changed its name to PWP AmCo Professional Partners LP. Unless the context otherwise requires, all references to "PWP," the "Company," "we," "us" or "our" refer to Perella Weinberg Partners and its consolidated subsidiaries.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made in this Annual Report on Form 10-K are "forward looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements regarding the expectations regarding the combined business are "forward-looking statements." In addition, words such as "estimates," "projected," "expects," "estimated," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "would," "future," "propose," "target," "goal," "objective," "outlook" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of the parties, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements.

Important factors, among others, that may affect actual results or outcomes include (but are not limited to): changing market conditions; the Company's ability to execute on its growth initiatives, business strategies or operating plans; the Company's ability to successfully identify, recruit, develop and retain talent; the Company's dependence on its fee-paying clients and fluctuating revenues from its non-exclusive, engagement-by-engagement business model; the high volatility of the Company's revenue as a result of its reliance on advisory fees that are largely contingent on the completion of events which may be out of its control; the Company's ability to appropriately manage conflicts of interest and tax and other regulatory factors relevant to the Company's business, including actual, potential or perceived conflicts of interest and other factors that may damage its business and reputation; substantial litigation risks in the financial services industry; cybersecurity and other operational risks; extensive regulation of the corporate advisory industry and U.S. and foreign regulatory developments relating to, among other things, financial institutions and markets, government oversight, fiscal and tax policy and laws; and other risks and uncertainties described under *"Part I—Item 1A. Risk Factors."*

The forward-looking statements contained in this Annual Report on Form 10-K are based on current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

#### **Website Disclosure**

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). The SEC maintains an internet site where reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC are available. Our SEC filings are available to the public over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at <https://investors.pwpartners.com/> free of charge as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC. Our website is <https://pwpartners.com/>. Although we refer to our website in this report, the contents of our website are not included or incorporated by reference into this report. All references to our website in this report are intended to be inactive textual references only.

## **PART I.**

### **Item 1. Business**

Unless the context otherwise requires, all references in this subsection to the “Company,” “we,” “us” or “our” refer to Perella Weinberg Partners and its consolidated subsidiaries following the Business Combination, other than certain historical information which refers to the business of PWP OpCo prior to the consummation of the Business Combination.

#### **General**

We are a leading global independent advisory firm that provides strategic and financial advice to clients across the most active industry sectors and international markets. Our wide range of global clients include large public multinational corporations, mid-sized public and private companies, financial sponsors, individual entrepreneurs, private and institutional investors, creditor committees and government institutions.

We were founded in June 2006 with the opening of offices in New York and London, led by a team of ten seasoned advisory partners who previously held senior management positions at large global investment banks. The foundation of our Company was rooted in a belief, among other considerations, that clients would increasingly seek out deeply experienced advisors who offer independent strategic thinking and who are not burdened by the complicated conflicts that large investment banking institutions may face due to their various businesses. The 2008 global financial crisis reinforced this hypothesis and contributed to the early growth of our Company. Today, we believe that our independence is even more important. For clients and for us, independence means freedom from the distractions that dilute strategic thinking and a willingness and candor to share an honest opinion, even if at times it is contrary to our clients' point of view. We believe that our clients choose to engage us because they value our unbiased perspective and expert advice regarding complex financial and strategic matters.

Our business provides services to multiple industry sectors, geographic markets and advisory offerings. We believe that our collaborative partnership and integrated approach combining deep industry insights, significant technical, product and transactional expertise, and rigorous work ethic create a significant opportunity for our Company to realize sustainable growth. We seek to advise clients throughout their evolution, with the full range of our advisory capabilities including, among other things, advice related to strategic and financial decisions, mergers and acquisitions (“M&A”) execution, shareholder and defense advisory, financing and capital solutions advice with resources focused on restructuring and liability management and capital markets advisory, as well as specialized underwriting and research services primarily for the energy and related industries.

Since our inception, we have experienced significant growth in our business, driven by hiring professionals who are highly regarded in their fields of expertise, expanding the scope and geographic reach of our advisory services, deepening and expanding our client relationships and maintaining a firm culture that attracts, develops and retains talented people. As of December 31, 2023, we serve our clients with 492 advisory professionals, including 64 advisory partners and 45 advisory managing directors, based in ten offices, located in five countries around the world.

We achieved revenues of \$648.7 million and an operating loss of \$115.1 million for the year ended December 31, 2023, revenues of \$631.5 million and an operating loss of \$47.7 million for the year ended December 31, 2022 and revenues of \$801.7 million and operating income of \$66.6 million for the year ended December 31, 2021. The operating losses in 2023 and 2022 were largely due to the amortization of equity-based compensation awards granted by Professional Partners, which have no economic impact on PWP or PWP OpCo, and the amortization of equity-based compensation awards granted in connection with the Business Combination. These awards have been and will be recorded as an equity-based compensation expense at PWP OpCo pursuant to generally accepted accounting principles in the United States (“U.S. GAAP”). As a result (or due to other factors), we may continue to experience operating losses in future periods. We believe we have established leading franchises in each of our areas of focus, as evidenced by the lead role we often command among advisors, the complexity of the situations in which we advise clients and our clients' reputation as leaders in their respective industries.

#### **Our Market Opportunity**

We founded our Company with the objective of providing strategic and financial advice to business leaders that is critical to the success of their businesses throughout their corporate evolution. We believe that clients are increasingly looking for an independent advisor who can serve as an unbiased sounding board, work with them in genuine partnership and be by their side as they navigate mission-critical and complex issues.

## **Our Key Competitive Strengths**

When we founded the Company, we saw a compelling market opportunity to create a platform with deeply experienced, senior advisory professionals from the most reputable institutions around the world to focus solely on advising clients. We have built a leading global independent advisory platform offering a range of advisory services. Our success has been driven by the trust bestowed upon us by our clients, the high-caliber professionals who have joined the Company, and the continued growth in demand for independent advice.

We believe that our integrated approach and our partnership culture in how we work with each other and our clients provides an ideal platform to deliver the strategic and financial advice sought by our clients.

## **Our Growth Strategy**

Our growth strategy centers on the expansion of the depth and breadth of our advisory business in the markets we serve today and the additional markets that we may expand into in the future. This expansion will be driven by our ability to attract and develop outstanding professionals who complement or expand our market presence or broaden our advisory product offerings and help us attain scale. As we execute on our growth strategy, we expect to expand our relationships with clients and the capabilities we can offer them, which will enhance our position as a leading independent advisory firm.

Additionally, we believe we will continue to benefit from growing comfort in the independent advisory model from business leaders which we believe will expand our overall market opportunity.

## **Our Advisory Offerings**

### ***Our Clients***

Our business provides services to multiple industry sectors and geographic markets through a broad range of advisory service offerings, which we believe offer us an opportunity to realize sustainable growth. Our primary areas of industry focus include: Consumer & Retail; Energy & Energy Transition; Financial Services & FinTech; Healthcare; Industrials & Infrastructure; and Technology, Telecom & Media.

We complement our industry focus with extensive advisory expertise in the largest international advisory markets. We operate out of ten offices in the United States, Canada, the United Kingdom, France and Germany, and we have deep international experience that has enabled us to work extensively with clients worldwide. Since our inception, we have advised over 1,000 clients on transactions in over 45 countries.

### ***Our Advisory Services***

We seek to advise our clients throughout their corporate evolution, with the full range of our advisory capabilities. Those services include advice related to strategic and financial decisions, M&A execution, shareholder and defense advisory, financing and capital solutions advice with resources focused on restructuring and liability management, and capital markets advisory, as well as specialized underwriting and research services primarily for the energy and related industries.

***M&A and Strategic Advisory:*** We have established a leading M&A and strategic advisory practice, advising clients on a range of strategic issues, risks and opportunities impacting their businesses. In these advisory relationships, we work closely with our clients through all stages of their assessment and evaluation of a range of strategic opportunities. Often, such situations can be complex and are mission-critical to the success of our client's businesses. In these situations, we believe we have built a reputation for providing valuable insights, experience, deep strategic thinking, rigor, technical expertise and a personalized approach in our partnerships with our clients to thoughtfully achieve their objectives.

***Financing and Capital Solutions Advisory:*** We have built, and are continuing to invest in, a leading franchise advising clients on capital markets matters, both in transaction-related and ordinary course financing execution. We provide comprehensive capital structure advice and help our clients develop financing solutions tailored to their specific needs. We believe our independence and objectivity, coupled with our deep experience in complex financial matters, inform our market views and enhance the likelihood of a successful transaction, and in turn have helped us develop trusted and long-lasting relationships with our clients. Moreover, we believe the dramatic shift towards private credit is a once-in-a-generation move. It has been, and we believe will continue to be, a tailwind for our business, both for our corporate clients as well as for financial sponsors.

## Our Commitment to Environmental, Social and Governance Leadership

We believe that leadership in Environmental, Social and Governance (“ESG”) issues is a central element of our Company’s mission because our success is tied to how responsibly and sustainably we run our business. Over the past few years, we have taken steps to oversee and manage business-relevant ESG factors that impact the long-term interests of our stakeholders, such as engaging our employees and promoting a diverse and inclusive workplace, safeguarding our data through a cybersecurity program, and adhering to what we consider to be best practices in corporate governance and risk assessment and mitigation. Our board of directors, as well as our management team, provide direction and oversight with respect to the evolving priorities of our Company’s ESG initiatives, organized into three pillars, which, in turn, contain focus areas for our attention and action:

- **Environmental.** The Environmental pillar is focused on assessing and monitoring our environmental footprint, and proactively raising our firm-wide awareness of environmental risk and opportunity by committing to sustainable practices to oversee environmental aspects in our business activities.
- **Social.** The Social pillar is focused on promoting diversity and inclusion, reinforcing our commitment to engage, develop and motivate our employees, and maintaining a rigorous cybersecurity program to protect our valuable data.
- **Governance.** The Governance pillar is focused on upholding our commitment to ethical business conduct, professional integrity and corporate responsibility by integrating strong governance and enterprise risk management oversight across all aspects of our business.

## Our People and Inclusive Culture

We believe that our people are our most valuable asset. Our goal is to attract, develop and retain the best and brightest talent in our industry across all levels. We strive to foster a collaborative environment, and we seek individuals who are deeply committed to their clients, passionate about our business and additive to our culture.

The drivers of the growth of the Company include a combination of internal promotions and lateral recruiting in our areas of focus. In addition to this promotion and addition of external hires, we have also maintained significant discipline in how we assess our advisory professionals within our culture and our strategic and financial objectives. Today, we believe we have established a rigorous recruiting and review process that ensures that we maintain consistently high levels of performance and of quality among our advisors, which best positions us to serve our clients and their growing advisory needs.

Our senior professionals are compensated based on their overall contribution to value creation for our Company. Contribution includes, among other things, the quality of advice and execution provided to clients, intellectual content and thought leadership, the financial contribution to the Company, the commitment made to recruiting new talent, the creation of an inclusive work environment and the overall spirit of partnership they demonstrate in working with their colleagues and their clients. We do not compensate on a commission-based pay model, whereby bankers are rewarded solely based upon financial contribution. We believe that our compensation model encourages a collaborative environment and attracts talented advisory professionals to join our Company.

We recruit our junior professionals from the world’s leading undergraduate and graduate programs. We devote significant time and resources to attracting, training and mentoring our employees. This starts with positioning our Company to attract competitive, high caliber talent and providing a hands-on development platform from day one through our global internship program and early careers curriculum. We are committed to talent retention, and our goal is to develop our brightest and most ambitious junior professionals into successful partners. To this end, as of December 31, 2023, 23 of our 64 advisory partners and 35 of our 45 advisory managing directors were promoted internally.

In addition to recruiting and developing advisory professionals, we have also entered into formal relationships with certain senior advisors who work with our advisory professionals to augment our overall advisory services to our clients.

## Employees

As of December 31, 2023, we had 663 employees.

## **Our Focus on Cybersecurity**

We strive to protect the reputation of our Company by establishing, protecting and defending our data and systems in a number of ways through a combination of processes, tools, and awareness-building. We aim to adhere to the best practices outlined in the National Institute of Standards and Technology ("NIST") and International Organization for Standardization ("ISO") frameworks, and our policies and procedures in managing personally identifiable information ("PII") are in compliance with General Data Protection Regulation ("GDPR") requirements.

We maintain an ongoing process to enhance security and optimize our IT systems, and regularly conduct security assessments and testing of our systems to verify our systems' integrity to protect against being compromised from both internal and external sources. In addition to identifying information security risks, we have established robust controls to seek to reduce or mitigate such risks. Cybersecurity training for employees is conducted regularly and we maintain system logs of user activities, exceptions, and security events for a period consistent with industry best practices unless otherwise required by law, regulation or contractual obligation.

We employ rigorous measures to appropriately handle and protect sensitive and confidential data. We take precautionary measures to minimize, to the extent possible, the use of PII and the electronic or courier-based transmission of sensitive and confidential data, relying instead on approved and secured digital data transfer services which are designed to provide tightly controlled and selective access to such information. We have mechanisms in place to help ensure that our data is secured when at-rest or in-transit, and industry standard encryption is used to the maximum extent possible. We also take steps to help ensure our ability to restore data in the event of data failure, corruption, accidental deletion, or malicious tampering.

## **Organizational Structure**

We are a holding company and our only material assets are our partnership interests in PWP OpCo and our equity interest in the general partner of PWP OpCo, PWP GP, LLC ("PWP GP"). We operate and control all of the business and affairs of our advisory business, as run by PWP OpCo and its operating entity subsidiaries, indirectly through our equity interest in PWP GP.

## **Competition**

The financial services industry is intensely competitive, and we expect it to remain so. Our competitors are other investment banking and financial advisory firms. We compete on both a global and a regional basis, and on the basis of a number of factors, including our reputation, depth of client relationships, industry knowledge and insights, transaction execution skills, our range of products and services, innovation and price.

We believe our primary competitors in securing advisory engagements include the investment banking businesses of Bank of America Corporation, Barclays Capital Inc., Citigroup Inc., Credit Suisse Group AG, The Goldman Sachs Group, Inc., JPMorgan Chase & Co., Morgan Stanley, UBS Securities LLC and other large investment banking firms as well as independent investment banking firms such as Centerview Partners, Evercore Partners Inc., Guggenheim Partners, Houlihan Lokey, Inc., Lazard, Inc., Moelis, Inc., NM Rothschild & Sons Limited, PJT Partners, Inc., and other closely held boutique firms. We compete for business as well as to attract and retain qualified employees. Our ability to continue to compete effectively in our business will depend upon our ability to attract new employees and retain and motivate our existing employees who are essential to our ability to serve clients.

In past years there has been substantial consolidation in the financial services industry. Many firms have the ability to offer a wider range of products, from loans, deposit-taking and insurance to brokerage, asset management and investment banking services, which may enhance their competitive position. They also have the ability to support investment banking and securities products with commercial lending and other financial services revenues in an effort to gain market share, which could result in pricing pressure in our business or loss of opportunities for us. In addition, we may be at a competitive disadvantage relative to certain of our competitors who are able to, and regularly do, provide financing or market making services that are often instrumental in effecting transactions. The trend toward consolidation has significantly increased the capital base and geographic reach of our competitors as well as the potential for actual or perceived conflicts of these firms.

## **Regulation**

Our business, as well as the financial services industry generally, is subject to extensive regulation in the United States and abroad. As a matter of public policy, regulatory bodies in the United States and foreign jurisdictions are charged with safeguarding the integrity of their home country's securities and other financial markets and with protecting the interests of clients participating in those markets.



In the United States, the SEC is the federal agency responsible for the administration of the federal securities laws. Perella Weinberg Partners LP, through which we (i) conduct strategic advisory and restructuring services in the United States and (ii) engage in private placements of securities and investment banking mergers and acquisitions advisory services and Tudor, Pickering, Holt & Co. Securities, LLC ("TPH Securities"), through which we conduct equity research and sales in the United States are registered as broker-dealers with, and are subject to regulation and oversight by, the SEC. In addition, the Financial Industry Regulatory Authority ("FINRA"), a self-regulatory organization that is subject to oversight by the SEC, adopts and enforces rules governing the conduct, and examines the activities of, its member firms, including Perella Weinberg Partners LP and TPH Securities. State securities regulators also have regulatory or oversight authority over Perella Weinberg Partners LP and TPH Securities.

Broker-dealers are subject to regulations that cover all aspects of the securities business, including anti-money laundering, handling of material non-public information, safeguarding data, reporting, record retention, market access and the conduct and qualifications of its officers, directors, employees and other associated persons. In particular, as registered broker-dealers and members of a self-regulatory organization, our U.S. broker-dealer subsidiaries are subject to the SEC's uniform net capital rule, Rule 15c3-1. Rule 15c3-1 specifies the minimum level of net capital a broker-dealer must maintain and also requires that a significant part of a broker-dealer's assets be kept in relatively liquid form. The SEC and various self-regulatory organizations impose rules that require notification when net capital falls below certain predefined criteria, limit the ratio of subordinated debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the SEC's uniform net capital rule imposes certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC for certain withdrawals of capital. Any failure to comply with applicable broker-dealer rules or regulations could have a material adverse effect on the operation of our business, financial condition and operating results.

In addition to the regulation, we are subject to in the United States, we are also subject to regulation internationally. Perella Weinberg UK Limited ("PWP U.K.") is authorized and regulated by the Financial Conduct Authority ("FCA") as a Small Non-Interconnected investment firm. Perella Weinberg Partners France SAS ("PWP France") is authorized and regulated by the Autorite de Controle Prudentiel ("ACPR") and the Autorite des Marches Financiers ("AMF") as a class 3 investment firm. Both PWP U.K. and PWP France are subject to regulations applicable to investment firms respectively in the U.K. and in France, including market abuse and insider dealing regulation, anti-money laundering, conflicts management, business conduct, regulatory reporting and minimum regulatory capital requirements. Tudor, Pickering, Holt & Co. Securities - Canada, ULC ("TPH Canada") is registered as an investment dealer with the provincial securities regulators in the Canadian provinces of Alberta, British Columbia, Manitoba, Ontario, Québec and Saskatchewan, with the Alberta Securities Commission being TPH Canada's principal regulator under the passport system adopted by Canada's provincial and territorial securities regulators. TPH Canada is also a dealer member of the Canadian Investment Regulatory Organization ("CIRO"), which adopts and enforces rules overseeing the capital, business conduct, record keeping, individual registration and proficiency, governance, and examines the activities of, its member firms. Per CIRO's rules, TPH Canada is required to maintain certain minimum capital, with additional capital requirements when TPH Canada participates in deal financings outside of its carrying broker relationship.

Certain parts of our business are subject to compliance with laws and regulations of U.S. federal and state governments, non-U.S. governments, their respective agencies and/or various self-regulatory organizations relating to, among other things, the privacy of client information, and any failure to comply with these regulations could expose us to liability and/or reputational damage.

Failure to comply with any laws, rules or regulations could result in administrative or court proceedings, censures, fines, penalties, judgments, disgorgement, restitution and censures, suspension or expulsion from a certain jurisdiction, self-regulatory organization or market, the revocation or limitation of licenses, the issuance of cease-and-desist orders or injunctions or the suspension or disqualification of the entity and/or its officers, employees or other associated persons. The U.S. and non-U.S. government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are empowered to conduct periodic examinations and initiate administrative proceedings that can result in censure, fines, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer or its directors, officers or employees. These administrative or court proceedings, whether or not resulting in adverse findings, can require substantial expenditures of time and money and can have an adverse impact on a firm's reputation, customer relationship and profitability. Our U.S. broker-dealer subsidiaries, like most other broker-dealers, have from time to time been the subject of requests for information and documents from the SEC, FINRA and other regulators. We have cooperated and complied in all material respects with any such requests for information and documents.

The Bank Secrecy Act (the "BSA"), as amended by the USA PATRIOT Act of 2001, the Anti-Money Laundering Act of 2021, and the Treasury Department's and FINRA's implementing regulations require each of Perella Weinberg Partners LP and TPH Securities, as broker-dealers, to establish and maintain an anti-money laundering program, file suspicious activity and other reports, and comply with certain record-keeping requirements. Under the BSA, a financial institution's anti-money laundering program must include policies, procedures and controls, employee training, the designation of an anti-money laundering compliance officer, periodic independent testing and customer due diligence and monitoring. PWP's non-U.S. subsidiaries are required to comply with similar non-U.S. laws and regulations designed to deter and detect money laundering and the financing of terrorism. Failure to comply with these requirements may result in reputational damage as well as monetary, regulatory and, in certain cases, criminal penalties.

In support of U.S. foreign policy and national security goals, the Treasury Department's Office of Foreign Assets Control ("OFAC"), administers and enforces economic and trade sanctions against targeted foreign countries and regimes, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction and other threats to the national security, foreign policy or economy of the United States. Among other OFAC sanctions programs, comprehensive sanctions and embargoes target certain countries and geographic regions ("Sanctioned Countries") and their governments. We are generally prohibited from engaging in transactions involving any Sanctioned Country, its government or entities owned or controlled by a Sanctioned Country's government or persons or entities located in a Sanctioned Country, unless such activity is licensed or otherwise permissible. OFAC's "list-based" sanctions are imposed on individuals and entities designated under various programs for certain activities, including those referenced above. The names of individuals and entities designated under OFAC's list-based sanctions programs are generally placed on OFAC's List of Specially Designated Nationals and Blocked Persons (parties included on such list, "SDNs") or similar lists. Assets of SDNs are blocked, and we are generally prohibited from dealing with them. In addition, any property, including a company that is 50 percent or more owned, directly or indirectly, by one or more SDNs in the aggregate, is blocked property. We must also comply with the economic sanctions and embargo programs administered by the United Nations Security Council and certain governmental agencies outside the United States. A violation of a sanctions or embargo program could subject us, and individual employees, to reputational damage and regulatory enforcement actions as well as significant civil and criminal penalties.

The Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act 2010 (the "UK Bribery Act") and other applicable laws and regulations prohibit the payment of bribes to foreign government officials and political figures. The FCPA prohibits us from making or offering to make any payment, or giving anything of value, to a foreign official for the purpose of influencing that official to assist us in obtaining or retaining an improper business advantage. The FCPA has a broad reach, covering all U.S. companies and citizens doing business abroad, among others, and defining as foreign officials not only those holding public office but also individuals acting in an official capacity for or on behalf of foreign government-run, -owned or -controlled organizations or public international organizations. The FCPA also requires issuers of U.S. securities to maintain accurate books and records and adequate internal controls to prevent and detect possible FCPA violations. The UK Bribery Act prohibits us from bribing, accepting bribes or making other prohibited payments to government officials or other persons (i.e., within the public or private sector) in order to obtain or retain business or gain some other business advantage. These offenses under the UK Bribery Act apply to acts or omissions that take place in the United Kingdom ("U.K.") or outside the U.K., where the person's act or omission would constitute an offense if carried out in the U.K. and the person has a close connection with the U.K. The UK Bribery Act also establishes a corporate offense of failing to prevent bribery by an associated party, which can be committed regardless of where the offense takes place. We maintain policies and procedures designed to prevent bribery, but such policies and procedures may not be effective in all instances to prevent violations. A violation could subject us, and individual employees, to reputational damage and regulatory enforcement actions as well as significant civil and criminal penalties. We can incur higher costs and face greater compliance risks in structuring and operating our businesses to comply with any of the foregoing regulatory requirements.

## **Item 1A. Risk Factors**

### **Risk Factor Summary**

The principal risks and uncertainties affecting our business include (but are not limited to) the following: changing market conditions; the Company's ability to execute on its growth initiatives, business strategies or operating plans; the Company's ability to successfully identify, recruit, develop and retain talent; the Company's dependence on its fee-paying clients and fluctuating revenues from its non-exclusive, engagement-by-engagement business model; the high volatility of the Company's revenue as a result of its reliance on advisory fees that are largely contingent on the completion of events which may be out of its control; the Company's ability to appropriately manage conflicts of interest and tax and other regulatory factors relevant to the Company's business, including actual, potential or perceived conflicts of interest and other factors that may damage its business and reputation; substantial litigation risks in the financial services industry; cybersecurity and other operational risks; extensive regulation of the corporate advisory industry and U.S. and foreign regulatory developments relating to, among other things, financial institutions and markets, government oversight, fiscal and tax policy and laws; and other risks and uncertainties described below.

## **Risks Related to Our Business**

***Changing market conditions can adversely affect our business in many ways, including by reducing the volume and value of the transactions involving our business, which could materially reduce our revenue.***

As a financial services firm, we are materially affected by conditions in the global financial markets and economic conditions throughout the world. Financial markets and economic conditions can be negatively impacted by many factors beyond our control, such as the inability to access credit markets, rising interest rates or inflation, pandemics, terrorism, international hostilities, including the current hostilities between Russia and Ukraine and the conflict between Israel and Hamas, political uncertainty, uncertainty in U.S. federal fiscal, monetary, tax or regulatory policy and the fiscal, monetary, tax or regulatory policy of foreign governments and the timing and nature of such reform. For example, our revenue is related to the volume and value of the transactions in which we are involved. During periods of unfavorable market or economic conditions, the volume and value of M&A transactions may decrease, thereby reducing the demand for our M&A advisory services and increasing price competition among financial services companies seeking such engagements. We may face a similar reduction in demand for our M&A services when the prices of certain commodities, including oil, are suppressed or experience volatility for an extended period of time. In addition, during periods of strong market and economic conditions, the volume and value of other advisory services, including recapitalization and restructuring transactions, may decrease, thereby reducing demand for those services on our platform and increasing price competition among financial services companies seeking such engagements. Our results of operations could be adversely affected by any such reduction in the volume or value of such advisory transactions. Revenue improvements in our M&A practice in strong economic conditions could be offset in whole or in part by any related revenue declines in such other areas. Further, in the period following an economic downturn, the volume and value of M&A transactions typically take time to recover and lag behind a recovery in market and economic conditions. These trends are cyclical in nature and subject to periodic reversal.

Furthermore, rapid increases in equity valuations and market volatility can negatively impact M&A activity. Our clients engaging in M&A transactions often rely on access to the credit and/or equity markets to finance such transactions. The uncertain availability of credit and the volatility of equity markets can adversely affect the size, volume, timing and ability of our clients to successfully complete M&A transactions and adversely affect our advisory business. Market volatility also affects our clients' ability and willingness to engage in stock-for-stock transactions.

Changes in market and economic conditions can also impact other aspects of our business in different ways. For example, our profitability may be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. While we operate in North America and Europe, our operations in the United States have historically provided most of our revenues and earnings. Consequently, our revenues and profitability are particularly affected by market conditions in the United States.

***We may be unable to execute on our growth initiatives, business strategies or operating plans.***

We are executing on a number of growth initiatives, strategies and operating plans designed to enhance our business. The anticipated benefits from these efforts are based on several assumptions that may prove to be inaccurate. Moreover, we may not be able to successfully complete these growth initiatives, strategies and operating plans and realize all or any of the expected benefits, including growth targets and margin expansion, we expect to achieve or it may be more costly to do so than we anticipate. A variety of factors could cause us not to realize some or all of the expected benefits. These factors include, among others: delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans; difficulty in competing in certain industries, product areas and geographies in which we have less experience than others; negative attention from any failed initiatives; and increased or unexpected costs in implementing these efforts.

***Our future growth will depend on, among other things, our ability to successfully identify, recruit, develop and retain talent and will require us to commit additional resources.***

We have experienced significant growth over the past several years, which may be difficult to sustain at the same rate. Our business objectives are dependent, in part, on our ability to further grow our business to gain benefits related to scale. In addition, our business involves the delivery of professional services and is largely dependent on the talents and efforts of highly skilled individuals. Accordingly, our future growth will depend on, among other things, our ability to successfully identify and recruit individuals to join our Company. It typically takes time for these professionals to become profitable and effective. During that time, we may incur significant expenses and expend significant time and resources toward training, integration and business development aimed at developing this new talent. If we are unable to recruit and develop such professionals, we will not be able to implement our growth strategy and gain benefits related to scale, and our financial results could be materially adversely affected.

In addition, sustaining growth will require us to commit additional management, operational and financial resources and to maintain appropriate operational and financial systems to adequately support expansion, especially in instances when we open new offices that may require additional resources before they become profitable. There can be no assurance that we will be able to manage our expanding operations effectively, and any failure to do so could materially adversely affect our ability to grow revenue and control our expenses.

Furthermore, we have grown, and in the future we may continue to grow, by strategic investment or acquisition, which would expose us to numerous risks and uncertainties similar to those of hiring and developing our current professionals. Additionally, there are challenges related to integrating a large number of personnel into our global organization and ensuring a proper cultural fit. Management and other existing personnel have spent, and may in the future spend, considerable time and resources working to integrate any acquired business or strategic investment, which may distract them from other business operations.

We may not be successful in our efforts to retain the required personnel as the market for qualified advisory professionals is extremely competitive. Working partners and other senior professionals have left us in the past and others may do so in the future. Our senior personnel possess substantial experience and expertise and have strong relationships with our advisory clients. As a result, the loss of these professionals could jeopardize our relationships with clients and result in the loss of client engagements. For example, if any of our senior professionals, including our executive officers, or groups of professionals, were to join or form a competing firm, some of our current clients could choose to use the services of that competitor rather than our services. There is no guarantee that our compensation and non-competition arrangements with our senior professionals provide sufficient incentives or protections to prevent our working partners from resigning to compete with our Company or join our competitors. We may be unable to implement or enforce adequate restrictive covenants, including non-competition arrangements, due to legal and regulatory constraints in the jurisdictions in which we operate, which may currently or in the future apply to our senior professionals.

Our ability to successfully operate our business will depend upon the efforts of certain key personnel, including key personnel of PWP. The unexpected loss of key personnel may adversely affect our operations and profitability. In addition, our future success depends in part on our ability to identify and retain key personnel to succeed senior management. Furthermore, while we have closely scrutinized the skills, abilities and qualifications of the key personnel, our assessment may not prove to be correct. If such personnel do not possess the skills, qualifications or abilities we expect or those necessary to manage a public company, the operations and profitability of our business may be negatively impacted.

***Our inability to successfully identify, consummate and integrate strategic transactions, such as joint ventures, strategic investments and acquisitions, may result in additional risks and uncertainties in our business.***

In addition to recruiting and internal promotions, we may grow our business through strategic transactions, including joint ventures, strategic investments or acquisitions.

We regularly evaluate opportunities to acquire other businesses. Unless and until acquisitions of other businesses generate meaningful revenues, the purchase prices or consideration we pay to acquire such businesses could have a material adverse effect on our business, financial condition and results of operations. If we acquire a business, we may be unable to manage it profitably or successfully integrate its operations with our own. Additionally, acquisitions may have “earn-out” provisions that could result in large costs after the closing of the acquisition, some or all of which could be dilutive of the holders of our Class A common stock. Moreover, we may be unable to realize the financial, operational, and other benefits we anticipate from acquisitions. Competition for future acquisition opportunities in our markets could increase the price we pay for businesses we acquire and could reduce the number of potential acquisition targets. Further, acquisitions may involve a number of special legal, regulatory, financial and business risks. If we are unable to successfully manage these risks, we will not be able to implement our growth strategy, which could ultimately materially adversely affect our business, financial condition and results of operations.

***Our revenue in any given period is dependent on the number of fee-paying clients in such period, and a significant reduction in the number of fee-paying clients in any given period could reduce our revenue and adversely affect our operating results in such period.***

Our revenue in any given period is dependent on the number of fee-paying clients in such period. For the year ended December 31, 2023, we earned revenues from 202 advisory clients, 123 of which generated fees equal to or greater than \$1.0 million. For the year ended December 31, 2022 we earned revenues from 200 advisory clients, 127 of which generated fees equal to or greater than \$1.0 million. For the year ended December 31, 2021, we earned revenues from 232 advisory clients, 142 of which generated fees equal to or greater than \$1.0 million. We may lose clients as a result of the sale or merger of a client, a change in a client's senior management, competition from other financial advisors and financial institutions and other causes. A significant reduction in the number of fee-paying clients in any given period could reduce our revenue and adversely affect our operating results for such period. There was no individual client that accounted for more than 10% of aggregate revenues for the years ended December 31, 2023, 2022, and 2021.

In addition, the composition of the group comprising our largest clients varies significantly from year to year, and a relatively small number of clients may account for a significant portion of our revenues in any given period. As a result, our business, financial condition, results of operations and liquidity may be significantly affected by the loss of a relatively small number of mandates or the failure of a relatively small number of assignments to be completed.

***We have recorded operating losses in the past and may experience operating losses in the future.***

For the years ended December 31, 2023 and 2022, we recorded operating losses of \$115.1 million and \$47.7 million, respectively. These operating losses were largely due to the amortization of equity-based compensation awards granted by Professional Partners, which have no economic impact on PWP or PWP OpCo, and the amortization of equity-based compensation awards granted in connection with the Business Combination. These awards have been and will be recorded as equity-based compensation expense at PWP OpCo pursuant to U.S. GAAP. We did not record an operating loss for the year ended December 31, 2021. We need to continue to compensate personnel competitively in order to continue building our business and as a result, we may again experience operating losses in future periods.

***Substantially all of our revenue is derived from advisory fees, including fees that are largely contingent upon the completion of events which may be out of our control, such as the completion of a transaction and, as a result, our revenue and profits are highly volatile on a quarterly basis.***

Our revenue and profits can be highly volatile. Unlike diversified investment banks, which generate revenues from commercial lending, securities trading and retail banking, or other advisory firms, which have asset management and other recurring revenue businesses, our generation of revenues from sources other than advisory fees is minimal. Our advisory fees are generally derived from a limited number of engagements that generate significant fees contingent on key transaction milestones, the timing and conditions of which are outside of our control. We expect that we will continue to rely on advisory fees for most of our revenue for the foreseeable future. Accordingly, a decline in our advisory engagements or the market for advisory services would adversely affect our business. In addition, our financial results will likely fluctuate from quarter to quarter based on the timing of when fees are earned, and high levels of revenue in one quarter will not necessarily be predictive of continued high levels of revenue in future periods.

Because in many cases revenues are not recognized until the successful consummation of the underlying transaction, our revenue is highly dependent on market conditions and the decisions and actions of our clients, interested third parties and governmental authorities. For example, we may be engaged by a client in connection with a sale or divestiture, but the transaction may not occur or be consummated because, among other things, anticipated bidders may not materialize, no bidder is prepared to pay our client's price or because our client's business experiences unexpected operating or financial problems. We may be engaged by a client in connection with an acquisition, but the transaction may not occur or be consummated for a number of reasons, including because our client may not be the winning bidder, failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or stockholder approvals, failure to secure necessary financing, adverse market conditions or because the target's business experiences unexpected operating or financial problems. Additionally, a client may not receive bids acceptable to it in connection with a restructuring transaction or may not be able to restructure its operations or indebtedness due to a failure to reach an agreement with its principal creditors or the court. In such circumstances, we often do not receive advisory fees, despite having devoted considerable resources to these transactions.

In addition, our engagements are often singular in nature and do not provide for subsequent engagements, which could cause our revenues to fluctuate materially from period to period. As a result, high activity levels in any period are not indicative of high activity levels in the next-succeeding or any future period, and the successful completion of a previous engagement does not guarantee that we will be engaged by the same client in the future on the same terms or at all.

Further, we have in the past and may in the future face the risk that certain clients may not have the financial resources to pay our agreed-upon fees. Certain clients may also be unwilling to pay our fees in whole or in part, in which case we may have to incur significant costs to bring legal action to enforce our engagement agreements to obtain such fees. On occasion, some of our clients have entered bankruptcy, which has prevented us from collecting amounts owed to us.

***If the number of debt defaults, bankruptcies or other factors affecting demand for our recapitalization and restructuring advisory services declines, our business related to such services could suffer.***

We provide various financial recapitalization and restructuring and related advice to companies in financial distress or to their creditors or other stakeholders. A number of factors affect demand for these advisory services, including general economic conditions, the availability and cost of debt and equity financing, governmental policy and changes to laws, rules and regulations, including those that protect creditors. In addition, providing recapitalization and restructuring advisory services entails the risk that the transaction will be unsuccessful or take considerable time and can be subject to a bankruptcy court's authority to disallow or discount our fees in certain circumstances, including after payment of our fees. If the number of debt defaults, bankruptcies or other factors affecting demand for our advisory services related to recapitalization and restructuring activity declines, our business could be adversely affected.

***Our failure to deal appropriately with actual, potential or perceived conflicts of interest could damage our reputation and materially adversely affect our business.***

We confront actual, potential or perceived conflicts of interest in our business. Appropriately identifying and managing actual, potential or perceived conflicts of interest is complex and difficult. Accordingly, we face the risk that our policies, controls and procedures may not timely identify or appropriately manage such conflicts of interest. If we fail, or appear to fail, to timely identify or appropriately manage one or more potential or actual conflicts of interest, we could face client dissatisfaction, damage to our reputation, or regulatory or legal risk. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation which could materially adversely affect our business in a number of ways, including as a result of a reluctance of some potential clients and counterparties to do business with us.

Further, certain members of our management team oversee or are otherwise involved in PWP Capital Holdings LP's ("PWP Capital") asset management business or other businesses, which could divert their time and attention away from running our advisory business and create, or appear to create, potential conflicts of interest when they are faced with decisions that could have different implications for us and PWP Capital's asset management business or other businesses that they may manage or otherwise be involved with.

We may implement or may be required to implement additional policies, controls and procedures to address additional regulatory requirements, including as a result of additional foreign jurisdictions in which we operate, or to mitigate actual or potential conflicts of interest, which could limit our activities, result in increased costs, including for additional personnel and infrastructure and information technology improvements, or reduce the positive synergies that we seek to cultivate across our businesses.

***Employee misconduct, which is difficult to detect and deter, and other labor-related issues could harm us by impairing our ability to attract and retain clients and talent and by subjecting us to legal liability and reputational harm.***

There is a risk that our employees could engage in misconduct that would adversely affect our business. For example, our business often requires that we deal with confidential matters of great significance to our clients. If our employees were to improperly use or disclose confidential information provided by our clients, we could be subject to legal sanctions and suffer serious harm to our reputation, financial position, current client relationships and ability to attract future clients. In addition, our financial professionals and other employees are responsible for following proper measures to maintain the confidentiality of information we hold. If an employee's failure to do so results in the improper release of confidential information, we could be subject to reputational harm and legal liability, which could impair our ability to attract and retain clients and/or personnel and in turn materially adversely affect our business. We also face the risk that our employees engage in work place misconduct, such as sexual harassment or discrimination, despite our implementation of policies and training to prevent and detect misconduct. In addition to impairing our ability to attract and retain clients, such misconduct may also impair our ability to attract and retain talent resulting in a materially adverse effect on our business. Furthermore, as we continue to increase the size of our workforce, the risk of potential employment-related claims will also increase. As such, we may be subject to legal proceedings related to employment matters including, but not limited to, discrimination, harassment (sexual or otherwise), wrongful termination and local, state or federal labor law violations. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent misconduct may not be effective in all cases. If our employees engage in misconduct or fail to follow appropriate security measures, our business could be materially adversely affected.

The U.S. Department of Justice and the SEC continue to devote significant resources to the enforcement of the FCPA. In addition, the U.K. and other jurisdictions have significantly expanded the reach of their anti-bribery laws. While we have developed and implemented policies and procedures that we believe are reasonably designed to ensure compliance by us and our personnel with the applicable laws, such policies and procedures may not be effective in all instances to prevent violations. Any determination that we have violated the FCPA or other applicable anti-corruption laws could subject us to, among other things, reputational damage, regulatory enforcement, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of client or investor confidence, any one of which could adversely affect our business.

***We may face damage to our professional reputation if our services are not regarded as satisfactory or for other reasons.***

As an advisory service firm, we depend to a large extent on our relationships with our clients and reputation for integrity and high caliber professional services to attract and retain clients. Our ability to secure new engagements is substantially dependent on our reputation and the individual reputations of our financial professionals. Any factor that diminishes our reputation or that of our financial professionals, including not meeting client expectations or actual or alleged misconduct by our financial professionals, including misuse of confidential information or mishandling actual or perceived conflicts, could make it substantially more difficult for us to attract new engagements and clients or retain existing clients. As a result, if a client is not satisfied with our services, it may be more damaging in our field of business than in other business fields.

In addition, we may face reputational damage from, among other things, litigation against us, actual or perceived conflicts of interest, our failure to protect confidential information and/or breaches of our cybersecurity protections or other inappropriate disclosure of confidential information, including inadvertent disclosures.

***We face strong competition from other financial advisory firms, many of which have the ability to offer clients a wider range of products and services than those we can offer, which could cause us to lose engagements to competitors, fail to win advisory mandates and subject us to pricing pressures that could materially adversely affect our revenue and profitability.***

The financial services industry is intensely competitive, highly fragmented and subject to rapid change and we expect it to remain so. Our competitors are other investment banking and financial advisory firms. We compete on both a global and a regional basis, and on the basis of a number of factors, including depth of client relationships, industry knowledge, transaction execution skills, our range of products and services, innovation, reputation and price. In addition, in our business there are usually no long-term contracted sources of revenue. Each revenue generating engagement typically is separately solicited, awarded and negotiated.

We have experienced competition in obtaining advisory mandates, including with respect to pricing, and we may experience further pricing pressures in our business in the future as some of our competitors may seek to obtain increased market share by reducing fees.

Our competitors include large financial institutions, many of which have far greater financial and other resources than we do. Unlike us, these large financial institutions have the ability to support investment banking, including financial advisory services, with commercial lending and other financial services and products we do not offer in an effort to gain market share. This may put us at a competitive disadvantage and could result in pricing pressures or loss of opportunities, which could materially adversely affect our revenue and profitability. These larger and better capitalized competitors may also be better able to respond to changes in the financial services industry.

In addition to our larger competitors, we also compete with a number of independent investment banks that offer independent advisory services. There are relatively few barriers to entry impeding the launch of new financial advisory firms, including a relatively low cost of entering this business, and the success of new entrants into our lines of business, including major banks and other financial institutions, have resulted in increased competition. As these independent firms or new entrants into the market seek to gain market share there could be pricing pressures, which would adversely affect our revenues and earnings.

If we are unable to compete successfully with our existing competitors or with any new competitors, we will not be able to implement our growth strategy, which ultimately could materially adversely affect our business.

***As a member of the financial services industry, we face substantial litigation risks.***

Our business is subject to various U.S. and international laws and regulations that could lead to enforcement actions, fines, civil or criminal penalties or the assertion of litigation claims and damages. In addition, improper conduct by our employees, agents or other related parties could damage our reputation and/or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines. In certain circumstances it may not be economical to defend against such matters and/or our legal strategy may not ultimately result in us prevailing in a matter. Such events could lead to an adverse impact on our financial condition or results of operations.

Our role as advisor to our clients on important transactions involves complex analysis and the exercise of professional judgment, including rendering "fairness opinions" in connection with mergers and other transactions. Our activities may subject us to the risk of significant legal liabilities to our clients and affected third parties, including shareholders of our clients who could bring securities class actions against us. In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against financial services companies have been increasing. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time.

From time to time, we act as an underwriter in public offerings and other distributions of securities. Therefore, we are subject to risks associated with underwriting activity, including liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings we underwrite. In such cases, any indemnification provisions in the applicable underwriting agreement may not be available to us or may not be sufficient to protect us against losses arising from such liability.

Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us in all cases, including when we perform below our agreed standard of care or a client does not have the financial capacity to pay for its obligations under any such indemnity. As a result, we may incur significant legal expenses in defending against or settling litigation. In addition, we may not have, and may not in the future choose to obtain, insurance with respect to any or all potential claims and, if desirable, we may have to spend a significant amount to adequately insure against these potential claims, and such insurance coverage may not be available on commercial terms or at all. Substantial legal liability or significant regulatory action against us or significant criticism by a court of our performance or activities could have material adverse financial effects or cause significant reputational harm to us, which could materially harm our business prospects, financial condition and results of operations.

***Our business is subject to various cybersecurity and other operational risks.***

We face various cybersecurity and other operational risks related to our business on a day-to-day basis. We rely heavily on financial, accounting, communication and other information technology systems and the people who operate them. These systems, including the systems of third parties on whom we rely, may fail to operate properly or become disabled as a result of tampering or a breach of our or such third parties' network security systems or otherwise, including for reasons beyond our control. Our clients typically provide us with sensitive and confidential information. We are dependent on information technology networks and systems to securely process, transmit and store such information and to communicate among our locations around the world and with our clients, alliance partners and vendors. We may be subject to attempted security breaches and cyber-attacks and a successful breach could lead to shutdowns or disruptions of our systems or third-party systems on which we rely and potential unauthorized disclosure of sensitive or confidential information. Breaches of our system or the third party network security systems on which we rely could involve attacks that are intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses and the mounting of cyber-attacks and other means and could originate from a wide variety of sources, including employees, contractors, foreign governments and other unknown third parties outside the Company. If our or the third-party systems on which we rely are compromised, do not operate properly or are disabled, we could suffer a disruption of our business, financial losses, liability to clients, regulatory sanctions and damage to our reputation. In addition, our financial professionals and other employees are responsible for following proper measures to maintain the confidentiality of information we hold. If an employee's failure to do so results in the improper release of confidential information, we could be subject to reputational harm and legal liability, which could impair our ability to attract and retain clients and in turn materially adversely affect our business. The increased use of mobile technologies can heighten these and other operational risks. There can be no assurance that we or the third parties on whom we rely will be able to anticipate, detect or implement effective preventative measures against frequently changing cyber threats.

We operate a business that is highly dependent on information systems and technology. Any failure to keep accurate books and records can render us liable to disciplinary action by governmental and self-regulatory authorities, as well as to claims by our clients. We rely on third party service providers for certain aspects of our business. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair our operations, affect our reputation and adversely affect our business.

In addition, a disaster or other business continuity problem, such as a pandemic, other man made or natural disaster or disruption involving electronic communications or other services used by us or third parties with whom we conduct business, could lead us to experience operational challenges. Our continued success will depend, in part, on the availability of our personnel and office facilities and the proper functioning of our computer, software, telecommunications, transaction processing and other related systems and operations, as well as those of third parties on whom we rely. In particular, we depend on our headquarters in New York City, where a large number of our personnel are located, for the continued operation of our business. A disaster or a disruption in the infrastructure that supports our businesses, a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or a disruption that directly affects our headquarters or other major offices in Houston or the U.K., could have a material adverse impact on our ability to continue to operate our business without interruption. The incidence and severity of disasters or other business continuity problems are inherently unpredictable, and our inability to timely and successfully recover could materially disrupt our business and cause material financial loss, regulatory actions, reputational harm or legal liability.



***Our international operations are subject to certain risks, which may affect our revenue.***

For the years ended December 31, 2023, 2022 and 2021, we earned approximately 18.2%, 24.3% and 17.7%, respectively, of our revenues from our international operations. We intend to grow our non-U.S. business, including growth into new regions with which we have less familiarity and experience, and this growth is important to our overall success. Our international operations carry special financial and business risks, which could include the following: greater difficulties in managing and staffing foreign operations; language barriers and cultural differences, including the need to adopt different business practices in different geographic areas; fluctuations in foreign currency exchange rates that could adversely affect our results; unexpected, additional and/or costly changes in trading policies, regulatory requirements, tariffs and other barriers; restrictions on travel; longer transaction cycles; higher operating costs; local labor conditions and regulations; adverse consequences or restrictions on the repatriation of earnings; potentially adverse tax consequences, such as trapped foreign losses or profits; potentially less stable political and economic environments; terrorism, international hostilities, war and other civil disturbances or other catastrophic events that reduce business activity; different fee structures for our advisory services; and difficulty collecting fees.

Further, as part of our day-to-day operations outside the United States, we are required to create compensation programs, employment policies, compliance policies and procedures and other administrative programs that comply with the laws of multiple countries. We also must communicate and monitor standards and directives across our geographically dispersed operations.

Any payment of distributions, loans or advances to and from our subsidiaries could be subject to restrictions on or taxation of, dividends or repatriation of earnings under applicable local law, monetary transfer restrictions, foreign currency exchange regulations in the jurisdictions in which our subsidiaries operate or other restrictions imposed by current or future agreements, including debt instruments, to which our non-U.S. subsidiaries may be a party. Our business, financial condition and/or results of operations could be adversely impacted, possibly materially, if we are unable to successfully manage these and other risks of international operations.

If our international business increases relative to our total business, the materialization of these risks could have a more pronounced effect on our operating results or growth prospects.

***We may enter into new lines of business which may result in additional risks and uncertainties in our business.***

We currently generate substantially all of our revenue from advisory engagements. However, we may grow our business by entering into new lines of business. Moreover, we currently derive a small portion of revenue through equity research and underwriting services conducted through TPH. To the extent we enter into new lines of business or increase our focus on existing lines of business other than our advisory engagements, we will face numerous risks and uncertainties, including risks associated with actual or perceived conflicts of interest because we would no longer be limited to the advisory business, the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, the required investment of capital and other resources, diversion of management's time and attention and the loss of clients due to the perception that we are no longer focusing on our business.

We may in the future also invest in companies, including our clients, or enter into new lines of business, including alongside our clients, employees, officers and directors. To the extent that we enter into new business lines or we make such investments, we may cover costs and expenses, including with respect to broken deals. In addition, there can be no assurances that such investments will be successful or that we will not lose the entire amount of our investment.

Further, entry into certain new lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. In addition, certain aspects of our cost structure, such as costs for compensation, occupancy, communication and information technology services, and depreciation and amortization will be largely fixed, and we may not be able to timely adjust these costs to match fluctuations in revenue related to our entering into new lines of business. If a new business generates insufficient revenues or if we are unable to efficiently manage our expanded operations, our business could be materially adversely affected.

***Fluctuations in foreign currency exchange rates could adversely affect our results.***

Because our financial statements are denominated in U.S. dollars and we receive a portion of our revenue in other currencies (including the Euro, pound sterling and Canadian dollars), we are exposed to fluctuations in foreign currencies. During the years ended December 31, 2023 and 2022, 16.9% and 19.2%, respectively, of revenue was denominated in currencies other than the U.S. dollar. In addition, we pay certain of our expenses in such currencies. Additionally, entering into transactions and holding monetary assets and liabilities that are not denominated in the functional currency of our foreign subsidiaries exposes the Company to exchange rate fluctuations which can result in foreign currency related transaction gains and losses. An appreciation or depreciation of any of these currencies relative to the U.S. dollar could result in an adverse or beneficial impact, respectively, to our financial results. We have not entered into any transactions to hedge our exposure to these foreign exchange fluctuations through the use of derivative instruments or otherwise.

***Restrictions in the Credit Agreement (as defined below) governing our Revolving Credit Facility (as defined below) may impair our ability to finance our future operations or capital needs or engage in other business activities that may be in our interests.***

We have access to a revolving credit facility (the "Revolving Credit Facility") through a credit agreement with Cadence Bank, N.A. ("Cadence Bank"), dated November 30, 2016 (as amended and restated on December 11, 2018 and as further amended on June 30, 2023, the "Credit Agreement"), which provides for a \$50.0 million unsecured revolving credit facility that matures on July 1, 2025, and contains a number of significant covenants that, among other things, require PWP OpCo and certain of its subsidiaries (the "Loan Parties") to maintain (on a consolidated basis) minimum liquidity levels, a minimum debt service coverage ratio and a maximum leverage ratio and restrict the ability of the Loan Parties to: incur liens; dispose of assets; incur additional indebtedness; make certain restricted payments; engage in business mergers or consolidations; and engage in certain transactions with subsidiaries and affiliates.

These restrictions (and similar restrictions under any replacement credit facility) could impair our ability to finance our future operations or capital needs or engage in other business activities that may be in our interests. The ability of the Loan Parties to comply with these financial ratios and covenants may be affected by events beyond our control. A breach of the provisions of the Revolving Credit Facility (or any replacement credit facility) or the inability of any Loan Party to comply with the required financial ratios or covenants included therein could result in a default thereunder. In the event of any such default, the administrative agent under the Revolving Credit Facility (or any replacement credit facility) could elect to: declare the commitments of all of the lenders under the Revolving Credit Facility (or any replacement credit facility) to be terminated; and declare all outstanding debt, accrued interest and fees to be due and immediately payable.

***We may not be able to generate sufficient cash to service any indebtedness.***

Our ability to make scheduled payments on or to refinance any debt obligations, including borrowings under the Revolving Credit Facility or any replacement credit facility, depends on our financial condition and operating performance. We cannot provide assurance that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal of, and interest on, any existing or future indebtedness. If our cash flows and capital resources are insufficient to fund any future debt service obligations, we may be forced to reduce or delay investments and capital expenditures, seek additional capital or restructure or refinance such indebtedness, and we may not be able to pursue any of these options on commercially reasonable terms or at all. This could also result in us lowering or eliminating future undeclared dividend payments. Any such transactions could also involve significant expense and management attention.

***A change in relevant income tax laws, regulations, or treaties, or an adverse interpretation of these items by tax authorities, could result in an audit adjustment or revaluation of our deferred tax assets that may cause our effective tax rate and tax liability to be higher than what is currently presented on the Consolidated Statements of Financial Condition.***

As part of the process of preparing our consolidated statements of financial condition, we are required to estimate income taxes in each of the jurisdictions in which we operate. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, and any valuation allowance recorded against our deferred tax assets. This process requires us to estimate our actual current tax liability and to assess temporary differences resulting from differing book versus tax treatment. Our effective tax rate and tax liability is based on the application of current income tax laws, regulations, and treaties. These laws, regulations, and treaties are complex, and the manner in which they apply to our facts and circumstances is sometimes open to interpretation. We believe our application of current laws, regulations, and treaties to be correct and sustainable upon examination by the tax authorities. However, the tax authorities could challenge our interpretation resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate. In addition, tax laws, regulations, or treaties enacted in the future may cause us to revalue our net deferred tax assets and have a material change to our effective tax rate.

***The historical consolidated financial information for periods prior to the Business Combination on June 24, 2021 in our filings is not representative of the results we would have achieved as a stand-alone public company and may not be an appropriate basis for evaluating our potential future results.***

The historical consolidated financial information for periods prior to the Business Combination on June 24, 2021 in our filings does not reflect the financial condition, results of operations or cash flows that we would have achieved as a stand-alone public company during the periods presented or those we will achieve in the future as a result of (i) the expense allocations for certain support functions that are provided on a centralized basis within PWP OpCo prior to the separation of our advisory business from the asset management business of PWP OpCo in February 2019 (the "PWP Separation"), such as expenses for business technology, facilities, legal, finance, human resources and business development, which are reflected in PWP's historical consolidated financials and may be higher or lower than the comparable expenses that it would have actually incurred, or will incur in the future, as a stand-alone company and (ii) the added costs we incur as a public company, including costs related to public company reporting, investor relations and compliance with the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). As a result of these matters, among others, it may be difficult for investors to compare our future results to historical results or to evaluate our relative performance or trends in our business.

## **Risks Related to Regulation**

***Extensive and evolving regulation of our business and the business of our clients exposes us to the potential for significant penalties and fines due to compliance failures, increases our costs and may result in limitations on the manner in which our business is conducted.***

As a participant in the financial services industry, we are subject to extensive regulation in the United States and internationally, including regulatory capital and other requirements imposed on our two SEC-registered broker-dealers, Perella Weinberg Partners LP and TPH Securities. We are subject to regulatory restrictions and requirements imposed by applicable statutes, regulations and policies in the jurisdictions in which we operate. U.S. and non-U.S. government agencies and self-regulatory organizations, including the SEC, FINRA and U.S. state securities commissions, are empowered to enforce the regulatory restrictions and requirements applicable to us and conduct administrative proceedings that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer from registration or membership.

The statutes, regulations and policies to which we are subject may change at any time. Extensive legislation and implementing regulation affecting the financial services industry continue to be adopted in regions that directly or indirectly affect our business, including the United States, the U.K., Canada, France and Germany, and the manner in which those laws and related regulations are applied to our operations is still evolving. For example, in the United States, several states and municipalities, including, but not limited to, California, Illinois, New York State and New York City have adopted "pay-to-play" rules which, in addition to imposing registration and reporting requirements, limit our ability to charge fees in connection with certain engagements of our advisory business. Any legislative or regulatory actions and any required changes to our business operations resulting from such legislation and regulations, as well as any deficiencies in our compliance with such legislation and regulation, could result in significant loss of revenue, limit our ability to pursue business opportunities in which we might otherwise consider engaging, or otherwise adversely affect our businesses.

Our ability to conduct business and our operating results may also be adversely affected as a result of any new requirements imposed by, or changes in, the interpretation or enforcement of existing laws and rules by the SEC, FINRA, the FCA, the Canadian Securities Administrators, CIRO, the ACPR, the AMF or other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that regulate financial services firms or supervise financial markets. In addition, some of our clients or prospective clients may adopt policies that exceed regulatory requirements and impose additional restrictions affecting their dealings with us. Accordingly, we may incur significant costs, including compliance costs, to comply with U.S. and international applicable statutory, regulatory and other requirements.

New laws or regulations or changes in enforcement of existing laws or regulations applicable to our clients may also adversely affect our business. For example, changes in antitrust enforcement or the focus of the Committee for Foreign Investment in the United States could affect the level of M&A activity and changes in applicable regulations could restrict the activities of our clients and their need for the types of advisory services that we provide to them.

Failure to comply with applicable laws or regulations could result in sanctions being levied against us, including fines, penalties, judgments, disgorgement, restitution and censures, suspension or expulsion from a certain jurisdiction, self-regulatory organization or market or the revocation or limitation of licenses. Failure to comply with applicable laws or regulations could also result in adverse publicity and reputational harm and could impair executive retention or recruitment. In addition, any changes in the regulatory framework could impose additional expenses or capital requirements on us, result in limitations on the manner in which our business is conducted, have a material adverse impact upon our business and financial condition and require substantial attention by senior management. In addition, our business is subject to periodic examination by various regulatory authorities, and we cannot predict the timing or the outcome of any such examinations.

***The cost of compliance with international broker dealer, employment, labor, benefits and tax regulations may adversely affect our business and hamper our ability to expand internationally.***

Since we operate our business both in the United States and internationally, we are subject to many distinct broker dealer, employment, labor, benefits and tax laws in each country in which we operate, including regulations affecting our employment practices and our relations with our employees and service providers. In addition, the data privacy and security framework of the European Union, and the U.K., the GDPR and the U.K. GDPR, took effect on May 25, 2018. As we engage in significant business in Europe and in the U.K., we are subject to the GDPR's requirements. If we are required to comply with new regulations or new interpretations of existing regulations, or if we are unable to comply with these regulations or interpretations, our business could be adversely affected or the cost of compliance may make it difficult to expand into new international markets. Additionally, our competitiveness in international markets may be adversely affected by regulations requiring, among other things, the awarding of contracts to local contractors, the employment of local citizens and/or the purchase of services from local businesses or favoring or requiring local ownership.

## Risks Related to our Organizational Structure

***Our only material assets are our partnership interests in PWP OpCo and our equity interest in the general partner of PWP OpCo, PWP GP, and we are accordingly dependent upon distributions from PWP OpCo to pay dividends, taxes, make payments under the TRA (as defined below) and pay other expenses.***

We are a holding company, and our only material assets are our partnership interests in PWP OpCo and our equity interest in PWP GP, the general partner of PWP OpCo. We have no independent means of generating revenue. We are accordingly dependent upon, and intend to cause PWP OpCo to make, distributions to our partners in an amount sufficient to cover all applicable taxes payable, other expenses, payments under the TRA (as defined below), Professional Partners' indemnification claims with respect to the advisory business and dividends, if any, declared by us.

PWP OpCo is generally prohibited under Delaware law from making a distribution to a partner to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of PWP OpCo (with certain exceptions) exceed the fair value of its assets. Furthermore, certain subsidiaries of PWP OpCo may be subject to similar legal limitations on their ability to make distributions to PWP OpCo. Moreover, our regulated subsidiaries may be subject to regulatory capital requirements that limit the distributions that may be made by those subsidiaries.

Deterioration in the financial condition, earnings or cash flow of PWP OpCo and its subsidiaries for any reason could limit or impair its ability to pay such distributions. PWP OpCo's ability to make distributions to us will be dependent on our subsidiaries' ability to pay dividends to it. Certain of its subsidiaries are SEC-registered broker-dealers and subject to regulatory capital requirements, which may restrict their ability to make distributions unless specified levels of regulatory capital are maintained. To the extent that we require funds and PWP OpCo is restricted from making such distributions under applicable law or regulation or under the terms of financing arrangements, or is otherwise unable to provide such funds, our liquidity and financial condition could be materially adversely affected.

***We are required to pay our ILPs (as defined below) and/or Limited Partners (as defined below) for certain tax benefits we may claim as a result of the tax basis step-up we received in connection with the Business Combination and related transactions and that we may receive in connection with subsequent exchanges of PWP OpCo Class A partnership units for cash or our Class A common stock. In certain circumstances, payments under the TRA (as defined herein) may be accelerated and/or significantly exceed the actual tax benefits we realize.***

Our acquisition of PWP OpCo Class A partnership units in connection with the Business Combination or pursuant to future exchanges of PWP OpCo Class A partnership units for shares of our Class A common stock or cash, and certain other transactions, have or are expected to result in increases in the tax basis of the assets of PWP OpCo and other deductions that otherwise would not have been available to us. Such increases in tax basis and other deductions are expected to reduce the amount of cash tax that we would otherwise have to pay in the future due to increases in depreciation and amortization deductions (for tax purposes). These increases in tax basis may also decrease gain (or increase loss) on future dispositions of certain assets of PWP OpCo to the extent the increased tax basis is allocated to those assets. The IRS may challenge all or part of these tax basis increases, and a court could sustain such a challenge.

Our tax receivable agreement (the "TRA" or "Tax Receivable Agreement") generally provides for payment by us to Investor Limited Partners (the "ILPs" or "ILP") and certain Partners (as defined therein) (the "TRA Parties" and individually, a "TRA Party") of 85% of the cash tax savings, if any, in U.S. federal, state, local and foreign income taxes and related interest realized (or deemed realized) in periods after the Closing as a result of (a) the Business Combination and related transactions, (b) exchanges of interests in PWP OpCo for cash or stock of the Company and certain other transactions and (c) payments made under the TRA. We expect to retain the benefit of the remaining 15% of these cash tax savings. While the actual increase in tax basis, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, future tax rates and the amount and timing of our income, we expect that, as a result of the size of the increases in the tax basis of the tangible and intangible assets of PWP OpCo attributable to our prior and future acquisition of interests in PWP OpCo, during the expected term of the TRA, the payments that we may make under the TRA could be substantial.

The payment obligation under the TRA is our obligation and not an obligation of PWP OpCo. In addition, although we are not aware of any issue that would cause the IRS to challenge a tax basis increase or other benefits, the relevant ILPs and/or limited partners of Professional Partners ("Limited Partners") will not reimburse us for any payments that may previously have been made under the TRA if such basis increases or other benefits are subsequently disallowed. As a result, in certain circumstances we could make payments to the relevant ILPs and/or Limited Partners under the TRA in excess of our cash tax savings. Our ability to achieve benefits from any tax basis increase or other benefits, and the payments to be made under the TRA, will depend upon a number of factors, as discussed above, including the timing and amount of our future income.

The TRA also provides that, upon a merger, asset sale or other form of business combination or certain other changes of control, our (or our successor's) obligations with respect to exchanged or acquired Class A partnership units (whether exchanged or acquired before or after such change of control) would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the TRA, that certain loss carryforwards will be used within 15 years, and that any non-amortizable assets are deemed disposed of at the earlier of (i) when the relevant asset is sold or (ii) within 15 years.

Furthermore, upon a material breach of our obligations under the TRA that is not cured within the time period specified by the TRA or if, at any time, we elect an early termination of the TRA, we shall pay to each ILP and/or Limited Partner the present value, discounted at the Secured Overnight Financing Rate plus 310 basis points as of such date, of all tax benefit payments due to such partner as of either the date of delivery of the early termination notice, in the case of an early termination, or as of the date of such breach, in the case of a material breach. The calculation of payments in such circumstances would also be based on certain assumptions, including, in addition to those described above with respect to a change of control, that federal, state, local, and foreign income tax rates will remain the same as those specified for such taxable year by the Internal Revenue Code of 1986, as amended (the "Code"), and other laws on the date of such breach or the early termination payment, that any non-amortizable assets shall be deemed disposed of within 15 years of the earlier of the basis adjustment for such asset or the date of breach or delivery of the early termination notice, and that any PWP OpCo Class A partnership units that have not been exchanged will be deemed exchanged for the market value of our Class A common stock at the time of termination or material breach. Consequently, it is possible, in the case of a change of control, early termination, or material breach, that the actual cash tax savings realized by us may be significantly less than the corresponding TRA payments.

***PWP OpCo may make distributions of cash to us substantially in excess of the amounts we use to make distributions to our shareholders and to pay our expenses (including our taxes and payments under the TRA). To the extent we do not distribute such excess cash as dividends on our Class A common stock, the holders of PWP OpCo Class A partnership units would benefit from any value attributable to such cash as a result of their ownership of our Class A common stock upon a redemption or exchange of their PWP OpCo Class A partnership units.***

Under the amended and restated agreement of limited partnership of PWP OpCo (the "PWP OpCo LPA"), we have the right (through our control of PWP GP, the general partner of PWP OpCo), subject to applicable law, to determine when distributions will be made to the partners of PWP OpCo and the amount of any such distributions. If we authorize a distribution, such distribution will be made to the partners of PWP OpCo pro rata in accordance with their respective ownership of partnership units. In accordance with the PWP OpCo LPA, we intend to use best efforts to cause PWP OpCo to make sufficient cash distributions to the holders of partnership units of PWP OpCo to fund their tax obligations in respect of the income of PWP OpCo that is allocated to them.

If we accumulate cash received as distributions from PWP OpCo in excess of the amounts that we need to pay any cash dividends declared by our board of directors, taxes and other expenses (including payments under the TRA), neither our organizational documents nor the PWP OpCo LPA will require us to distribute such excess cash to our stockholders. Our board of directors may, in its sole discretion, choose to use such excess cash for any purpose, including (i) to make additional distributions to the holders of our Class A common stock, (ii) to acquire additional newly-issued PWP OpCo Class A partnership units, and/or (iii) to repurchase outstanding shares of our Class A common stock. Unless and until our board of directors chooses, in its sole discretion, to make a distribution to our stockholders, we will have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. No adjustments to the redemption or exchange ratio of PWP OpCo Class A partnership units for shares of our Class A common stock will be made as a result of either (i) any cash distribution by us or (ii) any cash that we retain and do not distribute to our shareholders, in each case, to the extent such cash was received pursuant to a pro rata distribution by PWP OpCo. To the extent we do not distribute such cash as dividends on our Class A common stock or otherwise use such cash as described and instead, for example, hold such cash balances or lend them to PWP OpCo, this may result in shares of our Class A common stock increasing in value relative to the PWP OpCo Class A partnership units. The holders of PWP OpCo Units may benefit from any value attributable to such cash balances or loans to PWP OpCo if they acquire shares of our Class A common stock in exchange for their Class A partnership units or if we acquire additional PWP OpCo Class A partnership units (whether from PWP OpCo or from holders of PWP OpCo Class A partnership units) at a price based on the market price of shares of our Class A common stock at the time.

***PWP OpCo and PWP Capital have entered into various arrangements, including a master separation agreement, which contain cross-indemnification obligations of us and PWP Capital.***

The master separation agreement that we entered into with PWP Capital, which holds the former asset management business of PWP OpCo prior to the PWP Separation, provides, among other things, that PWP Capital generally will indemnify us for losses that we incur relating to, arising out of or resulting from the business of PWP Capital and any payments with respect to joint liabilities to the extent they exceed 81.304% of such joint liabilities. In addition, we generally will indemnify PWP Capital for losses that PWP Capital incurs relating to our business and any payments with respect to joint liabilities to the extent they exceed 18.696% of such joint liabilities. We may not be able to recover any or all of the amount of any indemnified losses from PWP Capital should it be financially unable to perform under its indemnification obligations. In addition, we may be required to make substantial payments under our indemnity obligations to PWP Capital, which could materially adversely affect our results of operations and the price of our securities.

***Our Restated Certificate of Incorporation could prevent us from benefiting from corporate opportunities that might have otherwise been available to us.***

Our Restated Certificate of Incorporation, which is subject to the terms and provisions of the Stockholders Agreement (as defined below), contains provisions related to corporate opportunities that may be of interest to us and our subsidiaries and Perella Weinberg Partners LLC ("Professionals GP") and Professional Partners and their respective subsidiaries. It provides that Professional Partners and its subsidiaries and any of their respective affiliates (excluding us or any of our subsidiaries) (collectively, the "PWP Partner Group") and their respective affiliates will not have any duty (fiduciary or otherwise) to refrain from engaging, directly or indirectly, in the same or similar business activities or lines of business as us or any of our subsidiaries or PWP OpCo or any of its subsidiaries and in the event that the PWP Partner Group acquires knowledge of a potential transaction or matter which may be a corporate opportunity for us or any of our subsidiaries or PWP OpCo or any of its subsidiaries and the PWP Partner Group or any of their respective affiliates, none of us or any of our subsidiaries or PWP OpCo or any of its subsidiaries shall have any expectancy in such corporate opportunity and the PWP Partner Group shall not have any duty to communicate or offer such corporate opportunity to us or any of our subsidiaries or PWP OpCo or any of its subsidiaries and may pursue such corporate opportunities for themselves or direct such corporate opportunity to another person, including one of their affiliates, in each case, to the fullest extent permitted by law. Furthermore, to the fullest extent permitted by law, in the event that any of our directors or officers or a director or officer of any of our subsidiaries, PWP OpCo or any of its subsidiaries who is also a partner, principal, director, officer, member, manager, employee, consultant, independent contractor and/or other service provider of any of the PWP Partner Group acquires knowledge of a potential transaction or matter which may be a corporate opportunity for us or any of our subsidiaries or PWP OpCo or any of its subsidiaries and the PWP Partner Group or any of their respective affiliates, none of us or any of our subsidiaries or PWP OpCo or any of its subsidiaries shall have any expectancy in such corporate opportunity unless such corporate opportunity has expressly been offered to such person in his or her capacity as our director or officer in which case such opportunity shall belong to us. By becoming our stockholder, you will be deemed to have notice of and have consented to these provisions of our Restated Certificate of Incorporation.

***If PWP OpCo were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, we and PWP OpCo could be subject to potentially significant tax inefficiencies, and we would not be able to recover payments previously made by us under the TRA even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status.***

We intend to operate such that PWP OpCo is treated as a partnership for U.S. federal income tax purposes and does not become a publicly traded partnership taxable as a corporation. A "publicly traded partnership" is a partnership the interests of which are traded on an established securities market or readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, exchanges of PWP OpCo Class A partnership units pursuant to the PWP OpCo LPA or other transfers of PWP OpCo units could cause PWP OpCo to be treated as a corporation. We intend to operate such that transfers of PWP OpCo units will not cause PWP OpCo to be treated as other than a partnership by providing for limitations on the ability of partners to exchange or otherwise transfer PWP OpCo units and providing our board of directors and the board of directors of PWP GP with certain rights to further limit exchanges or other transfers of PWP OpCo units as necessary to maintain the partnership status of PWP OpCo. However, there can be no assurance that this treatment will be respected.

If PWP OpCo were to become a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, significant tax inefficiencies could result for us and PWP OpCo, including as a result of our inability to file a consolidated U.S. federal income tax return with PWP OpCo. In addition, we may not be able to realize tax benefits covered under the TRA and would not be able to recover any of our previously made payments under the TRA, even if the corresponding tax benefits (including any claimed increase in the tax basis of PWP OpCo's assets) were subsequently determined to have been unavailable.

***The use of certain of our licensed trademarks by PWP Capital and its subsidiaries may expose us to reputational harm that could adversely affect our business should they take actions that damage the brand name.***

We have licensed to PWP Capital and its subsidiaries the use of certain trademarks owned by us and our subsidiaries for use in connection with its asset management business that were in use by the PWP Capital business prior to the PWP Separation. As a result, there is a risk of reputational harm to us if PWP Capital and its subsidiaries use such trademarks and engage in poor business practices, experience adverse results or otherwise damage the reputational value of the “Perella Weinberg Partners” or “Tudor, Pickering, Holt & Co.” brand names. These risks could impair our operations, affect our reputation and adversely affect our business.

***Our voting control is concentrated among the holders of our Class B-1 common stock. As a result, the market price of our securities may be materially adversely affected by such disparate voting rights.***

VoteCo Professionals beneficially owns all of the outstanding shares of our Class B-1 common stock, representing approximately 89.8% of our total voting power, ILPs beneficially own all of the outstanding shares of our Class B-2 common stock, representing approximately 0.3% of our total voting power, and holders of Class A common stock own shares of our Class A common stock, representing approximately 9.9% of our total voting power (in each case as of December 31, 2023). As long as VoteCo Professionals beneficially owns a majority of our total voting power, it will have the ability, without the consent of the public holders of our Class A common stock, to elect all of the members of our board of directors and to control our management and affairs. In addition, it will be able to determine the outcome of matters submitted to a vote of our stockholders for approval and will be able to cause or prevent a change of control of us.

The holders of our Class A common stock and Class B common stock have substantially identical rights, except that holders of Class A common stock and Class B-2 common stock are entitled to one vote per share, while holders of Class B-1 common stock are entitled to 10 votes per share on all matters to be voted on by stockholders in general. This differential in the voting rights of our Class B-1 common stock could adversely affect the market price of our Class A common stock.

***VoteCo Professionals' control over us may give rise to actual or perceived conflicts of interest with the Limited Partners who manage VoteCo Professionals.***

We are controlled by VoteCo Professionals, which is ultimately managed by a committee of Limited Partners that manages Professionals GP, the general partner of VoteCo Professionals. The interests of the Limited Partners who manage VoteCo Professionals may differ from those of our other stockholders. For example, the Limited Partners who manage VoteCo Professionals may have a different tax position from us, which could influence their decisions regarding whether and when we should dispose of assets or incur new or refinance existing indebtedness, especially in light of the TRA, and whether and when we should undergo certain changes of control within the meaning of the TRA or terminate the TRA. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. VoteCo Professionals, which is ultimately managed by a committee of Limited Partners that manages Professionals GP, the general partner of VoteCo Professionals, holds all outstanding shares of Class B-1 common stock and thereby control approximately 89.8% of the voting interest in us as of December 31, 2023. The shares of Class B-1 common stock will entitle VoteCo Professionals to (i) for so long as the condition that Professional Partners or its Limited Partners as of the date of Closing or its or their respective successors or assigns maintain, directly or indirectly, ownership of PWP OpCo Class A partnership units that represent at least ten percent (10%) of our issued and outstanding Class A common stock (calculated, without duplication, on the basis that all issued and outstanding PWP OpCo Class A partnership units not held by us or our subsidiaries had been exchanged for our Class A common stock) (the "Class B Condition") is satisfied, 10 votes per share for each share held of record on all matters submitted to a vote of stockholders and (ii) after the Class B Condition ceases to be satisfied, one vote per share for each share held of record on all matters submitted to a vote of stockholders. In addition, we are party to the Stockholders Agreement with VoteCo Professionals (the "Stockholders Agreement"), pursuant to which, for so long as the Class B Condition is satisfied, VoteCo Professionals will have certain approval rights over certain transactions, including the right to designate a number of nominees to our board of directors equal to a majority thereof. For so long as the Class B Condition is no longer satisfied and the condition that Professional Partners or its Limited Partners as of the date of Closing or its or their respective successors or assigns maintain, directly or indirectly, ownership of PWP OpCo Class A partnership units that represent at least five percent (5%) of our issued and outstanding Class A common stock (calculated, without duplication, on the basis that all issued and outstanding PWP OpCo Class A partnership units not held by us or our subsidiaries had been exchanged for our Class A common stock) (the "Secondary Class B Condition") is satisfied, VoteCo Professionals will have the right to designate a number of directors (rounded up to the nearest whole number) equal to one third of our board of directors. As a result, because the Limited Partners who manage VoteCo Professionals have a majority of the voting power in us through their control of VoteCo Professionals, and our Restated Certificate of Incorporation does not provide for cumulative voting, they will have the ability to elect all of the members of our board of directors and thereby to control our management and affairs, including determinations with respect to acquisitions, dispositions, borrowings, issuances of our Class A common stock or other securities, and the declaration and payment of dividends. The Limited Partners who manage VoteCo Professionals are able to determine the outcome of all matters requiring stockholder approval and are able to cause or prevent a change of control of us or a change in the composition of our board of directors and could preclude any unsolicited acquisition of us. The voting power of the Limited Partners who manage VoteCo Professionals could deprive our stockholders of an opportunity to receive a premium for their Class A common stock as part of a sale of us and might ultimately affect the market price of our Class A common stock. As a result of the control exercised by the Limited Partners who manage VoteCo Professionals over us, none of our agreements with them have been negotiated on "arm's length" terms. We cannot assure you that we would not have received more favorable terms from an unaffiliated party.

**Risks Related to Our Securities**

***If our performance does not meet market expectations, the price of our securities may decline.***

If our performance does not meet market expectations, the price of our securities may decline.

In addition, fluctuations in the price of our Class A common stock could contribute to the loss of all or part of your investment. The trading price of our Class A common stock could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our Class A common stock and our Class A common stock may trade at prices significantly below the price you paid for your shares.



Factors affecting the trading price of our Class A common stock may include: actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us; changes in the market's expectations about our operating results; our operating results failing to meet market expectations in a particular period; changes in financial estimates and recommendations by securities analysts concerning us or the online automobile sales industry and market in general; operating and stock price performance of other companies that investors deem comparable to us; changes in laws and regulations affecting our business; commencement of, or involvement in, litigation involving us; changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; the volume of shares of our Class A common stock available for public sale; any significant change in our board or management; sales of substantial amounts of Class A common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations, international hostilities and acts of war or terrorism.

Broad market and industry factors may depress the market price of our securities irrespective of our operating performance. The stock market in general and Nasdaq have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in our market or the stocks of other companies which investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

***Our stockholders may be diluted by the future issuance of common stock, preferred stock or securities convertible or exchangeable into common or preferred stock, in connection with our incentive plans, acquisitions, capital raises or otherwise.***

As of December 31, 2023, we had 1,500,000,000 shares of Class A common stock authorized, of which 57,361,073 had been issued. Our Restated Certificate of Incorporation authorizes us to issue these shares of common stock and options, rights, warrants and appreciation rights relating to common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise.

Subject to the exchange procedures and restrictions set forth in the PWP OpCo LPA, and any other procedures or restrictions imposed by us, holders of PWP OpCo Class A partnership units (other than Perella Weinberg Partners) may exchange these units for (i) shares of Class A common stock on a one-for-one basis (subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications) or (ii) cash from an offering of shares of Class A common stock (based on the net proceeds received by us for such shares in such offering) with the form of consideration determined by us. We have reserved approximately 46.3 million shares of Class A common stock for issuance from time to time in exchange for PWP OpCo Class A partnership units. We may in the future cause PWP OpCo to issue additional PWP OpCo Class A partnership units that would also be exchangeable for shares of Class A common stock. Simultaneously with an exchange by a PWP OpCo unitholder who holds shares of Class B common stock, a number of shares of Class B common stock held by such unitholder equal to the number of PWP OpCo Class A partnership units exchanged by such unitholder will be automatically converted into shares of Class A common stock or cash which will be delivered to the exchanging holder (at Perella Weinberg Partners' option) at a conversion rate of 1:1000 (or 0.001). We have reserved approximately 46,320 shares of Class A common stock for issuance from time to time in respect of conversion of shares of Class B-1 or Class B-2 common stock into Class A common stock.

In the future, we expect to obtain financing or to further increase our capital resources by issuing additional shares of our capital stock or offering debt or other equity securities, including senior or subordinated notes, debt securities convertible into equity, or shares of preferred stock. Issuing additional shares of our capital stock, other equity securities, or securities convertible into equity may dilute the economic and voting rights of our existing stockholders, reduce the market price of our securities, or both. The amount of cash available per share including for payment of dividends in the future may also decrease. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred stock, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our Class A common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing, or nature of our future offerings. As a result, holders of our Class A common stock bear the risk that our future offerings may reduce the market price of our securities and dilute their percentage ownership.

***Future sales of our Class A common stock may reduce the market price of our Class A common stock.***

In connection with the signing of the Business Combination Agreement, FinTech Masala Advisors, LLC and FinTech Investor Holdings IV, LLC (together, the "Sponsor") entered into the Sponsor Share Surrender and Share Restriction Agreement, which was amended on May 4, 2021. Pursuant to the Sponsor Share Surrender and Share Restriction Agreement, as amended, the Founder Shares (as defined below) and Placement Shares (as defined below) owned by the Sponsor were subject to transfer restrictions for six months following the closing of the Business Combination and certain of the Founder Shares held by the Sponsor continue to be subject to transfer restrictions based on certain closing share price thresholds of the Company's Class A common stock for 20 out of any 30 consecutive trading days. On January 7, 2022, the Sponsor distributed 5,456,667 shares of Class A common stock (Founder Shares and Placement Shares) and 203,333 warrants to its members (the "Sponsor Distribution"), after which the Sponsor owned 1,000,000 shares of Class A common stock. The 1,000,000 shares of Class A common stock retained by the Sponsor continue to be subject to transfer restrictions until the \$15 Threshold (as defined herein) is met. 1,738,680 of the shares distributed in the Sponsor Distribution remain subject to transfer restrictions until either the \$15 Threshold or the \$17 Threshold (as defined herein), as applicable, is met.

We amended and restated the existing registration rights agreement with the Sponsor by entering into an amended and restated registration rights agreement (the "Amended and Restated Registration Rights Agreement") with the RRA Parties with respect to the shares of our Class A common stock and certain other equity securities held by the RRA Parties. On July 15, 2021, we filed with the SEC a registration statement pursuant to Rule 415 under the Securities Act, which was amended by post-effective amendment no. 1, filed with the SEC on March 11, 2022, and post-effective amendment no. 2, filed with the SEC on July 7, 2022 (as amended, the "Shelf Registration Statement"), registering the resale of certain shares of our Class A common stock and certain of our other equity securities held by the RRA Parties, which post-effective amendment no. 2 to the Shelf Registration Statement became effective on July 15, 2022.

The registration and availability of a significant number of shares of Class A common stock for trading in the public market may increase the volatility in the price of our Class A common stock or put significant downward pressure on the price of our Class A common stock. In addition, we may use shares of our Class A common stock as consideration for future acquisitions, which could further dilute our stockholders.

**Risks Related to Being a Public Company**

***As an "emerging growth company," we cannot be certain if the reduced disclosure requirements applicable to "emerging growth companies" will make our common stock less attractive to investors.***

As an "emerging growth company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to obtain an assessment of the effectiveness of our internal controls over financial reporting from our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will cease to be an emerging growth company upon the earliest of: (i) the end of the fiscal year following the fifth anniversary of the closing of Perella Weinberg Partner's predecessor entity, FinTech Acquisition Corp. IV's ("FTIV"), initial public offering ("IPO"), (ii) the first fiscal year after our annual gross revenues are \$1.235 billion or more, (iii) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt securities or (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded \$700 million as of the end of the second quarter of that fiscal year. In addition, the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, which we have elected to do.

We cannot predict if investors will find our Class A common stock less attractive because we will rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active market for our Class A common stock, our share price may be more volatile and the price at which our Class A common stock trades could be less than if we did not use these exemptions.

***Our management is required to evaluate the effectiveness of our internal control over financial reporting as required by Section 404(a) of the Sarbanes-Oxley Act. If we are unable to maintain effective internal control over financial reporting, this could have a material adverse effect on our business.***

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404(a) of the Sarbanes-Oxley Act requires that our management assess and report annually on the effectiveness of our internal control over financial reporting and to identify any material weaknesses in our internal control over financial reporting. If we are not able to adequately comply with Section 404(a) of the Sarbanes-Oxley Act or our management asserts that our internal control over financial reporting is ineffective, we may become subject to adverse regulatory consequences and/or investors could lose confidence in the accuracy and completeness of our financial reports and that could lead to a decrease in the market price of our Class A common stock.

Any failure to maintain effective internal controls could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our Class A common stock is listed, the SEC or other regulatory authorities. We may also be subject to litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims relating to our financial statements or any material weaknesses in our internal control over financial reporting. In either case, there could result a material adverse effect on our business.

We can give no assurance that material weaknesses or restatements of financial results will not arise in the future due to a failure to maintain adequate internal control over financial reporting or circumvention of these controls, or that any measures we take will be sufficient to remediate such material weaknesses. In addition, even if we are successful in maintaining our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements.

***Pursuant to the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act for so long as we are an “emerging growth company.”***

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, and generally requires in the same report a report by our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. However, under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until we are no longer an “emerging growth company.” We will be an “emerging growth company” until the earlier of (1) the last day of the fiscal year (a) following September 29, 2025, the fifth anniversary of our IPO, (b) in which we have total annual gross revenue of at least \$1.235 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our prior second fiscal quarter, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period. Accordingly, until we cease being an “emerging growth company” stockholders will not have the benefit of an independent assessment of the effectiveness of our internal control environment.

#### **Risks Related to Our Governance and Governance Documents**

***We are a “controlled company” within the meaning of the rules of Nasdaq and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.***

VoteCo Professionals holds more than 50% of the voting power of our shares eligible to vote. As a result, we are a “controlled company” under the rules of Nasdaq. Under these rules, a company of which more than 50% of the voting power in the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including the requirements that (i) a majority of the board of directors consist of independent directors and (ii) the board of directors have compensation and nominating and corporate governance committees composed entirely of independent directors.

We currently utilize these exemptions. As a result, we do not have a majority of independent directors on our board of directors and do not have a nominating and governance committee. Accordingly, although we may transition to a board with a majority of independent directors prior to the time we cease to be a “controlled company,” for such period of time you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements set by Nasdaq. In the event that we cease to be a “controlled company” and our shares continue to be listed on Nasdaq, we will be required to comply with these provisions within the applicable transition periods. These exemptions do not modify the independence requirements for our audit committee, and we intend to comply with the applicable requirements of the SEC and Nasdaq with respect to our audit committee.

***The classification of our board of directors may have anti-takeover effects, including discouraging, delaying or preventing our change of control.***

Our board of directors is currently divided into three classes of directors with staggered, three-year terms. The presence of a classified board could have anti-takeover effects, including discouraging a third party from making a tender offer for our shares or attempting to obtain control of us, even when stockholders may consider such a takeover to be in their best interests. It could also delay stockholders who disapprove of the performance of our board of directors from changing a majority of the composition of our board of directors through a single proxy contest.

***Anti-takeover provisions in our charter documents and Delaware law, as well as the rules of FINRA, the FCA, the Alberta Commission, CIRO, ACPR and other U.S. or foreign governmental regulatory authorities or self-regulatory organizations, could delay or prevent a change in control, limit the price investors may be willing to pay in the future for our Class A common stock and could entrench management.***

Our Restated Certificate of Incorporation and Amended and Restated Bylaws may delay or prevent a merger or acquisition that a stockholder may consider favorable by permitting our board of directors to issue one or more series of preferred stock, requiring advance notice for stockholder proposals and nominations and placing limitations on convening stockholder meetings. In addition, there will be no cumulative voting in the election of directors, and our Restated Certificate of Incorporation will provide that, subject to the rights, if any, of the holders of shares of preferred stock then outstanding, directors may be removed from office at any time, with or without cause, by the affirmative vote of at least two-thirds (2/3) of the voting power of the shares entitled to vote in connection with the election of our directors; provided, that at any time the Class B Condition is satisfied, any or all of our directors may be removed from office at any time, with or without cause, by the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote in connection with the election of our directors. These provisions may also discourage acquisition proposals or delay or prevent a change in control, which could harm our stock price.

Further, our two U.S. broker-dealer subsidiaries are members of FINRA and subject to FINRA's rules, which could impede or delay a change of control. FINRA Rule 1017 generally provides that FINRA approval must be sought in connection with any transaction resulting in a single person or entity acquiring or controlling, directly or indirectly, twenty-five percent (25%) or more of a FINRA member firm's or its parent company's equity for the first time.

Similarly, our U.K. subsidiary, PWP U.K., is regulated by the FCA and is, therefore, an FCA authorized person, acquisitions of interests in which are subject to change in control rules. Prior FCA approval must be obtained for any transaction that would result in a single person or entity acquiring, directly or indirectly, 10% or more of PWP U.K.'s voting rights or share capital, including through ownership of the equity of any of its parent undertakings.

***Our Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder limitation matters, subject to limited exceptions, which could discourage stockholder lawsuits or limit our stockholders' ability to bring a claim in any judicial forum that they find favorable for disputes against our directors, officers, other employees or stockholders.***

Our Restated Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any stockholder to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees or to us or our stockholders, (iii) any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or our charter or bylaws, or (iv) any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine, and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel, except (a) any action (A) as to which the Court of Chancery in the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, (C) for which the Court of Chancery does not have subject matter jurisdiction, or (D) any action arising under the federal securities laws, as to which the Court of Chancery and the federal district court for the District of Delaware shall have concurrent jurisdiction, and (b) in the event that the Court of Chancery of the State of Delaware lacks jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware. Notwithstanding the foregoing, the choice of forum provisions do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America shall be the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our Restated Certificate of Incorporation. However, no such person or entity shall be deemed to have waived any right of action against us or our officers or directors pursuant to the federal securities laws. If any action the subject matter of which is within the scope of the choice of forum provision is filed in a court other than a court located within the State of Delaware (a "foreign action") in the name of any stockholder, such stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the choice of forum provision (an "enforcement action"), and (y) having service of process made upon such stockholder in any such enforcement action by service upon such stockholder's counsel in the foreign action as agent for such stockholder.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

**Risk Management and Strategy**

We strive to protect the reputation of our Company by establishing, protecting and defending our data and information systems in a number of ways through a combination of processes, tools, and awareness-building. We aim to adhere to the best practices outlined in the National Institute of Standards and Technology and International Organization for Standardization frameworks, and our policies and procedures in managing personally identifiable information are in compliance with General Data Protection Regulation requirements.

As part of our processes for assessing, identifying and managing material risks from cybersecurity threats, we maintain an ongoing process to enhance security and optimize our IT systems, and regularly conduct security assessments and testing of our systems to verify our systems' integrity to protect them against being compromised from both internal and external sources. We regularly assess risks from cybersecurity threats, monitor our information systems for potential vulnerabilities and test those systems pursuant to our cybersecurity processes and practices. To protect our information systems from cybersecurity threats, we use various security tools that help us identify, escalate, investigate, resolve and recover from security incidents in a timely manner. These efforts include using monitoring tools and services to address the confidentiality, integrity, and availability of our assets and data. Regular internal and third-party reviews are performed on our processes and technologies to help validate the effectiveness of our privacy and data security controls. These safeguards include employing firewalls, intrusion prevention and detection systems, and access controls, which are regularly evaluated and improved based on vulnerability assessments, cybersecurity threat intelligence and incident response experience.

We monitor industry best practices and developments in data privacy and security, including increased scrutiny of third-party service providers with access to sensitive data. We prioritize a robust due diligence program for key third-party service providers, utilizing a comprehensive due diligence questionnaire to evaluate potential risks before establishing formal partnerships. This in-depth approach applies to all vendors with access to our sensitive systems or data. Ongoing assessments are customized based on each provider's risk profile, with heightened scrutiny applied to new engagements and high-risk relationships. Existing vendors are subject to periodic reevaluations according to a predetermined schedule, with increased frequency for those deemed higher risk.

Information technology risks and controls are regularly assessed as part of our overall self-assessment program, which includes working with a third party organization who regularly tests controls. Observations and outcomes from these self-assessments help drive our internal risk management decision making. Our management and compliance and information technology professionals, including our Chief Information Officer ("CIO"), are responsible for the maintenance and enforcement of our cybersecurity and information security policies and procedures. In addition members of the cybersecurity and information security teams maintain CISSP industry certifications. In addition, we have organizational charts in place to communicate key areas of authority, responsibility, and lines of reporting to personnel related to the design, implementation, operation, maintenance, and monitoring of our cybersecurity environment.

We also have a security incident response plan, with defined roles and responsibilities that are intended to address notification obligations and incident response procedures in the event of a data security breach. We are dedicated to business continuity and resiliency and have strategies, policies, and procedures in place that are designed to protect employee, business, and client data in the event of an emergency or natural disaster.

In addition to identifying information security risks, we have established robust controls to seek to reduce or mitigate such risks. Cybersecurity training for employees is conducted regularly and we maintain system logs of user activities, exceptions, and security events for a period consistent with industry best practices, unless otherwise required by law, regulation or contractual obligation. We employ rigorous measures to appropriately handle and protect sensitive and confidential data, particularly in light of increased use of remote access technology. We take precautionary measures to minimize, to the extent possible, the use of personally identifiable information and the electronic or courier-based transmission of sensitive and confidential data, relying instead on approved and secured digital data transfer services, which are designed to provide tightly controlled and selective access to such information. We have mechanisms in place to help ensure that our data is secured when at-rest or in-transit, and industry standard encryption is used to the maximum extent possible. We also take steps to help ensure our ability to restore data in the event of data failure, corruption, accidental deletion, or malicious tampering.

To date, cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected or are reasonably likely to affect us, including our business strategy, results of operations or financial condition. Refer to the risk factor captioned "*Our business is subject to various cybersecurity and other operational risks*" in Part I, Item 1A. "Risk Factors" for an additional description of cybersecurity risks and potential related impacts on the Company.

## **Governance**

Our audit committee of the board of directors is responsible for overseeing the guidelines and policies governing the process by which the Company assesses and manages our exposure to risk, including cybersecurity risk, as well as any major litigation, regulatory, financial and reputational risk exposures and the steps management has taken to monitor and control such exposures. This oversight is achieved through a combination of periodic management reports, focused briefings on emerging cyber threats and vulnerabilities, updates on implemented mitigation strategies and periodic reviews of incident response plans.

We take a risk-based approach to cybersecurity and have implemented cybersecurity policies throughout our operations that are designed to address cybersecurity threats and incidents. Our dedicated Information Security Team is responsible for identifying, assessing, detecting, and responding to any threats and vulnerabilities. The team routinely collects and processes information from a variety of sources, including from media reporting, commercial threat intelligence providers (FSARC, FS-ISAC), the Federal Bureau of Investigation and other government and law enforcement agencies. The team provides ongoing global mitigation of known cybersecurity threats to help ensure that our data and systems are protected.

## **Item 2. Properties**

Our principal executive offices are located in leased office space at 767 Fifth Avenue, New York, NY, 10153. We also lease office space for our offices in Calgary, Chicago, Denver, Houston, London, Los Angeles, Munich, Paris and San Francisco. We do not own any real property. We consider these arrangements to be adequate for our present needs.

## **Item 3. Legal Proceedings**

On October 20, 2015, Professionals GP, PWP MC LP, PWP Equity I LP and Perella Weinberg Partners Group LP (collectively, the "PWP Plaintiffs"), filed a complaint against Michael A. Kramer, Derron S. Slonecker, Joshua S. Scherer, Adam W. Verost (collectively, the "Individual Defendants") and Ducera Partners LLC (together with the Individual Defendants, "Defendants") in New York Supreme Court, Commercial Division (the "Court"). The complaint alleges that the Individual Defendants, three former partners and one former employee of the PWP Plaintiffs, entered into a scheme while at PWP to lift out the PWP Plaintiffs' restructuring group to form a new competing firm that they were secretly forming in breach of their contractual and fiduciary duties to the PWP Plaintiffs. The complaint contains 14 causes of action, and seeks declaratory relief as well as damages resulting from the Individual Defendants' contractual and fiduciary breaches, and from Defendants' unfair competition and tortious interference with the PWP Plaintiffs' contracts and client relationships.

On November 9, 2015, Defendants filed an Answer, Counterclaims, Cross-claims and a Third-Party Complaint, which contained 14 causes of action. On July 17, 2016, the Court issued a decision, dismissing half of Defendants' claims with prejudice. On August 18, 2016, Defendants filed an Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, with seven counterclaims and cross-claims. On December 12, 2016, Defendants appealed the dismissal of three of their counterclaims and cross-claims to the New York Appellate Division, First Department (the "First Department"). On August 29, 2017, the First Department issued a decision denying Defendants' appeal other than allowing one Defendant to proceed with his breach of fiduciary duty counterclaim. On October 27, 2017, Defendants moved the First Department for leave to appeal its decision to the New York Court of Appeals. On December 28, 2017, the First Department denied Defendants' motion for leave. On April 24, 2018, Defendants filed a Second Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, with eight counterclaims and cross-claims. Defendants are seeking declaratory relief and damages of no less than \$60.0 million, as well as statutory interest. In addition, on January 19, 2022, Defendants filed a motion for leave to renew their New York Labor Law counterclaim that the Court dismissed in 2016. On June 30, 2023, the Court issued a decision denying Defendants' motion for leave. On January 29, 2024, Defendants filed an opening brief in the First Department appealing the June 30, 2023 decision denying their motion for leave.

After the completion of discovery, both the PWP Plaintiffs and Defendants subsequently moved for summary judgment. On March 20, 2020, the parties completed briefing of their respective motions. The Court held oral argument on the motions on May 27, 2021. On May 24, 2023, the Court issued a decision and order on both motions for summary judgment (the "Summary Judgment Decision"). The Court granted the PWP Plaintiffs' motion with respect to the restrictive covenants in the PWP Plaintiffs' agreements, finding that they are valid and enforceable, and otherwise denied the motion. The Court denied Defendants' motion in its entirety. On July 25, 2023, Defendants filed a notice of appeal of the Summary Judgment Decision.

The Court has set trial for April 29, 2024 through May 21, 2024. A final pre-trial conference has been set for April 24, 2024.

We believe that our 14 causes of action are meritorious. Further, we believe that we have meritorious defenses to Defendants' remaining counterclaims and cross-claims and plan to vigorously contest them. Litigation, however, can be uncertain and there can be no assurance that any judgment for one or more of Defendants or other outcome of the case would not have a material adverse effect on us. Additionally, even if we prevail in the litigation and are awarded damages, we do not know if we will be able to fully collect on any judgment against any or all Defendants.

We are now, and from time to time may in the future be, named as a defendant in legal actions relating to transactions conducted in the ordinary course of business. We may also become involved in other judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Some of these matters may involve claims of substantial amounts.

## **Item 4. Mine Safety Disclosures**

Not applicable.



## PART II.

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Class A common stock is listed and traded on the Nasdaq Global Select Market under the stock symbol "PWP." As of February 20, 2024, there were approximately 52 holders of record of our Class A common stock and 2 holders of record of our Class B common stock. This does not include the number of shareholders that hold shares in "street name" through banks or broker-dealers. Our Class B common stock is not listed or quoted on any exchange and is not transferable by the holders, subject to certain limited exceptions.

We intend to pay dividends quarterly to our common stockholders. For the year ended December 31, 2023, cash dividends of \$0.28 per outstanding share of Class A common stock were paid to our stockholders. The declaration of any future cash dividends and, if declared, the amount of any such dividends, will be subject to our financial condition, earnings, capital requirements, financial covenants, applicable law and other factors our board of directors deems relevant. Therefore, there can be no assurance as to what level of dividends, if any, will be paid in the future.

#### Unregistered Sales of Equity Securities and Use of Proceeds

None.

#### Repurchase of Equity Securities

The following table summarizes our repurchases of equity securities during the three months ended December 31, 2023:

Period	Total Number of Shares Repurchased	Average Price Paid per Unit	Total Number of Shares Purchased as Part of Publicly Announced Program	Dollar Value of Shares that may yet to be Purchase Under the Publicly Announce Program <sup>(1)</sup>
October 1, 2023 - October 31, 2023	—	\$ —	—	\$ 108,823,52
November 1, 2023 - November 30, 2023	—	\$ —	—	\$ 108,823,52
December 1, 2023 - December 31, 2023	—	\$ —	—	\$ 108,823,52
Total	—	\$ —	—	

(1) On February 16, 2022, the Company's Board of Directors initially approved a stock repurchase program and the authorized amounts under such program was increased on February 8, 2023 such that the Company is authorized to repurchase up to \$200.0 million of the Company's Class A common stock.

### Item 6. [Reserved]

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and related notes included elsewhere in this Annual Report on Form 10-K.*

### **Executive Overview**

We are a leading global independent advisory firm that provides strategic and financial advice to clients across the most active industry sectors and international markets. Our wide range of global clients include large public multinational corporations, mid-sized public and private companies, individual entrepreneurs, private and institutional investors, creditor committees and government institutions.

For further information regarding our business, refer to "Part I. Item 1. Business" and "Part I. Item 1A. Risk Factors" of this filing.

### **Business Environment**

Economic and global financial market conditions impact our financial performance. The market environment for advisory services has begun to inflect, which has recently driven dialogue and activity levels across the traditional M&A markets.

Our core advisory services benefit from macroeconomic changes that impact our client base and lead them to consider business combinations, acquisitions and divestitures, capital raises and restructurings. We continue to invest in our platform to achieve scale, accelerate growth, and deliver value in anticipation of a rebound in activity levels.

See "Part I — Item 1A. Risk Factors" included elsewhere in this Form 10-K for a discussion of some of the factors that can affect our performance.

### **Key Financial Measures**

#### **Revenues**

We operate in a highly competitive environment, and each revenue-generating engagement is separately solicited and negotiated. Our fee-paying client engagements are not predictable, and we may experience fluctuations in revenues from quarter to quarter. To develop new business, we maintain an active business dialogue with existing and potential clients, and we expect to add new clients each year through expanding our relationships, hiring senior advisory professionals, and receiving introductions from our relationship network. However, we also lose clients each year due to various factors, such as sales or mergers, changes in clients' senior management, and competition from other financial services firms.

Our revenue recognition is often tied to the completion of a transaction, which can be delayed or terminated due to various reasons, including failure to obtain regulatory or board approval, failure to secure financing, or adverse market conditions. Larger transactions may take longer to close, adding unpredictability to the timing of revenues. Despite our efforts, we may receive lower advisory fees or no fee at all if a transaction is not completed. Other barriers to the completion of restructuring transactions include a lack of anticipated bidders, failure to obtain court approval, or a failure to reach an agreement with creditors. In such cases, our advisory fees may be limited to monthly retainer fees plus the reimbursement of expenses.

We do not present our revenue by the type of advice we provide because of the complexity of the transactions on which we may earn revenue and our holistic approach to client service. For instance, a traditional M&A engagement may require additional advisory services, such as capital markets or capital solutions advice or a private capital raise, which may call for cross-functional expertise from our professionals. We focus on dedicating the necessary resources and expertise to each engagement, regardless of product lines, to achieve the desired outcome for our clients. Consequently, tracking the type of advisory service offered in each instance is not practical.

## ***Operating Expenses***

Our operating expenses are classified as (i) total compensation and benefits expenses including equity-based compensation and (ii) non-compensation expenses.

### ***Compensation and Benefits Expenses***

Our compensation and benefits expenses consist of base salary, benefits, severance, payroll taxes, annual incentive compensation payable as cash bonus awards, deferred compensation awards, and the amortization of equity-based compensation awards that are subject to a service vesting condition, and in some cases, a market-based performance vesting condition. These expenses also include signing bonuses and compensation paid pursuant to guarantees for new hires.

Compensation is determined by management based on revenues earned, headcount, labor market conditions, and anticipated compensation requirements for our employees. Such factors can fluctuate, including headcount and revenues earned, and as a result, our compensation expenses may fluctuate materially in any particular period.

The amortization expense for certain equity-based awards granted by Professional Partners is allocated fully to non-controlling interests as these awards have no economic impact on, and do not dilute, PWP shareholders relative to Professional Partners. Refer to Note 12—Equity-Based Compensation in the notes to the consolidated financial statements for additional information.

### ***Non-Compensation Expenses***

Our non-compensation expenses include the costs of professional fees, technology and infrastructure, rent and occupancy, travel and related expenses, depreciation and amortization and general, administrative and other expenses. Our non-compensation expenses also include certain expenses reimbursed by our clients. Overall, our non-compensation expenses are subject to variability due to multiple factors, including headcount, business needs, and inflation.

## ***Non-Operating Income (Expenses)***

Non-operating income (expenses) includes the impact of income and expense items that we consider to be non-operational in nature, which typically includes related party income, interest income and expense, and other non-operating gains (losses), including the impact of foreign exchange rate fluctuations. Non-operating income (expenses) also included the change in fair value of warrant liabilities prior to the completion of the exchange offer and solicitation relating to the Company's then-outstanding warrants on August 23, 2022.

## ***Non-Controlling Interests***

Non-controlling interests represent the ownership interests in PWP OpCo held by holders other than Perella Weinberg Partners, which are Professional Partners and the ILPs. Such holders hold PWP OpCo Units that are exchangeable into PWP Class A common stock on a one-for-one basis. Profits and losses of PWP OpCo are allocated to the non-controlling interests in proportion to their ownership interest regardless of their basis, with the exception of the amortization expense for certain equity-based awards granted by Professional Partners, which is allocated fully to non-controlling interests as these awards have no economic impact on, and do not dilute, PWP shareholders relative to Professional Partners.

## Results of Operations

The following is a discussion of our results of operations for the years ended December 31, 2023 and 2022. For a discussion of the year ended December 31, 2022 versus 2021, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations" in our Form 10-K for the year ended December 31, 2022.

(Dollars in thousands)	Year Ended December 31,				
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
<b>Revenues</b>	\$ 648,652	\$ 631,507	\$ 801,662	3 %	(21)%
<b>Expenses</b>					
Compensation and benefits	426,572	391,333	504,364	9 %	(22)%
Equity-based compensation	182,375	154,158	96,330	18 %	60 %
Total compensation and benefits	608,947	545,491	600,694	12 %	(9)%
Non-compensation expenses	154,805	133,749	134,384	16 %	— %
Total operating expenses	763,752	679,240	735,078	12 %	(8)%
<b>Operating income (loss)</b>	(115,100)	(47,733)	66,584	(141)%	NM
<b>Non-operating income (expenses)</b>					
Related party income	932	2,805	7,516	(67)%	(63)%
Other income (expense)	1,624	7,978	761	(80)%	NM
Change in fair value of warrant liabilities	—	15,806	(4,897)	NM	NM
Loss on debt extinguishment	—	—	(39,408)	— %	NM
Interest expense	(276)	(276)	(7,606)	— %	96 %
Total non-operating income (expenses)	2,280	26,313	(43,634)	(91)%	NM
<b>Income (loss) before income taxes</b>	(112,820)	(21,420)	22,950	(427)%	NM
Income tax expense (benefit)	(980)	10,327	18,927	NM	(45)%
<b>Net income (loss)</b>	\$ (111,840)	\$ (31,747)	\$ 4,023	(252)%	NM
Less: Net income (loss) attributable to non-controlling interests	(94,617)	(49,625)	13,444	(91)%	NM
<b>Net income (loss) attributable to Perella Weinberg Partners</b>	\$ (17,223)	\$ 17,878	\$ (9,421)	NM	NM

NM = Not meaningful

## Revenues

The following table provides revenue statistics for the years ended December 31, 2023, 2022 and 2021:

	Year Ended December 31,				
	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Total Advisory Clients	202	200	232	2	(32)
Total Clients with Fees Greater than \$1.0 million	123	127	142	(4)	(15)

Revenues were \$648.7 million for the year ended December 31, 2023 as compared with \$631.5 million for the year ended December 31, 2022, representing an increase of 3%. Revenues attributed to mergers and acquisition activity were up year-over-year, while financing and capital solutions revenues were lower due to a few large financing fees in the prior year period, which offset positive performance in the restructuring business.

## Compensation and Benefits Expenses

For the year ended December 31, 2023, total compensation and benefits expenses were \$608.9 million, an increase of 12% compared with \$545.5 million for the year ended December 31, 2022. The increase in total compensation and benefits expenses was a result of a higher compensation margin on a higher revenue base, additional equity-based compensation expense from awards granted during the first quarter of 2023, and \$37.3 million of business realignment costs associated with headcount reductions in the current year (the "Business Realignment"). The Business Realignment was undertaken to improve compensation alignment and to provide for greater flexibility to advance strategic opportunities, and related costs include separation and transition benefits and the acceleration of equity-based compensation amortization (net of forfeitures) for terminated employees.

## Non-Compensation Expenses

For the year ended December 31, 2023, total non-compensation expenses were \$154.8 million, an increase of 16% compared with \$133.7 million for the year ended December 31, 2022. The increase in non-compensation expenses was primarily the result of higher travel and related expenses due to increases in both volume of travel and headcount, increased legal spend, elevated technology and infrastructure expenses related to certain investments, and higher rent and depreciation expenses due to overlapping rent and new assets being placed in service related to the renovation of the New York office space and relocation of the London office space. These increases were partially offset by lower recruiting and consulting fees and reduced D&O insurance costs.

## Non-Operating Income (Expenses)

For the year ended December 31, 2023, non-operating income was \$2.3 million compared with non-operating income of \$26.3 million for the year ended December 31, 2022. In the current year, non-operating income included interest income, which substantially increased from the prior year due to higher interest rates and additional investments in U.S. Treasury securities. Interest income was partially offset by a net loss from foreign exchange rate fluctuations, a non-operating loss on investment, and a charge related to a settlement reached with the staff of the SEC in connection with self-reporting relating to recordkeeping of business communications on "off-channel" messaging applications (the "Settlement"). Pursuant to the Settlement, Perella Weinberg Partners LP, Tudor, Pickering, Holt & Co. Securities LLC, and Perella Weinberg Partners Capital Management LP, collectively, agreed to pay \$2.5 million in the aggregate to the SEC on a joint and several liability basis. The Company recognized a charge of \$1.25 million related to the Settlement, with the remainder recognized by Perella Weinberg Partners Capital Management LP (refer to Note 16—Related Party Transactions in the notes to the consolidated financial statements for information on the Company's relationship to Perella Weinberg Partners Capital Management LP). In the prior year period, non-operating income primarily included a gain from the change in fair value of warrant liabilities and a net gain from foreign exchange rate fluctuations. For both periods, foreign exchange rate fluctuations largely related to U.S. dollar-denominated cash and intercompany receivables held by our foreign subsidiaries.

## Income Tax Expense (Benefit)

The Company's income tax benefit and effective tax rate were \$1.0 million and 0.9%, respectively, for the year ended December 31, 2023 compared to income tax expense and an effective tax rate of \$10.3 million and (48.2)%, respectively, for the year ended December 31, 2022. The change in the effective tax rate was primarily due to the relative size of our permanent differences in relation to the pre-tax loss in the respective periods, as well as the recognition of a previously unrecognized tax benefit at one of the Company's foreign subsidiaries during the year ended December 31, 2023.

## Liquidity and Capital Resources

### General

We regularly monitor our liquidity position, including cash and cash equivalents, working capital assets and liabilities, commitments and other liquidity requirements. Our primary sources of liquidity are our cash balances, investments in short-term marketable debt securities, the net cash generated from operations, and the available borrowing capacity under our Revolving Credit Facility. Our primary cash needs are for working capital, operating expenses (including cash compensation for our employees), repurchasing shares of the Company's Class A common stock, withholding tax payments for vested PWP Incentive Plan Awards, income taxes, dividends and distributions, capital expenditures, making payments pursuant to the tax receivable agreement, commitments, and strategic investments. We generally pay a significant portion of our annual cash incentive compensation during the first quarter of each calendar year with respect to the prior year's results. Therefore, levels of cash and/or investments in short-term marketable debt securities generally decline during the first quarter and build over the remainder of the year.

Our current assets are primarily composed of cash, investments in short-term marketable debt securities, receivables related to fees earned from providing advisory services, certain prepaid expenses and certain amounts due from related parties. Our current liabilities are primarily composed of accrued employee compensation, accounts payable and other accrued expenses. Cash includes cash held at banks, including interest-bearing money market accounts. As of December 31, 2023 and 2022, the Company had cash balances of \$247.2 million and \$171.6 million, respectively, and investments in short-term marketable debt securities, consisting entirely of U.S. Treasury securities, of \$91.2 million and \$140.1 million, respectively.

Our liquidity is highly dependent upon cash receipts from clients, which generally require the successful completion of transactions. Accounts receivable typically have net terms of 30 days. Accounts receivable were \$47.8 million, net of a \$2.2 million allowance for credit losses balance as of December 31, 2023. Accounts receivable were \$67.9 million, net of a \$1.1 million allowance for credit losses balance as of December 31, 2022.

The Company has a Revolving Credit Facility with Cadence Bank with an available line of credit of \$50.0 million. Additionally, up to \$20.0 million of incremental revolving commitments above the \$50.0 million commitment amount may be incurred under the Credit Agreement. As of December 31, 2023 and 2022, the Company had no outstanding balance related to the Revolving Credit Facility and no incremental revolving commitments were incurred. For further information on the Revolving Credit Facility, refer to Note 10—Debt in the notes to consolidated financial statements included elsewhere in this Form 10-K.

Based on current market conditions, we believe that our cash on hand, investments in short-term marketable debt securities, net cash generated from operations and the available borrowing capacity under our Revolving Credit Facility will be sufficient to meet our operating needs and commitments for the next twelve months; however, if these sources of liquidity are not sufficient, we may seek additional debt or equity financing.

## Cash Flows

A summary of our operating, investing and financing cash flows is as follows:

(Dollars in thousands)	Year Ended December 31,		
	2023	2022	2021
<b>Cash Provided By (Used In)</b>			
<b>Operating Activities</b>			
Net income (loss)	\$ (111,840)	\$ (31,747)	\$ 4,023
Non-cash charges and other operating activity adjustments	213,224	162,414	171,886
Other operating activities	44,499	(148,440)	58,999
Total operating activities	145,883	(17,773)	234,908
<b>Investing Activities</b>	(5,818)	(166,231)	(2,440)
<b>Financing Activities</b>	(67,018)	(136,768)	(55,021)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,889	(9,837)	(3,580)
Net increase (decrease) in cash, cash equivalents and restricted cash	75,936	(330,609)	173,867
Cash, cash equivalents and restricted cash, beginning of period	174,166	504,775	330,908
Cash, cash equivalents and restricted cash, end of period	\$ 250,102	\$ 174,166	\$ 504,775

### Year Ended December 31, 2023

Operating activities resulted in a net cash inflow of \$145.9 million primarily attributable to cash collected from clients, net of cash operating expense outflows, including discretionary bonuses paid during the first quarter of 2023 with respect to prior year compensation expense.

Investing activities resulted in a net cash outflow of \$5.8 million largely attributable to the purchase of leasehold improvement fixed assets associated with the renovation of the New York office space and relocation of the London office space, partially offset by a net cash inflow from investments in U.S. Treasury securities.

Financing activities resulted in a net cash outflow of \$67.0 million primarily due to the repurchase of shares pursuant to the stock repurchase program, distributions to partners, withholding tax payments for vested PWP Incentive Plan Awards, and dividend payments.

### Year Ended December 31, 2022

Operating activities resulted in a net cash outflow of \$17.8 million primarily attributable to cash collected from clients, net of cash operating expense outflows, including discretionary bonuses paid during the first quarter of 2022 with respect to prior year compensation expense.

Investing activities resulted in a net cash outflow of \$166.2 million largely attributable to the investment of excess cash in U.S. Treasury securities as well as the purchase of leasehold improvement fixed assets associated with the renovation of the New York office space and relocation of the London office space.

Financing activities resulted in a net cash outflow of \$136.8 million primarily related to the repurchase of shares pursuant to the stock repurchase program, distributions to partners, withholding tax payments for vested of PWP Incentive Plan Awards, and dividend payments.

For a discussion of the year ended December 31, 2021, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Cash Flows" in our Form 10-K for the year ended December 31, 2022.

## Share Repurchase Program

The Company's board of directors approved a stock repurchase program under which the Company is authorized to repurchase up to \$200.0 million of the Company's Class A common stock with no requirement to purchase any minimum number of shares. During the year ended December 31, 2023, the Company purchased 2,376,683 shares, at a cost of \$22.5 million in the aggregate. As of December 31, 2023, \$108.8 million remains of the combined \$200.0 million share repurchase authorization.

**Exchange Rights**

In accordance with the PWP OpCo LPA, holders of PWP OpCo Units (other than the Company) may exchange these units for (i) shares of Class A common stock on a one-for-one basis or (ii) cash from an offering of shares of Class A common stock with the form of consideration determined by the Company. See Note 11—Stockholders' Equity in the notes to consolidated financial statements included elsewhere in this Form 10-K for further information.

**Regulatory Capital**

We actively monitor our regulatory capital base. Our principal subsidiaries are subject to regulatory requirements in their respective jurisdictions to ensure general financial soundness and liquidity. This requires, among other things, that we comply with certain minimum capital requirements, record-keeping, reporting procedures, experience and training requirements for employees and certain other requirements and procedures. These regulatory requirements may restrict the flow of funds to and from affiliates. Refer to Note 7—Regulatory Requirements in the notes to consolidated financial statements included elsewhere in this Form 10-K for further information. These regulations differ in the United States, United Kingdom, Canada, France and other countries in which we operate a registered broker-dealer or regionally similar construct. The license or regulatory framework under which we operate in each such country is meant to comply with applicable laws and regulations to conduct an advisory business. We believe that we provide each of our subsidiaries with sufficient capital and liquidity, consistent with their business and regulatory requirements to effectively operate in each jurisdiction.

**Other Commitments and Contractual Obligations***Sponsor Share Surrender and Share Restriction Agreement*

Concurrent with the Business Combination Agreement, the Company and certain other parties entered into the Sponsor Share Surrender and Share Restriction Agreement with the Sponsor, which was amended on May 4, 2021. See Note 11—Stockholders' Equity in the notes to consolidated financial statements included elsewhere in this Form 10-K for further information.

*Tax Receivable Agreement*

As of December 31, 2023, we had an amount due of \$30.9 million pursuant to the tax receivable agreement, which represents management's best estimate of the amounts currently expected to be owed in connection with the tax receivable agreement for the Business Combination and subsequent exchanges made to date. See Note 16—Related Party Transactions in the notes to consolidated financial statements included elsewhere in this Form 10-K for further information as well as the expected timing of payments.

*Leases and Capital Expenditures*

We have various non-cancelable operating leases in connection with the leases of our office spaces and equipment. As of December 31, 2023, we had \$175.9 million of operating lease liabilities. See Note 5—Leases in the notes to consolidated financial statements included elsewhere in this Form 10-K for further information as well as the expected timing of payments. During the current year, the Company completed construction of new office space in New York and London. As of December 31, 2023, the Company had \$6 million of remaining cash payments, net of tenant improvement allowances, related to these projects.

*Business Realignment*

We currently estimate that approximately \$15 million of cash payments remain outstanding related to the Business Realignment, substantially all of which are expected to be paid during the first half of 2024.



## **Market Risk and Credit Risk**

Our business is not capital-intensive and we do not invest in derivative instruments. We are not subject to significant market risk (including interest rate risk and commodity price risk) or significant credit risk.

### ***Risks Related to Cash and Cash Equivalents***

Our cash and cash equivalents include any short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less from the date of purchase. Cash is maintained in U.S. and non-U.S. bank accounts. Most account balances exceed U.S. Federal Deposit Insurance Corporation (FDIC) coverage limits or the coverage limits of the relevant foreign deposit insurance system, as applicable. We believe our cash and cash equivalents are not subject to any material interest rate risk, equity price risk, credit risk or other market risk.

### ***Credit Risk***

We regularly review our accounts receivable and allowance for credit losses by considering factors such as historical experience, credit quality, age of the accounts receivable, and the current economic conditions that may affect a client's ability to pay such amounts owed to the Company. We maintain an allowance for credit losses that, in our opinion, provides for an adequate reserve to cover current expected credit losses. Refer to Note 2—Summary of Significant Accounting Policies in the notes to consolidated financial statements included elsewhere in this Form 10-K for further information.

With respect to investments, we manage our credit risk exposure by holding investments primarily with investment grade credit quality. As of December 31, 2023, the Company held investments of \$91.2 million in U.S. Treasury securities with maturities of less than 12 months.

### ***Exchange Rate Risk***

The Company is exposed to exchange rate risk as a result of having foreign subsidiaries with non-U.S. dollar functional currencies as well as from entering into transactions and holding monetary assets and liabilities that are not denominated in the functional currency of its operating subsidiaries. Specifically, the reported amounts in our consolidated financial statements may be affected by movements in the rate of exchange between the pound sterling, Euro, and Canadian dollar and our reporting currency, the U.S. dollar. For the years ended December 31, 2023 and 2022, the net impact of non-functional currency-related transaction gains and losses recorded in Other income (expense) on our Consolidated Statements of Operations was a \$3.3 million loss and a \$6.8 million gain, respectively, primarily related to U.S. dollar-denominated cash and intercompany receivables held by our foreign subsidiaries as the U.S. dollar weakened and strengthened, respectively. For the years ended December 31, 2023 and 2022, the net impact of the fluctuation of foreign currencies recorded in Foreign currency translation gain (loss) within our Consolidated Statements of Comprehensive Income (Loss) was a \$4.1 million gain and a \$9.7 million loss respectively. We have not entered into any transactions to hedge our exposure to these foreign currency fluctuations using derivative instruments or other methods but may do so if we deem appropriate in the future. As of December 31, 2023, we held cash balances of \$42.0 million of non-U.S. dollar currencies, composed of pound sterling, the Euro, and Canadian dollars.

## **Critical Accounting Estimates**

The preparation of our consolidated financial statements and related disclosures in conformity with U.S. GAAP requires management to make judgments, assumptions, and estimates that affect the amounts reported in our consolidated financial statements and accompanying notes. The following are our critical accounting estimates and judgments used in the preparation of our consolidated financial statements. We believe that these critical accounting estimates represent those that are most important to the presentation of our financial condition and results of operations and require management's most difficult, subjective and complex judgment. Due to their subjectivity, actual results could differ materially from the amounts reported. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period for which they are determined to be necessary.

### ***Revenue Recognition***

The services provided under contracts with clients include transaction-related advisory services, fairness opinion services, research, and underwriting services. The fee structures for the Company's transaction-related advisory services often involve an "all or nothing" consideration amount and the associated fees are predominantly considered variable as they are often based on the ultimate transaction value or the outcome ultimately achieved and/or are susceptible to factors outside of the Company's influence, such as third-party negotiations, regulatory approval, court approval, and shareholder votes. Accordingly, a large portion of the fees associated with these services is constrained until substantially all services have been provided, specified conditions have been met and/or certain milestones have been achieved, and it is probable that a significant revenue reversal will not occur in a future period. Such determination of probability may require significant judgement, especially when assessed near the end of a reporting period.

The Company records deferred revenue when it receives fees from clients that have not yet been earned or when the Company has an unconditional right to consideration before all performance obligations are complete (e.g., when announcement fees are received but additional services are expected to be provided between transaction announcement and transaction close). In these cases, the deferred amount is often based on an estimate of the services remaining to be completed, if any. The determination of when and to what extent to subsequently recognize deferred variable fees may require significant judgment, particularly when milestones are met near the end of a reporting period and in cases where additional services are expected to be provided subsequent to the achievement of the milestone.

Certain fixed fees specified in the Company's contracts, which may include upfront fees and retainers, are recognized on a systematic basis over the estimated period in which the related services are performed. Estimating contract terms may require significant judgment and often change over the course of an engagement.

### ***Income Taxes***

Our income tax expense, deferred tax assets and deferred tax liabilities, and liabilities for unrecognized tax benefits reflect management's best estimate of current and future taxes to be paid. We are subject to income taxes in the United States and certain foreign jurisdictions. We make estimates and judgments in determining the provision for income taxes and certain tax assets and liabilities that arise from differences in the timing of recognition of revenue and expense for tax and financial reporting purposes. Significant changes in these estimates may result in an increase or decrease to our tax provision in a subsequent period.

We regularly assess the likelihood that we will be able to recover our deferred tax assets. We believe that we will ultimately recover the deferred tax assets recorded on our Consolidated Statements of Financial Condition. However, should there be a change in the likelihood of our ability to recover our deferred tax assets, our tax provision would increase with the recording of a valuation allowance in the period in which we determined that the recovery is not likely. In evaluating our ability to recover our deferred tax assets in the jurisdiction from which they arise, we consider all available positive and negative evidence, including projected future taxable income. In projecting future taxable income, we begin with historical results and incorporate certain assumptions, including revenue growth and operating margin. The assumptions about future taxable income require the use of significant judgment and are consistent with the plans and estimates we are using to manage the underlying business.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations. We record unrecognized tax benefits based on whether it is more-likely-than-not that uncertain tax positions will be sustained on the basis of the technical merits of the position. If it is determined an uncertain tax position is more-likely-than-not to be sustained, we recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority. It is inherently difficult and subjective to estimate such amounts, as we must determine the probability of various possible outcomes.

Refer to Note 9—Income Taxes in the notes to the consolidated financial statements.

### ***Equity Compensation***

A portion of the PWP Incentive Plan Awards granted to certain employees and non-employees vest upon the occurrence of both service and market conditions being achieved. Compensation expense is recognized for these equity-based awards over the requisite vesting period in an amount equal to the fair value of the awards at the grant date, provided the requisite service period is completed, irrespective of whether the market condition is satisfied. The effect of the market condition is reflected in the grant date fair value of the award. The Company utilized a Monte Carlo simulation valuation model to determine the grant date fair value which required significant judgment for various inputs including the risk-free interest rate, dividend yield and the volatility factor.

Refer to Note 12—Equity-Based Compensation in the notes to the consolidated financial statements.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

Quantitative and qualitative disclosures about market risk are set forth above in “*Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Market Risk and Credit Risk.*”

**Item 8. Financial Statements and Supplementary Data**

**Index to Consolidated Financial Statements**

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## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of Perella Weinberg Partners

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of financial condition of Perella Weinberg Partners (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2007.

New York, New York

February 23, 2024

**Perella Weinberg Partners**  
**Consolidated Statements of Financial Condition**  
(Dollars in Thousands, Except Per Share Amounts)

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 247,171	\$ 171,570
Restricted cash	2,931	2,596
Investments in short-term marketable debt securities	91,174	140,110
Accounts receivable, net of allowance	47,771	67,906
Due from related parties	3,575	3,362
Fixed assets, net of accumulated depreciation and amortization	93,652	48,390
Intangible assets, net of accumulated amortization	19,192	25,772
Goodwill	34,383	34,383
Prepaid expenses and other assets	30,871	36,190
Right-of-use lease assets	143,935	153,720
Deferred tax asset, net	46,453	33,094
Total assets	\$ 761,108	\$ 717,093
<b>Liabilities and Equity</b>		
Accrued compensation and benefits	\$ 233,927	\$ 217,011
Accounts payable, accrued expenses and other liabilities	52,106	51,350
Lease liabilities	175,901	165,601
Amount due pursuant to tax receivable agreement	30,928	22,991
Total liabilities	492,862	456,953
<b>Commitments and Contingencies (Note 17)</b>		
Class A common stock, par value \$ 0.0001 per share (1,500,000,000 shares authorized, 57,361,073 issued and 44,642,849 outstanding at December 31, 2023; 1,500,000,000 shares authorized, 52,237,247 issued and 41,744,961 outstanding at December 31, 2022)	6	5
Class B common stock, par value \$ 0.0001 per share (600,000,000 shares authorized, 41,589,339 issued and outstanding at December 31, 2023; 600,000,000 shares authorized, 44,563,877 issued and outstanding at December 31, 2022)	4	4
Preferred stock, par value \$ 0.0001 per share (100,000,000 shares authorized, no shares issued and outstanding at December 31, 2023 and 2022)	—	—
Additional paid-in-capital	312,523	242,129
Retained earnings (accumulated deficit)	(54,650)	(18,071)
Accumulated other comprehensive income (loss)	(4,480)	(6,538)
Treasury stock, at cost (12,718,224 and 10,492,286 shares of Class A common stock at December 31, 2023 and December 31, 2022, respectively)	(100,747)	(80,067)
Total Perella Weinberg Partners equity	152,656	137,462
Non-controlling interests	115,590	122,678
Total equity	268,246	260,140
Total liabilities and equity	\$ 761,108	\$ 717,093

*The accompanying notes are an integral part of these consolidated financial statements.*

**Perella Weinberg Partners**  
**Consolidated Statements of Operations**  
(Dollars in Thousands, Except Per Share Amounts)

	Year Ended December 31,		
	2023	2022	2021
<b>Revenues</b>	\$ 648,652	\$ 631,507	\$ 801,662
<b>Expenses</b>			
Compensation and benefits	426,572	391,333	504,364
Equity-based compensation	182,375	154,158	96,330
Total compensation and benefits	608,947	545,491	600,694
Professional fees	39,640	34,824	41,891
Technology and infrastructure	34,462	30,084	28,355
Rent and occupancy	26,891	24,898	26,406
Travel and related expenses	19,030	13,034	6,261
General, administrative and other expenses	20,103	20,215	16,982
Depreciation and amortization	14,679	10,694	14,489
Total expenses	763,752	679,240	735,078
<b>Operating income (loss)</b>	(115,100)	(47,733)	66,584
<b>Non-operating income (expenses)</b>			
Related party income	932	2,805	7,516
Other income (expense)	1,624	7,978	761
Change in fair value of warrant liabilities	—	15,806	(4,897)
Loss on extinguishment of debt	—	—	(39,408)
Interest expense	(276)	(276)	(7,606)
Total non-operating income (expenses)	2,280	26,313	(43,634)
<b>Income (loss) before income taxes</b>	(112,820)	(21,420)	22,950
Income tax expense (benefit)	(980)	10,327	18,927
<b>Net income (loss)</b>	(111,840)	(31,747)	4,023
Less: Net income (loss) attributable to non-controlling interests	(94,617)	(49,625)	13,444
<b>Net income (loss) attributable to Perella Weinberg Partners</b>	\$ (17,223)	\$ 17,878	\$ (9,421)
<b>Net income (loss) per share attributable to Class A common shareholders <sup>(1)</sup></b>			
Basic	\$ (0.40)	\$ 0.41	\$ (0.22)
Diluted	\$ (1.33)	\$ (0.46)	\$ (0.66)
<b>Weighted-average shares of Class A common stock outstanding <sup>(1)</sup></b>			
Basic	43,273,939	43,837,640	42,595,712
Diluted	86,779,052	89,755,632	92,749,911

(1) For the year ended December 31, 2021, net income (loss) per share of Class A common stock and weighted-average shares of Class A common stock outstanding is representative of the period from June 24, 2021 through December 31, 2021, the period following the Business Combination, as defined in Note 1—Organization and Nature of Business. For more information, refer to Note 14—Net Income (Loss) Per Share Attributable to Class A Common Shareholders.  
*The accompanying notes are an integral part of these consolidated financial statements.*

**Perella Weinberg Partners**  
**Consolidated Statements of Comprehensive Income (Loss)**  
(Dollars in Thousands)

	Year Ended December 31,		
	2023	2022	2021
<b>Net income (loss)</b>	\$ (111,840)	\$ (31,747)	\$ 4,023
Foreign currency translation gain (loss), net of tax	4,131	(9,682)	(1,481)
<b>Comprehensive income (loss)</b>	(107,709)	(41,429)	2,542
Less: Comprehensive income (loss) attributable to non-controlling interests	(92,544)	(54,515)	12,883
<b>Comprehensive income (loss) attributable to Perella Weinberg Partners</b>	<u>\$ (15,165)</u>	<u>\$ 13,086</u>	<u>\$ (10,341)</u>

*The accompanying notes are an integral part of these consolidated financial statements.*



**Perella Weinberg Partners**  
**Consolidated Statements of Changes in Equity**  
(Dollars in Thousands, Except Per Share Amounts)

	Shares											
	Partners' Capital	Class A	Class B	Treasury Stock	Class A	Class B	Treasury Stock	Additional	Retained	Accumulated	Non- Controlling Interests	Total Equity
		Common	Common		Common	Common		Paid-In	Earnings	Other		
		Stock	Stock		Stock	Stock		Capital	(Accumulated Deficit)	Comprehensive Income (Loss)		
Balance at December 31, 2020	\$ 76,509	—	—	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2,326)	\$ —	\$ 74,183
Net income (loss) prior to Business Combination	59,857	—	—	—	—	—	—	—	—	—	—	59,857
Equity-based compensation prior to Business Combination	11,761	—	—	—	—	—	—	—	—	—	—	11,761
Foreign currency translation gain (loss) prior to Business Combination	—	—	—	—	—	—	—	—	—	526	—	526
Distributions to partners prior to Business Combination	(47,389)	—	—	—	—	—	—	—	—	—	—	(47,389)
Other, prior to Business Combination	374	—	—	—	—	—	—	—	—	—	—	374
Effect of Business Combination	(101,112)	42,956,667	50,154,199	—	4	5	—	133,832	—	974	154,619	188,322
Net income (loss) after Business Combination	—	—	—	—	—	—	—	—	(9,421)	—	(46,413)	(55,834)
Equity-based awards after Business Combination	—	—	—	—	—	—	—	45,594	—	—	39,678	85,272
Distributions to partners after Business Combination	—	—	—	—	—	—	—	—	—	—	(18,542)	(18,542)
Liability awards reclassification to equity	—	—	—	—	—	—	—	3,912	—	—	—	3,912
Issuance of Class A common stock for vested PWP Incentive Plan Awards	—	692,652	—	—	—	—	—	—	—	—	—	—
Withholding tax payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	—	(10,462)	—	—	—	(10,462)
Dividends declared (\$0.14 per share of Class A common stock)	—	—	—	—	—	—	—	230	(8,654)	—	—	(8,424)
Foreign currency translation gain (loss) after Business Combination	—	—	—	—	—	—	—	—	—	(920)	(1,087)	(2,007)
Other, after Business Combination	—	—	—	—	—	—	—	870	—	—	933	1,803
Treasury stock purchase	—	—	—	(1,000,000)	—	—	(12,000)	—	—	—	—	(12,000)
Change in ownership interests	—	—	—	—	—	—	—	(15,845)	—	—	15,845	—
Balance at December 31, 2021	\$ —	43,649,319	50,154,199	(1,000,000)	\$ 4	\$ 5	\$ (12,000)	\$ 158,131	\$ (18,075)	\$ (1,746)	\$ 145,033	\$ 271,352

*The accompanying notes are an integral part of these consolidated financial statements.*

**Perella Weinberg Partners**  
**Consolidated Statements of Changes in Equity – Continued**  
(Dollars in Thousands)

	Shares						Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non- Controlling Interests	Total Equity
	Class A	Class B	Treasury	Class A	Class B	Treasury					
	Common	Common		Common	Common						
	Stock	Stock		Stock	Stock						
Balance at December 31, 2021	43,649,319	50,154,199	(1,000,000)	\$ 4	\$ 5	\$ (12,000)	\$ 158,131	\$ (18,075)	\$ (1,746)	\$ 145,033	\$ 271,352
Net income (loss)	—	—	—	—	—	—	—	17,878	—	(49,625)	(31,747)
Equity-based awards	—	—	—	—	—	—	81,804	—	—	74,616	156,420
Distributions to partners	—	—	—	—	—	—	—	—	—	(44,455)	(44,455)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	1,426,073	—	51,730	—	—	620	(620)	—	—	—	—
Withholding tax payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(9,703)	—	—	—	(9,703)
Dividends declared (\$0.28 per share of Class A common stock)	—	—	—	—	—	—	522	(17,874)	—	—	(17,352)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	(4,792)	(4,890)	(9,682)
Other	—	—	—	—	—	—	702	—	—	1,233	1,935
Issuance of Class A common stock and exchange of PWP OpCo Units with corresponding Class B common stock for cash using Offering proceeds (Note 11—Stockholders' Equity)	3,502,033	(3,498,534)	—	1	—	—	(538)	—	—	—	(537)
Exchange of PWP OpCo Units and corresponding Class B common stock for Class A common stock (Note 11—Stockholders' Equity)	2,093,874	(2,091,788)	—	—	(1)	—	598	—	—	—	597
Warrant exchange for Class A common stock	1,565,948	—	—	—	—	—	11,999	—	—	—	11,999
Treasury stock purchases	—	—	(9,544,016)	—	—	(68,687)	—	—	—	—	(68,687)
Change in ownership interests	—	—	—	—	—	—	(766)	—	—	766	—
Balance at December 31, 2022	52,237,247	44,563,877	(10,492,286)	\$ 5	\$ 4	\$ (80,067)	\$ 242,129	\$ (18,071)	\$ (6,538)	\$ 122,678	\$ 260,140
Net income (loss)	—	—	—	—	—	—	—	(17,224)	—	(94,616)	(111,840)
Equity-based awards	—	—	—	—	—	—	106,248	—	—	78,216	184,464
Distributions to partners	—	—	—	—	—	—	—	—	—	(14,169)	(14,169)
Issuance of Class A common stock for vested PWP Incentive Plan Awards	2,146,320	—	150,745	1	—	1,809	(1,711)	(98)	—	—	1
Withholding tax payments on vested PWP Incentive Plan Awards	—	—	—	—	—	—	(16,743)	—	—	—	(16,743)
Dividends declared (\$0.28 per share of Class A common stock)	—	—	—	—	—	—	542	(19,257)	—	—	(18,715)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	2,058	2,073	4,131
Other	—	—	—	—	—	—	1,242	—	—	740	1,982
Exchange of PWP OpCo Units and corresponding Class B common stock for Class A common stock (Note 11—Stockholders' Equity)	2,977,506	(2,974,538)	—	—	—	—	1,484	—	—	—	1,484
Treasury stock purchase	—	—	(2,376,683)	—	—	(22,489)	—	—	—	—	(22,489)
Change in ownership interests	—	—	—	—	—	—	(20,668)	—	—	20,668	—
Balance at December 31, 2023	57,361,073	41,589,339	(12,718,224)	\$ 6	\$ 4	\$ (100,747)	\$ 312,523	\$ (54,650)	\$ (4,480)	\$ 115,590	\$ 268,246

*The accompanying notes are an integral part of these consolidated financial statements.*

**Perella Weinberg Partners**  
**Consolidated Statements of Cash Flows**  
(Dollars in Thousands)

	Year Ended December 31,		
	2023	2022	2021
<b>Cash flows from operating activities</b>			
Net income (loss)	\$ (111,840)	\$ (31,747)	\$ 4,023
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Loss on debt extinguishment	—	—	39,408
Equity-based awards vesting expense	184,464	156,420	97,033
Depreciation and amortization	14,679	10,694	14,489
Change in fair value of warrant liabilities	—	(15,806)	4,897
Foreign currency revaluation	2,450	(4,692)	—
Non-cash operating lease expense	12,879	15,948	17,361
Deferred taxes	(2,074)	(2,743)	(3,716)
Bad debt expense	2,313	2,158	646
Other	(1,487)	435	1,768
Decrease (increase) in operating assets:			
Accounts receivable, net of allowance	18,798	(24,339)	(7,127)
Due from related parties	(213)	864	(3,612)
Prepaid expenses and other assets	4,336	(14,440)	(15,205)
Increase (decrease) in operating liabilities:			
Accrued compensation and benefits	15,906	(97,135)	97,912
Accounts payable, accrued expenses and other liabilities	(1,378)	(5,805)	5,113
Lease liabilities	7,050	(7,585)	(18,082)
Net cash provided by (used in) operating activities:	145,883	(17,773)	234,908
<b>Cash flows from investing activities</b>			
Purchases of fixed assets	(57,598)	(26,560)	(1,462)
Purchases of investments in short-term marketable debt securities	(89,259)	(139,171)	—
Maturities of investments in short-term marketable debt securities	140,551	—	—
Other	488	(500)	(978)
Net cash provided by (used in) investing activities	(5,818)	(166,231)	(2,440)
<b>Cash flows from financing activities</b>			
Proceeds from Business Combination, including PIPE Investment	—	—	355,021
Payment of Business Combination costs	—	—	(23,895)
Principal payment on Revolving Credit Facility	—	—	(27,690)
Redemption of Convertible Notes	—	—	(160,930)
Redemption of partners' interests	—	—	(104,540)
Proceeds from the Offering, net of underwriting discount	—	36,526	—
Exchange of PWP OpCo Units and corresponding Class B common stock for cash using Offering proceeds	—	(36,526)	—
Payment of offering costs	—	(1,318)	—
Distributions to partners	(14,169)	(44,455)	(65,931)
Dividends paid on Class A and Class B common stock	(13,145)	(12,840)	(5,990)
Withholding tax payments for vested PWP Incentive Plan Awards	(16,743)	(9,703)	(10,462)
Treasury stock purchases	(22,489)	(68,452)	(12,000)
Payments pursuant to tax receivable agreement	(472)	—	—
Debt issuance costs	—	—	(361)
Proceeds from Partner Promissory Note	—	—	1,757
Net cash provided by (used in) financing activities	(67,018)	(136,768)	(55,021)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,889	(9,837)	(3,580)
Net increase (decrease) in cash, cash equivalents and restricted cash	75,936	(330,609)	173,867
Cash, cash equivalents and restricted cash, beginning of period	174,166	504,775	330,908
Cash, cash equivalents and restricted cash, end of period	\$ 250,102	\$ 174,166	\$ 504,775

*The accompanying notes are an integral part of these consolidated financial statements.*



**Perella Weinberg Partners**  
**Consolidated Statements of Cash Flows – Continued**  
(Dollars in Thousands)

	Year Ended December 31,		
	2023	2022	2021
<b>Supplemental disclosures of non-cash activities</b>			
Lease liabilities arising from obtaining right-of-use lease assets	\$ 2,278	\$ 131,232	\$ 4,111
Accrued capital expenditures	\$ 11,319	\$ 16,395	\$ —
Accrued dividends and dividend equivalent units on unvested PWP Incentive Plan Awards	\$ 7,278	\$ 5,711	\$ 2,664
Non-cash paydown of Partner promissory notes	\$ 1,547	\$ 2,567	\$ —
Deferred tax effect resulting from exchanges of PWP OpCo Units, net of amounts payable under tax receivable agreement	\$ 1,485	\$ 1,362	\$ —
Accrued treasury stock purchases	\$ —	\$ 235	\$ —
Liability awards reclassification to equity	\$ —	\$ —	\$ 3,912
Net assets of deconsolidated affiliate	\$ —	\$ —	\$ 394
<b>Supplemental disclosures of cash flow information</b>			
Cash paid for income taxes	\$ 4,568	\$ 25,995	\$ 12,547
Cash paid for interest	\$ 127	\$ 127	\$ 5,515

*The accompanying notes are an integral part of these consolidated financial statements.*

**Perella Weinberg Partners**  
**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)**

**Note 1—Organization and Nature of Business**

Perella Weinberg Partners and its consolidated subsidiaries, including PWP Holdings LP (“PWP OpCo”) (collectively, “PWP” and the “Company”), is a global independent advisory firm that provides strategic and financial advice to a wide range of clients. The Company’s activities as an investment banking advisory firm constitute a single business segment that provides a range of advisory services, including advice related to strategic and financial decisions, mergers and acquisitions (“M&A”) execution, shareholder and defense advisory, financing and capital solutions advice with resources focused on restructuring and liability management, capital markets advisory, private capital placement, as well as specialized underwriting and research services primarily for the energy and related industries.

The operations of PWP OpCo are conducted through a wholly-owned subsidiary, Perella Weinberg Partners Group LP, and its subsidiaries which are consolidated in these financial statements. PWP GP LLC (“PWP GP”) is the general partner that controls PWP OpCo. The limited partner interests of PWP OpCo are held by the Company, Investor Limited Partners (the “ILPs”), and PWP Professional Partners LP (together with its successors and assigns, as applicable, “Professional Partners”). The Company shareholders are entitled to receive a portion of PWP OpCo’s economics through their direct ownership interests in shares of Class A common stock of PWP. The non-controlling interest owners of PWP OpCo receive economics through ownership of PWP OpCo Class A partnership units (“PWP OpCo Units”). See Note 11—Stockholders’ Equity for additional information.

Perella Weinberg Partners (formerly known as FinTech Acquisition Corp. IV (“FTIV”)) was incorporated in Delaware on November 20, 2018 as a special purpose acquisition company for the purpose of acquiring businesses or assets through a business combination. On June 24, 2021, the Company consummated a business combination pursuant to a Business Combination Agreement, among various parties, resulting in FTIV acquiring partnership interests in PWP OpCo, and PWP OpCo becoming jointly-owned by Perella Weinberg Partners, Professional Partners and existing partners as part of an umbrella limited partnership C-corporation (Up-C) structure (the “Business Combination”). See Note 3—Business Combination for additional discussion related to the transaction.

On December 31, 2023, as part of an internal reorganization, Professional Partners was divided into three partnerships pursuant to a plan of division (the “Division”), which, among other things, provided that (i) all of its limited partnership interests in PWP OpCo were allocated to one of the divided partnerships, PWP AdCo Professionals LP (“AdCo Professionals”), (ii) all of its shares of Class B-1 common stock of the Company were allocated to another divided partnership, PWP VoteCo Professionals LP (“VoteCo Professionals”) and (iii) PWP Professional Partners LP changed its name to PWP AmCo Professional Partners LP. The principal purpose of the internal reorganization was to simplify the structure for the partners in Professional Partners with respect to their indirect interests in PWP OpCo. There was no consideration exchanged in connection with the Division, which is not expected to affect the respective rights or economic interests of the Company, PWP GP, or any limited partner with respect to PWP OpCo.

**Note 2—Summary of Significant Accounting Policies**

***Basis of Presentation***

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and all intercompany balances and transactions have been eliminated.

The Business Combination was treated as a reverse recapitalization transaction between entities under common control, whereby PWP OpCo was considered the accounting acquirer and predecessor entity and therefore recognized the carrying value of the net assets of FTIV as an equity contribution with no incremental goodwill or intangible assets. The historical operations of PWP OpCo are deemed to be those of the Company. Thus, the consolidated financial statements included in this Annual Report on Form 10-K reflect (i) the historical operating results of PWP OpCo prior to the Business Combination and (ii) the combined results of the Company following the Business Combination. See Note 3—Business Combination for additional discussion related to the transaction.

***Use of Estimates***

The preparation of the consolidated financial statements and related disclosures in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and the assumptions underlying these estimates are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

**Perella Weinberg Partners**  
**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)**

In preparing the consolidated financial statements, management makes certain estimates regarding the measurement of amounts due pursuant to the tax receivable agreement, measurement and timing of revenue recognition, assumptions used in the provision for income taxes, measurement of equity-based compensation, evaluation of goodwill and intangible assets, fair value measurement of financial instruments, and other matters that affect the reported amounts and disclosures of contingencies in the consolidated financial statements.

***Cash, Cash Equivalents and Restricted Cash***

Cash and cash equivalents include cash held at banks, including interest-bearing money market accounts, and any highly liquid investments with original maturities of three months or less from the date of purchase. Cash account balances often exceed federally insured limits. Restricted cash represents cash that is not readily available for general purpose cash needs. As of December 31, 2023 and 2022, the Company had no cash equivalents and had restricted cash of \$2.9 million and \$2.6 million, respectively, maintained as collateral for letters of credit related to certain office leases. The sum of Cash and cash equivalents and Restricted cash on the Consolidated Statements of Financial Condition corresponds to the total cash, cash equivalents, and restricted cash presented on the Consolidated Statements of Cash Flows.

***Investments in Short-Term Marketable Debt Securities***

The Company invests in short-term marketable debt securities to manage excess liquidity. As of December 31, 2023, these investments consisted solely of U.S. Treasury securities held by a consolidated broker-dealer subsidiary and were carried at fair value with changes in fair value included in Other income (expense) on the Consolidated Statements of Operations, as is required for broker-dealers. In general, these investments are recorded on the Consolidated Statements of Financial Condition within Cash and cash equivalents for investments with an original maturity from the date of purchase of three months or less, and within Investments in short-term marketable debt securities for those with original maturities longer than three months but less than one year.

***Accounts Receivable, Net of Allowance***

Accounts receivable are presented net of allowance for credit losses based on the Company's assessment of collectability. The Company regularly reviews its accounts receivable for collectability and an allowance is recognized for expected credit losses, if required. The Company maintains an allowance for credit losses that, in management's opinion, provides for an adequate reserve to cover estimated losses on accounts receivable. The Company determines the adequacy of the allowance by reviewing specific client receivables as well as estimating the probability of loss on total client receivables based on the Company's historical credit loss experience and taking into consideration current market conditions and supportable forecasts that affect the collectability of the reported amount. The Company updates its expected credit loss rates periodically and maintains a quarterly allowance review process to consider current factors that would require an adjustment to the credit loss allowance. Changes to expected credit losses during the period are included in General, administrative and other expenses on the Consolidated Statements of Operations. After concluding that a reserved accounts receivable is no longer collectible, the Company reduces both the gross receivable and the allowance for credit losses.

***Consolidation***

The Company's policy is to consolidate entities in which the Company has a controlling financial interest and variable interest entities where the Company is deemed to be the primary beneficiary. The Company is deemed to be the primary beneficiary of a variable interest entity ("VIE") when it has both (i) the power to make the decisions that most significantly affect the economic performance of the VIE and (ii) the obligation to absorb significant losses or the right to receive benefits that could potentially be significant to the VIE. PWP is the primary beneficiary of and consolidates PWP OpCo, a VIE. As of December 31, 2023 and December 31, 2022, the net assets of PWP OpCo were \$249.6 million and \$237.9 million, respectively. As of December 31, 2023 and December 31, 2022, the Company did not consolidate any VIEs other than PWP OpCo.

***Fair Value of Financial Instruments***

The Company's financial instruments are generally recorded at fair value or at amounts that approximate fair value. The carrying values of cash, restricted cash, accounts receivable, amounts due from related parties, accounts payable and certain accrued liabilities approximate their fair values due to the short-term nature of these items.

**Perella Weinberg Partners**  
**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)**

**Fixed Assets**

Fixed assets include furniture and fixtures, equipment, software development costs and leasehold improvements, which are all stated at cost less accumulated depreciation and amortization. Depreciation and amortization are determined using the straight-line method over the estimated useful lives of the assets, including (i) five years for furniture, fixtures and equipment; (ii) the lesser of the estimated life of the improvement or the remaining term of the lease for leasehold improvements; and (iii) three years for software development costs. The Company evaluates fixed assets for impairment whenever events or changes in circumstances indicate that an asset's carrying value may not be fully recovered.

**Prepaid Expenses and Other Assets**

Generally, prepaid expenses comprise the majority of Prepaid expenses and other assets on the Consolidated Statements of Financial Condition and represent upfront payments for various services, including subscriptions, cloud computing arrangements, software licenses and insurance, which are amortized over the life, related service period or policy. Income tax receivables are another substantial component of Prepaid expenses and other assets.

**Repurchases of Common Stock**

Shares of the Company's Class A common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The Company may structure such repurchases as either a purchase of treasury stock or a retirement of shares. The Company records its purchases of treasury stock at cost as a separate component of equity. The Company may re-issue treasury stock using the first-in-first-out method.

**Tax Receivable Agreement**

In connection with the Business Combination, the Company entered into a tax receivable agreement with PWP OpCo, Professional Partners and ILPs that provides for payment of 85% of the amount of cash savings, if any, in U.S. federal, state and local and foreign income taxes that the Company is deemed to realize as a result of (a) each exchange of interests in PWP OpCo for cash or stock of the Company and certain other transactions and (b) payments made under the tax receivable agreement. Management's best estimate of the amounts expected to be owed in connection with the tax receivable agreement at each reporting date are reported within Amount due pursuant to tax receivable agreement on the Consolidated Statements of Financial Condition.

**Goodwill and Intangible Assets**

Goodwill is recorded for the excess of the fair value of consideration transferred over the fair value of identifiable net assets, including other intangibles, acquired at the time of an acquisition. Goodwill is periodically reviewed, and tested at least annually, for impairment, and when certain events or circumstances indicate impairment may exist. Goodwill is tested for impairment at the reporting unit level. A reporting unit is a component of an operating segment for which discrete financial information is available that is regularly reviewed by management. Intangible assets are derived from customer relationships, trade names and trademarks. Identifiable finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of ten years, reflecting the average time over which such intangible assets are expected to contribute to cash flow. The Company tests intangible assets for impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable.

**Leases**

The Company leases office space and certain office equipment, which are classified as operating leases. Right-of-use assets represent the Company's right to use the underlying assets for their lease terms and lease liabilities represent the Company's obligation to make lease payments arising from these leases. Certain non-U.S. lease payments are variable as they are subject to change based on the prevailing applicable index. The Company does not recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less. The Company elected the practical expedient not to separate lease components and non-lease components in calculating the net present value of its lease payments; thus, the measurement of the right-of-use asset and corresponding lease obligation uses one single combined component. Lease expense is recognized on a straight-line basis over the lease term. The Company subleased certain portions its office space through October 2023 and such income was recognized on a straight-line basis over the term of the lease.



**Perella Weinberg Partners**  
**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)**

The implicit discount rates used to determine the present value of the Company's leases are not readily determinable; thus, the Company uses its incremental borrowing rate to determine the present value of its lease payments. The determination of an appropriate incremental borrowing rate requires significant assumptions and judgement and is calculated based on multiple factors, including current market conditions, the Company's credit rating, the terms of the Company's recent debt issuances and/or current revolving credit facilities, and the expected lease term. The Company estimates the expected lease terms by assuming the exercise of renewal options and extensions where a significant penalty could be incurred and such renewal or extension is at the sole discretion of the Company. Certain lease agreements are secured by security deposits, which are reflected in Prepaid expenses and other assets on the Consolidated Statements of Financial Condition.

***Income Taxes***

Prior to the Business Combination, the Company operated as a partnership, and therefore, was generally not subject to U.S. federal and state corporate income taxes. Subsequent to the Business Combination, PWP is a corporation and is subject to U.S. federal and state corporate income taxes on its proportionate share of taxable income generated by the operating partnership, PWP OpCo, as well as any standalone income (or loss) generated at the PWP entity level. PWP OpCo is treated as a partnership, and as a result, taxable income (or loss) generated by PWP OpCo flows through to its limited partners, including PWP, and is generally not subject to U.S. federal or state income tax at the partnership level. Certain non-U.S. subsidiaries are subject to income taxes in their respective local jurisdictions.

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of differences between the financial reporting bases of assets and liabilities and their respective tax bases, using tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in Income tax expense (benefit) in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets is dependent on the amount, timing and character of the Company's future taxable income. When evaluating the realizability of deferred tax assets, all evidence – both positive and negative – is considered. This evidence includes, but is not limited to, expectations regarding future earnings, future reversals of existing taxable temporary differences and tax planning strategies.

The Company analyzes its tax positions for all U.S. federal, state and local and foreign tax jurisdictions where it is required to file income tax returns. The Company records unrecognized tax benefits based on whether it is more-likely-than-not that the uncertain tax position will be sustained based on the technical merits of the position. If it is determined that an uncertain tax position is more-likely-than-not to be sustained, the Company records the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authorities. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in Income tax expense (benefit) on the Consolidated Statements of Operations.

***Foreign Currencies***

In the normal course of business, the Company and its subsidiaries may enter into transactions denominated in a non-functional currency. The Company recognized net foreign exchange gains (losses) arising from such transactions of \$(3.3) million, \$6.8 million and \$(0.2) million during the years ended December 31, 2023, 2022, and 2021, respectively, which are included in Other income (expense) on the Consolidated Statements of Operations. In addition, the Company consolidates its foreign subsidiaries that have non-U.S. dollar functional currencies. Non-U.S. dollar denominated assets and liabilities are translated to U.S. dollars at the exchange rate prevailing at the reporting date and profit and loss activity is generally translated using the average exchange rate throughout the period. Cumulative translation adjustments arising from the translation of non-U.S. dollar denominated operations are included as a component of Accumulated other comprehensive loss on the Consolidated Statements of Changes in Equity.

***Revenue Recognition***

The services provided under contracts with clients include transaction-related advisory services, fairness opinion services, research and trading services, and underwriting services, each of which are typically identified as a separate performance obligation in contracts that contain more than one type of service. As discussed in detail below, each performance obligation meets the criteria for either over time or point in time revenue recognition.

**Perella Weinberg Partners**  
**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)**

*Transaction-Related Advisory Services*

The Company provides transaction-related advisory services to its clients to assist with corporate finance activities that include, but are not limited to, mergers and acquisitions, reorganizations, tender offers, leveraged buyouts, and the pricing of securities to be issued. In most circumstances, the Company considers the nature of the promises in its advisory contracts to comprise of a single performance obligation of providing advisory services to its clients. Although there may be many individual services provided in a typical contract, the individual services are not distinct within the context of the contract; rather the performance of these individual services helps to fulfill one overall performance obligation to deliver advisory services to the client.

The Company recognizes revenue from providing advisory services when or as its performance obligations are fulfilled. The majority of the Company's advisory revenue is recognized over time since the Company provides most of its advisory services on an ongoing basis, which, for example, may include evaluating and selecting one of multiple strategies. During such engagements, the Company's clients continuously benefit from the ongoing financial and strategic advice throughout the engagement. The fee structures often involve an "all or nothing" consideration amount and the associated fees are predominantly considered variable as they are often based on the ultimate transaction value or the outcome ultimately achieved and/or are susceptible to factors outside of the Company's influence, such as third-party negotiations, regulatory approval, court approval, and shareholder votes. Accordingly, these fees are often constrained until substantially all services have been provided, specified conditions have been met and/or certain milestones have been achieved, and it is probable that a significant revenue reversal will not occur in a future period. Such determination of probability may require significant judgment. In some cases, a portion of the variable fees received may be deferred based on an estimate of the services remaining to be completed, if any (e.g., when announcement fees are earned but additional services are expected to be provided between transaction announcement and transaction close). The determination of when and to what extent to subsequently recognize deferred variable fees may require significant judgment, particularly when milestones are met near the end of a reporting period and in cases where additional services are expected to be provided subsequent to the achievement of the milestone. Certain fixed fees specified in the Company's contracts, which may include upfront fees and retainers, are recognized on a systematic basis over the estimated period in which the related services are performed. Payments for transaction-related advisory services are generally due upon completion of a specified event or, for retainer fees, periodically over the course of the engagement.

*Fairness Opinion Services*

Although the Company usually provides fairness opinion services in conjunction with and in the same contract as other transaction-related advisory services, fairness opinion services are considered to be a separate performance obligation in such contracts because they could be obtained separately, and the Company is able to fulfill its promise to transfer transaction-related advisory services independent from its promise to provide fairness opinion services. The Company typically charges a separate, fixed fee associated with fairness opinion services that represents the standalone selling price of the fairness opinion services. The fee is recognized at the point in time that the fairness opinion is delivered at which time the client receives the benefit of the fairness opinion services.

*Research, Trading, and Underwriting Services*

The Company provides research on the energy and related industries and associated equity and commodity markets. The Company's research clients continuously benefit from the research provided throughout arrangements between the Company and such clients, and, accordingly, over time revenue recognition matches the transfer of such benefits. Research clients compensate the Company via direct payment, trading commissions generated through the Company's trading desk, or commission sharing agreements. As of January 2024, the Company closed its trading desk but will continue to be compensated for research services through direct payments and a commission sharing agreement.

Revenue associated with underwriting services includes management fees, selling concessions and underwriting fees attributable to public and private offerings of equity and debt securities. The nature of the Company's underwriting services is raising capital on behalf of an issuer and therefore is typically accounted for as a single performance obligation. The Company recognizes underwriting revenue at a point in time, typically on the pricing date of the offering.

*Contract Costs and Contract Balances*

Incremental costs of obtaining a contract are expensed as incurred as such costs are generally not recoverable. Costs to fulfill contracts consist of out-of-pocket expenses that are part of performing transaction-related advisory services and are typically expensed as incurred as these costs are related to performance obligations that are satisfied over time. The Company is reimbursed by the client for certain of these out-of-pocket expenses, which are recognized over time and recorded within Revenues on the Consolidated Statements of Operations.

**Perella Weinberg Partners**  
**Notes to Consolidated Financial Statements**  
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The timing of revenue recognition may differ from the timing of payment. The Company records a receivable when revenue is recognized prior to payment and the Company has an unconditional right to payment. The Company records deferred revenue (otherwise known as contract liabilities) when it receives fees from clients that have not yet been earned or when the Company has an unconditional right to consideration before all performance obligations are complete (e.g., receipt of certain announcement, retainer or upfront fees before the performance obligation has been fully satisfied).

***Interest Income***

The Company typically earns interest on cash at banks and short-term investments, which is recorded on an accrual basis within Other income (expense) on the Consolidated Statements of Operations.

***Compensation and Benefits***

Compensation and benefits expense consists of salaries, bonuses (discretionary awards and guaranteed amounts), severance, deferred compensation, as well as payroll and related taxes and benefits for the Company's employees. In all instances, compensation expense is accrued over the requisite service period.

***Equity-Based Compensation***

Equity-based compensation relates to equity-based awards granted to employees and partners of the Company. In all instances of equity-based awards, compensation expense is recognized over the requisite vesting period or requisite service period in an amount equal to the fair value of the awards at the grant date. Equity-based compensation expense for employees and partners is included in Equity-based compensation on the Consolidated Statements of Operations and equity-based compensation expense for non-employees is included in Professional fees on the Consolidated Statements of Operations. The Company accounts for forfeitures of awards as they occur rather than applying an estimated forfeiture rate. For an award with service-only conditions that has a graded vesting schedule, the Company recognizes the compensation cost for the entire award on a straight-line basis over the requisite service period, ensuring that the amount recognized is at least equal to the vested portion of the award at each reporting date.

***Non-Controlling Interests***

For entities that are consolidated but not 100% owned, a portion of the income or loss and equity is allocated to holders of the non-controlling interest. The aggregate of the income or loss and corresponding equity that is owned by the holders of the non-controlling interest is included in non-controlling interest in the consolidated financial statements. Profits and losses of PWP OpCo are allocated to the non-controlling interests in proportion to their ownership interest regardless of their basis, with an exception for certain equity-based compensation expense which is fully attributed to non-controlling interests. Refer to Note 12—Equity-Based Compensation for further information.

***Net Income (Loss) Per Share***

Basic net income (loss) per share is calculated by dividing net income (loss) attributable to Class A common shareholders by the weighted-average shares of Class A common stock outstanding without the consideration for potential dilutive securities. Diluted net income (loss) per share represents basic net income (loss) per share adjusted to include the potentially dilutive effect of outstanding unvested share awards, warrants, and PWP OpCo Units that are exchangeable into shares of Class A common stock on a one-for-one basis. Diluted net income (loss) per share is computed by dividing the net income attributable to Class A common shareholders by the weighted-average number of shares of Class A common stock outstanding for the period determined using the treasury stock method and if-converted method, as applicable.

***Contingencies and Litigation***

The Company records loss contingencies if (i) information available prior to issuance of the consolidated financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the consolidated financial statements; and (ii) the amount of loss can be reasonably estimated. If one or both criteria for accrual are not met, but there is at least a reasonable possibility that a loss will occur, no accrual for a loss contingency is recorded. However, the Company describes the contingency and provides detail, when possible, of the estimated potential loss or range of loss. If an estimate cannot be made, a statement to that effect is made. Costs incurred with defending matters are expensed as incurred. Accruals related to loss contingencies are recorded in Other income (expenses) on the Consolidated Statements of Operations.

***Comprehensive Income (Loss)***

Comprehensive income (loss) consists of Net income (loss) and Other comprehensive income (loss). The Company's Other comprehensive income (loss) is composed of foreign currency translation gains and losses.

**Perella Weinberg Partners**  
**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)**

**Recently Adopted Accounting Pronouncements**

There were no recently adopted accounting pronouncements that had a material effect on the Company's consolidated financial statements.

**Future Adoption of Accounting Pronouncements**

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which amends the guidance in Accounting Standards Codification ("ASC" or the "Codification") Topic 280, Segment Reporting, to require enhanced disclosures about reportable segments on an annual and interim basis. The amendments will require disclosure of significant segment expenses, identification of the chief operating decision maker ("CODM"), and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. ASU 2023-07 clarifies that an entity that has a single reportable segment is subject to all the disclosures required by the amendments and all existing segment disclosures in Topic 280. The amendments in ASU 2023-07 are effective for the Company beginning with the annual period ended December 31, 2024 and interim periods within the year ended December 31, 2025. The amendments are required to be applied retrospectively to all period presented and early adoption is permitted. The Company is currently assessing the impact of ASU 2023-07 and identifying the additional disclosures that will be required with regard to the Company's single reportable segment.

In December 2023, the FASB issued Accounting Standards Update 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"), which amends the guidance in ASC Topic 740, Income Taxes ("ASC 740"), to improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. The amendments in ASU 2023-09 are effective for the Company beginning with the annual period ended December 31, 2025. The amendments are to be applied prospectively with both retrospective application and early adoption permitted. The Company is currently assessing the impact of ASU 2023-09 on its income tax disclosures.

**Note 3—Business Combination**

On June 24, 2021 (the date of the "Closing"), the Company consummated the Business Combination resulting in FTIV acquiring partnership interests in PWP OpCo, and PWP OpCo becoming jointly-owned by Perella Weinberg Partners, Professional Partners and existing partners as part of an Up-C structure. FTIV was renamed "Perella Weinberg Partners." The Business Combination was treated as a reverse recapitalization transaction between entities under common control, whereby the carrying value of the net assets of FTIV were treated as an equity contribution with no incremental goodwill or intangible assets.

In connection with the consummation of the Business Combination, the following occurred:

- FTIV acquired newly-issued common units of PWP OpCo in exchange for \$ 355.0 million in cash and 42,956,667 shares of Class A common stock. The cash contributed equated to \$125.0 million in proceeds from certain private investors (the "PIPE Investment") plus the outstanding cash balances and marketable securities held in a trust account of FTIV as of Closing;
- FTIV issued new shares of Class B-1 common stock, which have 10 votes per share and Class B-2 common stock, which have one vote per share, to PWP OpCo, with the Class B-1 common stock being distributed to and owned by Professional Partners and the Class B-2 common stock being distributed to and owned by ILPs, with the number of shares of such common stock issued to PWP OpCo equal the number of PWP OpCo Units that were held by Professional Partners and ILPs, respectively, following the Closing;
- PWP OpCo repaid all of its indebtedness including \$ 150.0 million of Convertible Notes and \$27.7 million of the Revolving Credit Facility, both as defined in Note 10—Debt, as well as accrued interest and applicable premium, resulting in a loss on debt extinguishment of \$39.4 million; and
- PWP OpCo redeemed PWP OpCo Units held by certain electing ILPs in the amount of \$ 80.5 million and PWP OpCo Units held by certain electing former working partners in the amount of \$28.6 million.

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In conjunction with the Business Combination, the Company incurred approximately \$ 2.9 million in transaction expenses, which were recorded in Professional fees on the Consolidated Statements of Operations, as well as \$27.6 million of offering costs which were offset against the proceeds of the Business Combination. The Business Combination resulted in an increase to the Company's deferred tax assets, with a corresponding increase to the Amount due pursuant to tax receivable agreement, primarily related to a step-up in the tax basis of certain assets that will be recovered as those assets are amortized. The Company recognized warrant liabilities with a fair value of \$22.9 million on the date of the Closing, and such warrants were subsequently exchanged for shares of the Company's Class A common stock during the year ended December 31, 2022. Refer to Note 11—Stockholders' Equity and Note 16—Related Party Transactions for additional information on the Business Combination and certain other related agreements.

**Note 4—Revenue and Receivables from Contracts with Customers**

The following table disaggregates the Company's revenue between over time and point in time recognition:

	Year Ended December 31,		
	2023	2022	2021
Over time	\$ 609,598	\$ 609,392	\$ 749,067
Point in time	39,054	22,115	52,595
Total revenues	<u>\$ 648,652</u>	<u>\$ 631,507</u>	<u>\$ 801,662</u>

Reimbursable expenses billed to clients were \$6.2 million, \$3.2 million, and \$5.0 million for the years ended December 31, 2023, 2022, and 2021, respectively.

**Performance Obligations and Contract Balances**

As of December 31, 2023, the aggregate amount of the transaction price, as defined in the Codification, allocated to performance obligations yet to be satisfied was \$0.5 million and the Company generally expects to recognize this revenue within the next twelve months. Such amounts primarily relate to the Company's performance obligations of providing transaction-related advisory services. The Company recognized revenue of \$273.2 million, \$333.2 million, and \$313.2 million, respectively, during the years ended December 31, 2023, 2022, and 2021, related to performance obligations that were satisfied or partially satisfied in prior periods. These amounts were recognized upon the resolution of revenue constraints and uncertainties in the respective periods and were generally related to transaction-related advisory services.

As of December 31, 2023 and 2022, the Company recorded \$ 0.9 million and \$5.0 million, respectively, for contract liabilities which are presented within Accounts payable, accrued expenses and other liabilities on the Consolidated Statements of Financial Condition. The Company recognized previously deferred revenue of \$4.6 million, \$5.6 million and \$10.6 million for the years ended December 31, 2023, 2022, and 2021, respectively, which was primarily related to transaction-related advisory services that are recognized over time.

**Accounts Receivable and Allowance for Credit Losses**

As of December 31, 2023 and 2022, \$7.1 million and \$5.1 million, respectively, of accrued revenue was included in Accounts receivable, net of allowance on the Consolidated Statements of Financial Condition. These amounts have been recognized as revenue in accordance with the Company's revenue recognition policies but remain unbilled at the end of the period. As of December 31, 2023, certain accounts receivable in the aggregate amount of \$17.3 million were individually greater than 10% of the Company's gross accounts receivable and were concentrated with two clients. Of that amount, \$ 9.4 million was subsequently received after year end. As of December 31, 2022, certain accounts receivable in the aggregate amount of \$28.4 million were individually greater than 10% of the Company's gross accounts receivable and were concentrated with two clients. Of that amount, all was subsequently received after year end.

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The allowance for credit losses activity for the years ended December 31, 2023, 2022, and 2021 was as follows:

	Year Ended December 31,		
	2023	2022	2021
Beginning Balance	\$ 1,143	\$ 1,851	\$ 1,045
Bad debt expense	2,313	2,158	646
Write-offs	(1,383)	(2,834)	(551)
Recoveries	82	—	710
Foreign currency translation and other adjustments	43	(32)	1
Ending Balance	<u>\$ 2,198</u>	<u>\$ 1,143</u>	<u>\$ 1,851</u>

**Note 5—Leases**

The Company leases office space and equipment under operating lease agreements. See summary below of significant new leases and lease modifications.

During the year ended December 31, 2022, the Company entered into certain significant lease agreements and amendments related to its New York, Los Angeles, and London office leases, which resulted in a combined \$128.6 million increase to Lease liabilities and a corresponding increase to Right-of-use lease assets.

Other information as it relates to the Company's operating leases is as follows:

	Year Ended December 31,	
	2023	2022
Weighted-average discount rate - operating leases	4.7 %	4.6 %
Weighted-average remaining lease term - operating leases	14.3 years	14.9 years

	Year Ended December 31,		
	2023	2022	2021
Operating lease cost	\$ 20,558	\$ 20,140	\$ 19,006
Variable lease cost	3,788	2,550	4,716
Sublease income - operating leases	(502)	(682)	(2,957)
Total net lease cost	<u>\$ 23,844</u>	<u>\$ 22,008</u>	<u>\$ 20,765</u>
Net cash outflows (inflows) on operating leases <sup>(1)</sup>	\$ (4,536)	\$ 17,057	\$ 19,858

(1) Presented net of lease incentives received, including landlord contributions to tenant improvements.

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As of December 31, 2023, the maturities of undiscounted operating lease liabilities of the Company are as follows:

<b>Years Ending:</b>	<b>Operating Leases</b>
2024	\$ 2,862
2025	18,740
2026	19,818
2027	18,980
2028	17,358
Thereafter	173,559
<b>Total lease payments <sup>(1)</sup></b>	<b>251,317</b>
Less: Imputed Interest	(75,416)
<b>Total lease liabilities</b>	<b>\$ 175,901</b>

(1) Total future lease payments are presented net of expected lease incentives, including landlord contributions to tenant improvements.

**Note 6—Goodwill and Intangible Assets**

In connection with a business combination in 2016, the Company recorded goodwill in the amount of \$ 34.4 million. Based on the Company's quantitative assessment for impairment, no goodwill impairment was recorded during the years ended December 31, 2023, 2022, and 2021.

The following table provides the detail of the Company's intangible assets:

	<b>December 31, 2023</b>		
	<b>Gross Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Customer relationships	\$ 47,400	\$ (33,575)	\$ 13,825
Trade names and trademarks	18,400	(13,033)	5,367
<b>Total</b>	<b>\$ 65,800</b>	<b>\$ (46,608)</b>	<b>\$ 19,192</b>

  

	<b>December 31, 2022</b>		
	<b>Gross Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Customer relationships	\$ 47,400	\$ (28,835)	\$ 18,565
Trade names and trademarks	18,400	(11,193)	7,207
<b>Total</b>	<b>\$ 65,800</b>	<b>\$ (40,028)</b>	<b>\$ 25,772</b>

The intangible assets, amortized over an average useful life of 10 years, resulted in amortization expense of \$6.6 million for each of the years ended December 31, 2023, 2022, and 2021, all of which is included in Depreciation and amortization on the Consolidated Statements of Operations. Amortization of intangible assets held at December 31, 2023 is expected to be \$6.6 million for each of the years ending December 31, 2024 and 2025, and \$ 6.0 million for the year ending December 31, 2026. These intangible assets will be fully amortized by November 30, 2026.

**Note 7—Regulatory Requirements**

The Company has a number of consolidated subsidiaries registered as broker-dealers with regulatory agencies in their respective countries. None of the Securities and Exchange Commission ("SEC") regulated subsidiaries hold funds or securities for, or owe money or securities to, clients or carry accounts of or for clients, and as such are all exempt from the SEC Customer Protection Rule (Rule 15c3-3). As of December 31, 2023 and 2022, all regulated subsidiaries were in excess of their applicable minimum capital requirements. As a result of the minimum capital requirements and various regulations on these broker dealers, a portion of the capital of each subsidiary of the Company is restricted and may be unavailable to pay its creditors.

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**Note 8—Fixed Assets**

Fixed assets are recorded at cost less accumulated depreciation and amortization and consist of the following as of December 31, 2023 and 2022:

	December 31,	
	2023	2022
Leasehold improvements	\$ 79,719	\$ 76,389
Furniture and fixtures	12,442	15,313
Equipment	22,522	21,382
Software	5,756	6,945
Total	120,439	120,029
Less: Accumulated depreciation and amortization	(26,787)	(71,639)
Fixed assets, net	\$ 93,652	\$ 48,390

Depreciation expense related to fixed assets was \$ 7.8 million, \$3.1 million, and \$6.7 million for the years ended December 31, 2023, 2022, and 2021, respectively. Amortization expense related to software costs was \$0.3 million, \$1.0 million, and \$1.2 million for the years ended December 31, 2023, 2022, and 2021, respectively. Leasehold improvement assets capitalized during the year ended December 31, 2023 were largely related to the renovation of the New York office space and relocation of the London office space. These capitalized costs were partially offset by the disposal of certain assets, substantially all of which were fully depreciated, related to the previous New York and London office space.

**Note 9—Income Taxes**

The Company's operations are generally composed of entities that are organized as limited liability companies and limited partnerships. For U.S. federal income tax purposes, taxes related to income earned by these entities represent obligations of their interest holders. The Company is subject to certain foreign, state and local entity-level taxes (for example, the New York City Unincorporated Business Tax). These taxes have been reflected in the Company's consolidated financial statements and allocated between the Company and the non-controlling interest holders. In addition, the Company is subject to U.S. corporate federal, state and local income tax on its allocable share of results of operations from PWP OpCo.

The Company's income (loss) before income taxes is associated with activities in domestic and international jurisdictions, as follows:

	Year Ended December 31,		
	2023	2022	2021
Domestic	\$ (104,348)	\$ (36,935)	\$ 256
International	(8,472)	15,515	22,694
Income (loss) before income taxes	\$ (112,820)	\$ (21,420)	\$ 22,950



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The components of Income tax expense (benefit) consist of the following:

	Year Ended December 31,		
	2023	2022	2021
<b>Current</b>			
Federal income tax	\$ 433	\$ 6,090	\$ 6,500
State and local income tax	2,955	3,428	4,437
Foreign income tax	(2,298)	3,552	11,641
Total current income tax expense (benefit)	1,090	13,070	22,578
<b>Deferred</b>			
Federal income tax	1,819	(2,554)	(1,462)
State and local income tax	(2,157)	(232)	(512)
Foreign income tax	(1,732)	43	(1,677)
Total deferred income tax expense (benefit)	(2,070)	(2,743)	(3,651)
Income tax expense (benefit)	<u>\$ (980)</u>	<u>\$ 10,327</u>	<u>\$ 18,927</u>

The following table reconciles the U.S. federal statutory tax rate to the effective income tax rate:

	Year Ended December 31,		
	2023	2022	2021
Expected income tax expense at the federal statutory rate	21.0 %	21.0 %	21.0 %
Partnership income not subject to U.S. corporate income taxes	(10.6)%	(10.7)%	(21.4)%
Foreign income taxes, net of federal benefit	0.7 %	(7.9)%	10.7 %
State and local income taxes, net of federal benefit	(0.8)%	(12.5)%	15.7 %
Non-deductible compensation expense	(10.6)%	(53.5)%	26.0 %
Unrecognized tax benefits, net of federal benefit	1.8 %	5.3 %	26.7 %
Change in fair value of warrant liabilities	— %	7.5 %	2.1 %
Other, net	(0.6)%	2.6 %	1.7 %
Effective income tax rate	<u>0.9 %</u>	<u>(48.2)%</u>	<u>82.5 %</u>

The Company's effective income tax rate is dependent on many factors, including the amount of income subject to tax. Consequently, the effective income tax rate can vary from period to period. The Company was not subject to U.S. federal or state corporate income taxes prior to the Business Combination.

Current tax receivables and payables are included in Prepaid expenses and other assets and Accounts payable, accrued expenses and other liabilities, respectively, on the Consolidated Statements of Financial Condition.

Deferred income taxes reflect the net effect of temporary differences between the tax basis of an asset or liability and its reported amount on the Company's Consolidated Statements of Financial Condition. These temporary differences result in taxable or deductible amounts in future years.

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The significant components of deferred tax assets and liabilities included on the Company's Consolidated Statements of Financial Condition are as follows:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Deferred tax asset</b>		
Step-up in tax basis in PWP OpCo assets	\$ 32,649	\$ 24,387
Operating lease liabilities	31,645	27,977
RSU amortization	18,825	9,510
Deferred compensation	1,145	1,758
Other	2,955	2,666
Deferred tax assets before valuation allowance	87,219	66,298
Valuation allowance	(1,510)	(743)
Total deferred tax assets	85,709	65,555
<b>Deferred tax liability</b>		
Operating right-of-use lease assets	(27,227)	(26,956)
Intangible assets	(2,037)	(2,600)
Fixed assets	(7,818)	(1,522)
Anticipatory foreign tax credit	\$ (2,170)	(1,268)
Other	(705)	(115)
Total deferred tax liabilities	(39,957)	(32,461)
Deferred tax asset, net <sup>(1)</sup>	\$ 45,752	\$ 33,094

(1) Pursuant to the netting requirements of ASC 740, \$0.7 million of deferred tax liabilities are presented within Accounts payable, accrued expenses and other liabilities on the Consolidated Statements of Financial Condition as of December 31, 2023.

The Company evaluates the realizability of deferred tax assets on a jurisdictional basis at each reporting date. Accounting for income taxes guidance requires that a valuation allowance be established when it is more likely than not that all or a portion of the deferred tax assets will not be realized. As of December 31, 2023, the Company recorded a full valuation allowance of \$1.5 million related to tax credits and capital losses that the Company does not expect to realize. As of December 31, 2022, a \$0.7 million full valuation allowance was recognized related to tax credits. No deferred tax asset has been recorded for the excess tax over book outside basis difference related to the Company's investment in PWP OpCo as the deferred tax asset is not expected to reverse. The Company believes it is more-likely-than-not that the remaining net deferred tax asset recorded as of December 31, 2023 will be recovered in the future based on all available positive and negative evidence.

For the years ended December 31, 2023 and 2022, the Company recorded an increase to the deferred tax asset of \$ 9.9 million and \$9.5 million, respectively, related to the step-up in tax basis of PWP OpCo assets in connection with the exchanges of PWP OpCo units for shares of Class A common stock during each year. In connection with the step-up in tax basis generated from the exchanges, the Company increased the Amount due pursuant to tax receivable agreement on the Consolidated Statements of Financial Condition by \$8.4 million and \$8.9 million for the years ended December 31, 2023 and 2022, respectively. The remaining tax benefit is allocable to the Company and is recorded within additional paid-in-capital.

The Company does not have excess book over tax basis in its foreign investments and has therefore not provided a deferred tax liability with respect to an outside basis difference in its investment in foreign subsidiaries.

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A reconciliation of the changes in tax positions for the years ended December 31, 2023, 2022, and 2021 is as follows:

	Year Ended December 31,		
	2023	2022	2021
Beginning unrecognized tax benefit	\$ 5,628	\$ 6,138	\$ —
Additions for tax positions of prior years	366	—	1,574
Reductions for tax positions of prior years	(2,944)	(184)	—
Additions for tax positions of current year	506	—	4,564
Foreign currency translation	148	(326)	—
Ending unrecognized tax benefit	<u>\$ 3,704</u>	<u>\$ 5,628</u>	<u>\$ 6,138</u>

The Company classifies interest relating to tax matters and tax penalties as components of Income tax expense (benefit) on its Consolidated Statements of Operations. As of December 31, 2023 and 2022, there were \$2.8 million and \$4.7 million, respectively, of unrecognized tax benefits that, if recognized, would affect the effective tax rate. For the years ended December 31, 2023 and 2022, \$0.4 million and \$0.2 million, respectively, of interest or penalties were recognized with respect to unrecognized tax benefits. No interest or penalties were recognized for the year ended December 31, 2021.

The Company is subject to taxation in the United States and various state, local and foreign jurisdictions. As of December 31, 2023, the Company is not generally subject to examination by the tax authorities in these jurisdictions for years before 2018.

**Note 10—Debt**

As of December 31, 2023 and 2022, the Company had no outstanding debt. The Company has a revolving credit facility (the “Revolving Credit Facility”) through a credit agreement with Cadence Bank, N.A. (“Cadence Bank”), dated November 30, 2016 (as amended, the “Credit Agreement”), with an available line of credit of \$50.0 million, up to \$20.0 million of available incremental revolving commitments, and a maturity date of July 1, 2025. The Company incurred \$1.8 million in issuance costs related to the Credit Agreement, which are being amortized as interest expense using the effective interest method over the life of the Revolving Credit Facility. Unamortized debt issuance costs of \$0.2 million and \$0.4 million, as of December 31, 2023 and December 31, 2022, respectively, are reported within Prepaid expenses and other assets on the Consolidated Statements of Financial Position. On June 30, 2023, the Credit Agreement was amended to provide for Term SOFR as the replacement benchmark rate for LIBOR, such that future SOFR-based loans will accrue interest at Term SOFR plus (i) a 0.10%-0.25% per annum spread based on interest payment frequency (with an adjusted Term SOFR floor of 0.25%) and (ii) a fixed rate of 2.00% per annum. The Company is also charged a quarterly commitment fee of 0.25% on any unused portion of the line of credit, which is included within Interest expense on the Consolidated Statements of Operations.

Upon consummation of the Business Combination, the Company repaid all of the then-outstanding borrowings under the Credit Agreement, which included \$27.7 million of principal plus accrued and unpaid interest. For the period prior to the Business Combination from January 1, 2021 through June 24, 2021, the weighted average interest rate for the Revolving Credit Facility was 2.62% and the effective interest rate of the Revolving Credit Facility taking into account issuance costs was 3.73%.

Upon consummation of the Business Combination, the Company redeemed its 7.0% subordinated unsecured convertible notes (the “Convertible Notes”) for \$161.6 million, which included the total outstanding \$150.0 million aggregate principal, an applicable premium for certain redeeming noteholders, and accrued and unpaid interest. The Company recognized a \$39.4 million loss on extinguishment of the Convertible Notes due to the premium paid and write-off of unamortized debt discount and issuance costs. For the period prior to the Business Combination from January 1, 2021 through June 24, 2021, the effective interest rate of the Convertible Notes was 11.95% and the aggregate interest expense related to the Convertible Notes was \$ 6.9 million.

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**Note 11—Stockholders' Equity**

***Common Stock and Preferred Stock***

Holders of Class A common stock are entitled to one vote for each share on all matters submitted to the stockholders for their vote or approval. The Company has two classes of Class B common stock: Class B-1 common stock and Class B-2 common stock. Each share of Class B-1 common stock, held by VoteCo Professionals subsequent to the Division, is entitled to ten votes per share for so long as Professional Partners or its Limited Partners as of the date of Closing or its or their respective successors or assigns maintain, directly or indirectly, ownership of PWP OpCo Units that represent at least ten percent (10%) of the Company's issued and outstanding Class A common stock (calculated, without duplication, on the basis that all issued and outstanding PWP OpCo Units not held by the Company or its subsidiaries had been exchanged for Class A common stock) (the "Class B Condition"). After the Class B Condition ceases to be satisfied, each share of Class B-1 common stock is entitled to one vote. Each share of Class B-2 common stock, held by the ILPs, is entitled to one vote per share.

The Company currently does not have any preferred stock issued and outstanding, but the Board of Directors maintains the right to establish preferred stock in the future.

***Dividends and Distributions***

Holders of Class A and Class B common stock are entitled to receive ratably, in proportion to the number of shares held, dividends and other distributions when declared, with holders of Class B common stock entitled to receive an amount equal to such dividends or other distributions as would be made on 0.001 shares of Class A common stock. During the years ended December 31, 2023 and 2022, the Company's Board of Directors declared cash dividends of \$0.28 per share of Class A common stock totaling \$ 19.3 million and \$17.9 million, respectively, including dividends paid, accrued dividends and dividend equivalent units on unvested PWP Incentive Plan Awards (as defined in Note 12—Equity-Based Compensation). Dividends on Class B common stock (equal to the amount of dividends declared on 0.001 shares of Class A common stock) are included in the aforementioned total dividends declared.

In accordance with the Amended and Restated Agreement of Limited Partnership of PWP OpCo (as amended, restated, modified or supplemented from time to time, the "PWP OpCo LPA"), the Company uses best efforts to make sufficient quarterly cash distributions to the holders of the PWP OpCo Units (the "PWP OpCo Unitholders") to fund their tax obligations in respect of the income of PWP OpCo that is allocated to them.

***Share Repurchase Program***

On February 16, 2022, the Company's Board of Directors initially approved a stock repurchase program and the authorized amount under such program was increased on February 8, 2023 such that the Company is authorized to repurchase up to \$200.0 million of the Company's Class A common stock. The 11,920,699 shares purchased since inception of the share repurchase program through December 31, 2023 were purchased at an average price per share of \$7.65.

***Non-Controlling Interests***

Non-controlling interests represents the ownership interests in PWP OpCo held by holders other than Perella Weinberg Partners. As of December 31, 2023 and 2022, Professional Partners and the ILPs collectively own 41,589,339 and 44,563,877 PWP OpCo Units, respectively, which represent a 48.2% and 51.6% non-controlling ownership interest in PWP OpCo, respectively. These PWP OpCo Units are exchangeable into PWP Class A common stock on a one-for-one basis. See further discussion of exchange rights and exchange activity below.

***Sponsor Share Surrender and Share Restriction Agreement***

Pursuant to a Sponsor Share Surrender and Share Restriction Agreement executed concurrently with the Business Combination Agreement among FinTech Masala Advisors, LLC and FinTech Investor Holdings IV, LLC (together, the "Sponsor"), the Company, and certain other parties (as amended, the "Surrender Agreement"), certain founder shares held by the Sponsor and its members are subject to transfer restrictions that lapse in tranches based on share price targets or the 10 year anniversary of the Closing, whichever occurs first. Further, if, prior to the fourth anniversary of the Closing, the Company's Class A common stock reaches a closing share price of greater than \$12.00 per share or \$15.00 per share for a specified number of trading days, the Surrender Agreement gives the Company the right to purchase from the Sponsor up to an aggregate of 1,000,000 shares per price target for a purchase price of \$12.00 per share or \$15.00 per share, respectively. On August 9, 2021, the Company repurchased 1,000,000 founder shares from the Sponsor at a purchase price of \$12.00 per share for a total purchase price of \$12.0 million. The share repurchase was recorded to Treasury stock, at cost, on our Consolidated Statements of Financial Condition. As of December 31, 2023, 1,000,000 founder shares retained by the Sponsor and 1,738,680 of founder shares distributed to its members remain subject to the aforementioned transfer restrictions.

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***Stockholder Agreement***

A Stockholders Agreement between PWP and Professional Partners (the "Stockholders Agreement") allows Professional Partners (including its successors (by merger, division or otherwise) and assigns) to maintain control over the Company's significant corporate transactions even if it holds less than a majority of the combined total voting power of the Class A and Class B common stock. The Stockholders Agreement was allocated to VoteCo Professionals in connection with the Division, and will terminate once Professional Partners or its limited partners no longer hold PWP OpCo Units that (assuming such units were fully exchanged for Class A common stock) represent at least five percent of the Company's outstanding Class A common stock.

***Exchange Rights***

PWP OpCo Unitholders (other than the Company) may exchange their units for (i) shares of Class A common stock on a one-for-one basis or (ii) cash from an offering of shares of Class A common stock (at the Company's option). Concurrently with an exchange, such PWP OpCo Unitholder is required to surrender shares of Class B common for additional shares of Class A common stock or cash (at the Company's option) at a conversion rate of 0.001. Working partners are restricted in their ability to exchange PWP OpCo Units for a period between three to five years after the Closing. PWP GP may waive, and in certain cases has waived, the foregoing restrictions for any holder with respect to all or a portion of such holder's units, with no obligation to do so for any other holder. For the years ended December 31, 2023 and 2022, the Company settled exchanges of certain PWP OpCo Units and certain shares of Class B common stock for 2,977,506 and 2,093,874 shares of Class A common stock, respectively. The exchanges created a step-up in tax basis for which the Company recorded an increase in Deferred tax assets, net, Amounts due pursuant to tax receivable agreement, and Additional paid-in-capital. On January 21, 2022, an exchange was settled through a follow-on public offering of 3,502,033 shares of Class A common stock (the "Offering") with deferred offering costs of \$1.3 million netted against the proceeds of the Offering in Additional paid-in-capital on the Consolidated Statements of Financial Condition.

***Warrants Exchange Offer***

On August 23, 2022, the Company concluded an offer to holders of its then-outstanding warrants which provided the opportunity to receive shares of the Company's Class A common stock in exchange for warrants tendered. This offer coincided with a solicitation of consents from holders of the public warrants to amend the warrant agreement (together, the "Warrant Exchange Offer"). As a result of the Warrant Exchange Offer, all public and private warrants were exchanged, collectively, for 1,565,948 shares of the Company's Class A common stock, with a minimal cash settlement in lieu of partial shares. No public or private warrants remained outstanding after the Warrant Exchange Offer. The Company incurred \$ 1.3 million of costs directly related to the Warrant Exchange Offer, which were recorded in Professional fees on the Consolidated Statements of Operations. Prior to the Warrant Exchange Offer, the warrants were recognized as liabilities with changes in fair value presented within Change in fair value of warrant liabilities on the Consolidated Statements of Operations.

**Note 12—Equity-Based Compensation**

***PWP Omnibus Incentive Plan Awards***

Concurrent with the Business Combination, the Company adopted the Perella Weinberg Partners 2021 Omnibus Incentive Plan (the "PWP Incentive Plan"), which establishes a plan for the granting of various forms of incentive compensation awards, including restricted stock units ("RSUs") and performance restricted stock units ("PSUs"), measured by reference to PWP Class A common stock ("PWP Incentive Plan Awards"). The PWP Incentive Plan established a reserve for a one-time grant of awards in connection with the Business Combination as well as a reserve for general purpose grants (the "General Share Reserve"). Grantees have rights to dividends declared during the vesting period and receive such dividends only upon vesting in the form of cash or dividend equivalent units. The Company uses newly issued shares of Class A common stock to satisfy vested awards, with the exception of shares issued out of treasury stock for vested awards (and related dividend equivalent units) held by French employees. Pursuant to the PWP Incentive Plan, the number of shares of Class A common stock reserved for issuance from the General Share Reserve increases each year. As of December 31, 2023, 5,234,422 total shares remained reserved and available for future issuance.

**Business Combination Awards**

During the third quarter of 2021, in connection with the Business Combination, the Company granted awards in the form of (a) RSUs that vest upon the achievement of service conditions ("Transaction RSUs") and (b) PSUs that only vest upon the achievement of both service and market conditions, including certain long-term incentive awards granted to management ("Transaction PSUs").

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The following table summarizes the activity related to the Transaction RSUs and Transaction PSUs during the year ended December 31, 2023:

	Transaction RSUs		Transaction PSUs	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at January 1, 2023	2,589,976	\$ 13.97	12,076,297	\$ 10.36
Granted <sup>(1)</sup>	15,438	\$ 13.97	29,322	\$ 12.74
Vested	(1,048,875)	\$ 13.97	(19,536)	\$ 13.53
Modified	1,650,000	\$ 9.55	(1,650,000)	\$ 9.55
Forfeited	(198,011)	\$ 13.97	(35,928)	\$ 12.74
Balance at December 31, 2023	3,008,528	\$ 11.55	10,400,155	\$ 10.48

(1) After the Business Combination, grants of Transaction RSUs and Transaction PSUs include only dividend equivalent units that have been awarded in the form of additional units that were granted from the General Share Reserve.

The Transaction RSUs generally vest in equal annual installments over the requisite service period of three years. The weighted-average grant date fair value of the Transaction RSUs granted during the year ended December 31, 2021 was \$13.97 per award, which was based on the PWP stock price on the date of grant. The total fair value of Transaction RSUs that vested during the years ended December 31, 2023, 2022 and 2021 was \$10.9 million, \$16.2 million, and \$20.1 million, respectively. As of December 31, 2023, total unrecognized compensation expense related to unvested Transaction RSUs was \$23.2 million, which is expected to be recognized over a weighted average period of 1.4 years.

The service condition requirement with respect to the Transaction PSUs is generally satisfied over three to five years. The market condition requirement is satisfied in various increments upon the shares of Class A common stock achieving closing prices ranging from \$12 to \$30. As of December 31, 2023, the \$12 and \$13.50 price targets were satisfied. The weighted-average grant date fair value of the Transaction PSUs granted during the year ended December 31, 2021 was \$10.36 per award. The Company estimated the fair value of the Transaction PSUs on the grant date using a Monte-Carlo simulation valuation model with the following assumptions and ranges of assumptions:

Risk-free interest rate	0.8% - 0.9%
Dividend yield	2.0%
Volatility factor <sup>(1)</sup>	32.4% - 32.9%

(1) Based on historical peer company volatility.

The total fair value of Transaction PSUs that vested during the years ended December 31, 2023, 2022, and 2021 was nominal. During the year ended December 31, 2023, the Company modified certain Transaction PSUs held by one employee to remove the market conditions, which resulted in a modification of the awards under ASC Topic 718, Compensation—Stock Compensation. Incremental compensation cost of \$10.2 million related to the modification will be recognized over the remaining requisite service period. As of December 31, 2023, total unrecognized compensation expense related to unvested Transaction PSUs was \$40.7 million, which is expected to be recognized over a weighted average period of 2.0 years.

#### General Awards

The Company grants units from the General Share Reserve from time to time in the ordinary course of business in the form of (a) RSUs that vest upon the achievement of service conditions ("General RSUs") and (b) PSUs that only vest upon the achievement of both service and market conditions ("General PSUs").

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The following table summarizes the activity related to the General RSUs and General PSUs during the year ended December 31, 2023:

	General RSUs		General PSUs	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at January 1, 2023	7,144,223	10.10	\$—	—
Granted <sup>(1)</sup>	8,262,760	10.23	1,000,000	6.02
Expired	(2,850,542)	10.16	\$—	—
Forfeited	(309,503)	10.34	\$—	—
Balance at December 31, 2023	12,246,948	10.17	1,000,000	6.02

(1) Includes dividend equivalent units that have been awarded in the form of additional General RSUs that were granted from the General Share Reserve.

General RSUs vest over a requisite service period, which is generally one to three years. The weighted-average grant date fair value of the General RSUs granted during the years ended December 31, 2022 and 2021 was \$9.82 and \$13.76 per award, respectively, which was based on the PWP stock price on the date of grant. The total fair value of General RSUs that vested during the years ended December 31, 2023 and 2022 was \$28.9 million and \$6.5 million, respectively, and a nominal amount for the year ended December 31, 2021. As of December 31, 2023, total unrecognized compensation expense related to unvested General RSUs was \$73.3 million, which is expected to be recognized over a weighted average period of 1.9 years.

During the year ended December 31, 2023, the Company made a grant of General PSUs with a service condition requirement satisfied over three to five years and a market condition requirement satisfied in various increments upon the shares of Class A common stock achieving closing prices ranging from \$15 to \$30. No General PSUs have vested to date. As of December 31, 2023, total unrecognized compensation expense related to unvested General PSUs was \$4.7 million, which is expected to be recognized over a weighted average period of 3.2 years. The Company estimated the fair value of the General PSUs on the grant date using a Monte-Carlo simulation valuation model with the following assumptions:

Risk-free interest rate	4.07 %
Dividend yield	2.72 %
Volatility factor <sup>(1)</sup>	34.93 %

(1) Based on historical peer company volatility.

**Legacy Awards and Professional Partners Awards**

Prior to the Business Combination, Professional Partners granted certain equity-based awards to partners providing services to PWP OpCo (the "Legacy Awards"). In connection with the Business Combination and a related internal reorganization of Professional Partners, existing Legacy Awards were canceled and replaced by converting each limited partner's capital interests in Professional Partners attributable to PWP OpCo into fully vested capital units and/or unvested capital units subject to a three to five-year requisite service period (units subject to service requirements are referred to herein as the "Professional Partners Awards"). Subsequent to the Division, such capital units are held in AdCo Professionals. Fully vested Professional Partners Awards are exchangeable for Class A common stock of PWP on a one-for-one basis. The vesting of Professional Partners Awards does not dilute Perella Weinberg Partners shareholders relative to AdCo Professionals as AdCo Professionals' interest in PWP OpCo does not change as a result of granting those equity awards to its working partners. As a result, all of the compensation expense and corresponding capital contribution associated with the Professional Partners Awards and Legacy Awards is allocated to non-controlling interests on the Consolidated Statements of Operations and Consolidated Statements of Financial Condition.

The Company accounted for the cancellation of the Legacy Awards and concurrent grant of Professional Partners Awards as a modification of the Legacy Awards. The \$301.5 million incremental fair value of the Professional Partners Awards is amortized over the requisite service period and was based on the closing price of PWP Class A common stock on the date of grant. The unrecognized cost associated with the Legacy Awards was amortized over its original vesting schedule and such awards were fully amortized as of September 30, 2023.

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(Dollars in Thousands, Except Per Share Amounts and Where Otherwise Noted)

On August 31, 2021, certain Professional Partner Awards held by French partners were canceled and replaced with an equal number of Transaction PSUs, which was treated as a modification resulting in no incremental compensation cost. The canceled Professional Partner Awards were reallocated to certain other working partners as new grants with a fair value of \$11.5 million. The grant date fair value of these awards is amortized over the requisite service period and was based on the closing price of PWP Class A common stock on the date of grant.

As of December 31, 2023, total unrecognized compensation expense related to unvested Professional Partners Awards was \$ 130.5 million, which is expected to be recognized over a weighted average period of 2.4 years.

**Expense Recognition**

The following table presents the expense related to equity-based awards that were recorded in Professional fees and components of Equity-based compensation included on the Consolidated Statements of Operations:

	Year Ended December 31,		
	2023	2022	2021
<b>Professional fees</b>			
PWP Incentive Plan Awards	\$ 2,089	\$ 2,262	\$ 703
<b>Equity-based compensation</b>			
PWP Incentive Plan Awards	\$ 104,159	\$ 79,542	\$ 44,891
Legacy Awards <sup>(1)</sup>	9,674	13,241	19,105
Professional Partners Awards <sup>(1)</sup>	68,542	61,375	32,334
<b>Total Equity-based compensation</b>	<u>\$ 182,375</u>	<u>\$ 154,158</u>	<u>\$ 96,330</u>
<b>Income tax benefit of equity-based awards</b>	\$ 14,485	\$ 10,332	\$ 4,901

(1) The vesting of these awards does not dilute Perella Weinberg Partners shareholders relative to AdCo Professionals. As such the related equity-based compensation expense is fully attributed to non-controlling interests.

**Note 13—Other Compensation and Benefits**

Compensation and benefits expense consists of salaries, bonuses (discretionary awards and guaranteed amounts), severance, deferred compensation, as well as payroll and related taxes and benefits for the Company's employees. In all instances, compensation expense is accrued over the requisite service period.

**Deferred Compensation Programs**

From time to time, the Company has offered various deferred compensation plans to certain employees. As of December 31, 2023, no deferred compensation liabilities remained outstanding, and as of December 31, 2022, the Company had outstanding deferred compensation of \$2.9 million presented within Accrued compensation and benefits on the Consolidated Statements of Financial Condition. During the years ended December 31, 2023 and 2022, \$2.9 million and \$8.5 million was settled, of which \$1.5 million and \$2.6 million was settled through a reduction of certain partners' outstanding promissory notes and interest receivable. Refer to Note 16—Related Party Transactions for more information. During the year ended December 31, 2021, the Company cash settled \$7.1 million of deferred compensation liabilities. There were no forfeitures during the years ended December 31, 2023, 2022, and 2021. Compensation expense related to deferred compensation plans was nominal for the years ended December 31, 2023 and 2022, and \$ 1.1 million for the year ended December 31, 2021. Amounts are presented within Compensation and benefits on the Consolidated Statements of Operations.

**Benefit Plans**

Certain employees participate in employee benefit plans, which consists of defined contribution plans including (i) profit-sharing plans qualified under Section 401(k) of the Internal Revenue Code, (ii) a U.K. pension scheme for U.K. employees and (iii) a German pension plan for employees in Germany. For the years ended December 31, 2023, 2022, and 2021, expenses related to the Company's employee benefit plans were \$6.7 million, \$5.8 million, and \$5.0 million, respectively, and are included in Compensation and benefits on the Consolidated Statements of Operations.



**Perella Weinberg Partners**  
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**Business Realignment**

During the second quarter of 2023, the Company began a review of the business, which resulted in headcount reductions in order to improve compensation alignment and to provide greater flexibility to advance strategic opportunities (the “Business Realignment”). In conjunction with the Business Realignment and for the year ended December 31, 2023, the Company incurred expenses related to separation and transition benefits of \$22.2 million, and the acceleration of equity-based compensation amortization (net of forfeitures) of \$15.1 million. Such amounts are presented in Compensation and benefits and Equity-based compensation on the Consolidated Statements of Operations, respectively. The Company made payments of \$9.1 million during the year ended December 31, 2023, and as of December 31, 2023, Accrued compensation and benefits on the Consolidated Statements of Financial Condition included \$12.5 million related to the Business Realignment. Approximately \$ 3.2 million of additional expense is expected to be incurred during the first quarter of 2024. This estimate is based on certain assumptions, and actual results may differ materially if unanticipated costs are incurred related to the Business Realignment.

**Note 14—Net Income (Loss) Per Share Attributable to Class A Common Shareholders**

The Company analyzed the calculation of net income (loss) per share for periods prior to the Business Combination on June 24, 2021 and determined that it resulted in values that would not be meaningful to the users of the consolidated financial statements. Therefore, net income (loss) per share information has not been presented for periods prior to the Business Combination. The basic and diluted net income (loss) per share attributable to Class A common shareholders for the year ended December 31, 2021, as presented on the Consolidated Statements of Operations, represent only the period after the Business Combination to December 31, 2021.

The calculations of basic and diluted net income (loss) per share attributable to Class A common shareholders are presented below:

	Year Ended December 31,		For the period from June 24, 2021 through December 31,
	2023	2022	2021
<b>Numerator:</b>			
Net income (loss) attributable to Perella Weinberg Partners – basic	\$ (17,223)	\$ 17,878	\$ (9,421)
Dilutive effect from assumed exchange of PWP OpCo Units, net of tax	(97,775)	(59,197)	(51,904)
Net income (loss) attributable to Perella Weinberg Partners – diluted	<u>\$ (114,998)</u>	<u>\$ (41,319)</u>	<u>\$ (61,325)</u>
<b>Denominator:</b>			
Weighted average shares of Class A common stock outstanding – basic	43,273,939	43,837,640	42,595,712
Weighted average number of incremental shares from assumed exchange of PWP OpCo Units	43,505,113	45,917,992	50,154,199
Weighted average shares of Class A common stock outstanding – diluted	<u>86,779,052</u>	<u>89,755,632</u>	<u>92,749,911</u>
<b>Net income (loss) per share attributable to Class A common shareholders</b>			
Basic	\$ (0.40)	\$ 0.41	\$ (0.22)
Diluted	\$ (1.33)	\$ (0.46)	\$ (0.66)

Basic and diluted net income (loss) per share attributable to Class B common shareholders has not been presented as these shares are entitled to an insignificant amount of economic participation.

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The Company uses the treasury stock method to determine the potential dilutive effect of unvested PWP Incentive Plan Awards and outstanding warrants (prior to the Warrant Exchange Offer) and the if-converted method to determine the potential dilutive effect of exchanges of PWP OpCo Units into Class A common stock. The Company adjusts net income (loss) attributable to Class A common shareholders under both the treasury stock method and if-converted method for the reallocation of net income (loss) between Class A common shareholders and non-controlling interests that result upon the assumed issuance of dilutive shares of Class A common stock as if the issuance occurred as of the beginning of the applicable period. To the extent the warrants were dilutive prior to the Warrant Exchange Offer, the Company adjusted the net income (loss) attributable to Class A common shareholders under the treasury stock method to reverse the effect on earnings of classifying the warrants as liabilities. All adjustments are presented net of any tax impact.

The following table presents the weighted average potentially dilutive shares that were excluded from the calculation of diluted net income (loss) per share under the treasury stock method or if-converted method, as applicable, because the effect of including such potentially dilutive shares was antidilutive for the period presented:

	Year Ended December 31,		For the period from June 24, 2021 through December 31,
	2023	2022	2021
Warrants <sup>(1)</sup>	n/a	—	1,029,210
PWP Incentive Plan Awards	2,186,189	369,413	275,453
<b>Total</b>	<b>2,186,189</b>	<b>369,413</b>	<b>1,304,663</b>

(1) Prior to the Warrant Exchange Offer on August 23, 2022, the warrants were out-of-the-money which resulted in no potentially dilutive shares under the treasury stock method. For the year ended December 31, 2023, the warrants were not outstanding, and thus they are not applicable. Refer to Note 11—Stockholders' Equity for further information regarding the Warrant Exchange Offer.

**Note 15—Fair Value Measurements and Investments**

Fair value is generally based on quoted prices; however, if quoted market prices are not available, fair value is determined based on other relevant factors, including dealer price quotations, price activity for equivalent instruments and valuation pricing models. The Company established a fair value hierarchy which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of instrument, the characteristics specific to the instrument and the state of the marketplace (including the existence and transparency of transactions between market participants). Financial instruments with readily available, actively quoted prices or for which fair value can be measured from actively quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories (from highest to lowest) based on inputs:

Level 1—Unadjusted quoted prices are available in active markets for identical financial instruments as of the reporting date.

Level 2—Pricing inputs are observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3—Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which level within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

As of December 31, 2023 and 2022, the fair values of cash, restricted cash, accounts receivable, due from related parties, accounts payable and certain accrued liabilities approximate their carrying amounts due to the short-term nature of these items.

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**Notes to Consolidated Financial Statements**  
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**Fair Value of Financial Instruments**

The following table summarizes the categorization and fair value estimate of the Company's financial instruments that are measured on a recurring basis pursuant to the above fair value hierarchy levels as of December 31, 2023 and 2022:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>				
U.S. Treasury securities <sup>(1)</sup>	\$ 91,174	\$ —	\$ —	\$ 91,174
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
U.S. Treasury securities <sup>(2)</sup>	\$ —	\$ 140,110	\$ —	\$ 140,110
Cash surrender value of company-owned life insurance	—	488	—	488
<b>Total financial assets</b>	<b>\$ —</b>	<b>\$ 140,598</b>	<b>\$ —</b>	<b>\$ 140,598</b>

(1) Consists of U.S. Treasury bills and notes that mature on various dates in January 2024

(2) Consists of U.S. Treasury notes that matured on January 31, 2023.

The Company had no transfers between fair value levels during each of the years ended December 31, 2023 and 2022.

The Company's investment in U.S. Treasury securities is presented within Investments in short-term marketable debt securities on the Consolidated Statements of Financial Condition, and the aggregate cost basis of the investment was \$89.3 million and \$139.2 million as of December 31, 2023 and December 31, 2022, respectively. The Company had net realized and unrealized gains (losses) on these investments of \$2.7 million and \$1.4 million for the years ended December 31, 2023 and 2022, respectively. The cash surrender value of company-owned life insurance was included in Prepaid expenses and other assets on the Consolidated Statements of Financial Condition at the amount that could be realized under the contract as of December 31, 2022, which approximated fair value. The final cash distribution from the policy was received during the year ended December 31, 2023.

On December 13, 2022, the Company wrote off its equity method investment in PFAC Holdings I LLC ("PFAC Holdings"), an indirect parent of PWP Forward Acquisition Corp. I ("PFAC"), a special purpose acquisition company. During the year ended December 31, 2022, the Company recorded a \$1.3 million net loss from its share of PFAC earnings net of the investment write off, and during the year ended December 31, 2021, the Company recorded a \$0.4 million net gain from its share of PFAC earnings. Such amounts are reported in Other income (expense) on the Consolidated Statements of Operations.

**Note 16—Related Party Transactions**

**PWP Capital Holdings LP**

On February 28, 2019, a reorganization of the existing investment banking advisory and asset management businesses of PWP Holdings LP was effected which resulted in the spin-off of its asset management business (the "Separation"). PWP Holdings LP was divided into (i) PWP OpCo, which holds the former advisory business and (ii) PWP Capital Holdings LP ("Capital Holdings"), which holds the former asset management business. In connection with the Separation, the Company entered into a transition services agreement (the "TSA") with Capital Holdings under which the Company agreed to provide certain administrative services to Capital Holdings. The TSA was terminated as of January 1, 2024. The Company also subleased certain portions of its office space to Capital Holdings through October 2023. Amounts due from Capital Holdings are reflected as Due from related parties on the Consolidated Statements of Financial Condition.

Separately, Capital Holdings entered into an arrangement with certain employees of the Company, including members of management, related to services provided directly to Capital Holdings. With respect to services provided to Capital Holdings, the amounts paid and payable to such employees now and in the future are recognized by Capital Holdings. All compensation related to services these employees provide to the Company are included in Compensation and benefits on the Consolidated Statements of Operations.

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The following table shows the components of income from Capital Holdings reported within Related party income on the Consolidated Statements of Operations for the periods presented.

	Year Ended December 31,		
	2023	2022	2021
TSA income – Compensation related	\$ 363	\$ 888	\$ 3,165
TSA income – Non-compensation related	67	1,120	659
Sublease income	502	682	2,957
Total income from PWP Capital Holdings LP	<u>\$ 932</u>	<u>\$ 2,690</u>	<u>\$ 6,781</u>

**Tax Receivable Agreement**

In connection with the Business Combination, the Company entered into a tax receivable agreement with PWP OpCo, Professional Partners and ILPs that provides for payment of 85% of the amount of cash savings, if any, in U.S. federal, state and local and foreign income taxes that the Company is deemed to realize as a result of (a) each exchange of interests in PWP OpCo for cash or stock of the Company and certain other transactions and (b) payments made under the tax receivable agreement. As of December 31, 2023, the Company had an amount due of \$30.9 million pursuant to the tax receivable agreement, which represents management's best estimate of the amounts currently expected to be owed in connection with the tax receivable agreement for the Business Combination and subsequent exchanges made to date and is reported within Amount due pursuant to tax receivable agreement on the Consolidated Statements of Financial Condition. The Company expects to make the following payments with respect to the tax receivable agreement, which are exclusive of potential payments in respect of future exchanges and may differ significantly from actual payments made:

Years Ending:	Estimated Payments Under Tax Receivable Agreement
2024	\$ 1,105
2025	1,426
2026	1,697
2027	1,739
2028	1,774
Thereafter	23,187
Total payments	<u>\$ 30,928</u>

**Partner Promissory Notes and Other Partner Loans**

The Company loaned money pursuant to promissory note agreements (the "Partner Promissory Notes") to certain partners. The Partner Promissory Notes bear interest at an annual rate equal to the Federal Mid-Term Rate on an annual basis. The Partner Promissory Notes are due on various dates or in the event a partner is terminated or leaves at will and are primarily secured by the partner's equity interests in PWP OpCo or one of its affiliates. As the Partner Promissory Notes and associated interest receivable relate to equity transactions, they have been recognized as a reduction of equity on the Consolidated Statements of Financial Condition in the amounts of \$2.1 million and \$3.5 million as of December 31, 2023 and 2022, respectively.

In November 2021, PWP OpCo agreed to provide loans to certain partners. As of December 31, 2023 and 2022, \$ 3.5 million and \$3.4 million, respectively of outstanding loans to certain partners and related interest receivable are recognized in Due from related parties on the Consolidated Statements of Financial Condition.

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***Other Related Party Transactions***

In February 2022, the Company paid \$0.5 million to an entity controlled by a member of the Board of Directors to reimburse a portion of expenses incurred by that entity in connection with the joint pursuit of a potential investment opportunity.

During the year ended December 31, 2021, the Company earned an advisory fee of \$0.6 million from PFAC, a subsidiary of an equity method investee. On December 13, 2022, PFAC was dissolved and the Company wrote off its equity method investment.

During the year ended December 31, 2021, the Company earned \$3.1 million in advisory fees from entities controlled by a member of the Board of Directors, which are included in Revenues on the Consolidated Statements of Operations.

The Company's U.K. subsidiary, Perella Weinberg UK Limited, as well as Professional Partners (and its successors, by division, merger or otherwise) and certain partners (including one partner who serves as a Company director and president) are party to a reimbursement agreement, pursuant to which such partners directed Professional Partners (and its successors, by division, merger or otherwise) to pay distributions related to certain of their Professional Partners Awards first to a subsidiary of the Company, so that the subsidiary can make employment income tax payments on such distributions to the appropriate non-U.S. authorities.

**Note 17—Commitments and Contingencies**

***Loan Guarantees***

As of December 31, 2023, the Company had no outstanding loan guarantees. Prior to December 31, 2023, the Company unconditionally guaranteed certain of its partners' loans with First Republic Bank ("Lender") whereby it promised to pay the Lender upon the occurrence of a default event. The total guarantees related to partners was \$1.6 million as of December 31, 2022, and no loans were in default.

***Indemnifications***

The Company enters into certain contracts that contain a variety of indemnification provisions. The Company's maximum exposure under these arrangements is unknown. As of December 31, 2023 and 2022, the Company expects no claims or losses pursuant to these contracts; therefore, no liability has been recorded related to these indemnification provisions.

***Legal Contingencies***

From time to time, the Company is named as a defendant in legal actions relating to transactions conducted in the ordinary course of business. Some of these matters may involve claims of substantial amounts. Although there can be no assurance of the outcome of such legal actions, in the opinion of management and, after consultation with external counsel, the Company believes it is neither probable nor reasonably possible that any current legal proceedings or claims would individually or in the aggregate have a material adverse effect on the consolidated financial statements of the Company as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022, and 2021.

On October 20, 2015, Professionals GP, PWP MC LP, PWP Equity I LP and Perella Weinberg Partners Group LP (collectively, the "PWP Plaintiffs"), filed a complaint against Michael A. Kramer, Derron S. Slonecker, Joshua S. Scherer, Adam W. Verost (collectively, the "Individual Defendants") and Ducera Partners LLC (together with the Individual Defendants, the "Defendants") in New York Supreme Court, Commercial Division (the "Court"). The complaint alleges that the Individual Defendants, three former partners and one former employee of the PWP Plaintiffs, entered into a scheme while at PWP to lift out the PWP Plaintiffs' restructuring group to form a new competing firm that they were secretly forming in breach of their contractual and fiduciary duties to the PWP Plaintiffs. The complaint contains 14 causes of action, and seeks declaratory relief as well as damages resulting from the Individual Defendants' contractual and fiduciary breaches and from Defendants' unfair competition and tortious interference with the PWP Plaintiffs' contracts and client relationships.

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On November 9, 2015, the Defendants filed an Answer, Counterclaims, Cross-claims and a Third-Party Complaint, which contained 14 causes of action. On July 17, 2016, the Court issued a decision, dismissing half of the Defendants' -claims with prejudice. On August 18, 2016, the Defendants filed an Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, with seven counterclaims and cross-claims to the New York Appellate Division, First Department (the "First Department"). On August 29, 2017, the First Department issued a decision denying the Defendants' appeal other than allowing one Defendant to proceed with his breach of fiduciary duty counterclaim. On October 27, 2017, the Defendants moved the First Department for leave to appeal its decision to the New York Court of Appeals. On December 28, 2017, the First Department denied the Defendants' motion for leave. On April 24, 2018, the Defendants filed a Second Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, which contains eight counterclaims and cross-claims. Defendants are seeking declaratory relief and damages of no less than \$60.0 million, as well as statutory interest. In addition, on January 19, 2022, Defendants filed a motion for leave to renew their New York Labor Law counterclaim that the Court dismissed in 2016. On June 30, 2023, the Court issued a decision denying Defendants' motion for leave. On January 29, 2024, Defendants filed an opening brief in the First Department appealing the June 30, 2023 decision denying their motion for leave.

After the completion of discovery, both the PWP Plaintiffs and the Defendants subsequently moved for summary judgment. On March 20, 2020 the parties completed briefing of their respective motions (the "Summary Judgment Decision"). The Court granted the PWP Plaintiffs motion with respect to the restrictive covenants in the PWP Plaintiffs' agreements, finding that they are valid and enforceable, and otherwise denied the motion. The Court denied Defendants' motion in its entirety. On July 25, 2023, Defendants filed a notice of appeal of the Summary Judgment Decision.

The Court has set trial for April 29, 2024 through May 21, 2024. A final pre-trial conference has been set for April 24, 2024.

We believe that our 14 causes of action are meritorious. Further, we believe that we have substantial meritorious defenses to Defendants' remaining counterclaims and cross-claims and plan to vigorously contest them. Litigation, however, can be uncertain and there can be no assurance that any judgment for one or more of the Defendants or other outcome of the case would not have a material adverse effect on us. Additionally, even if we prevail in the litigation and are awarded damages, we do not know if we will be able to fully collect on any judgment against any or all Defendants.

During the years ended December 31, 2023, 2022, and 2021, the Company incurred \$ 2.1 million, \$0.6 million, and \$1.1 million, respectively, in legal and professional fees, net of expected insurance reimbursement, related to this litigation. These litigation costs are included in Professional fees on the Consolidated Statements of Operations.

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**Note 18—Business Information**

The Company's activities of providing advisory services for M&A, private placements and financial advisory, as well as services for underwriting of securities offered for sale in public markets, commissions for the brokerage of publicly traded securities and equity research constitute a single business segment. The Company is organized as one operating segment in order to maximize the value of advice to clients by drawing upon the diversified expertise and broad relationships of its senior professionals across the Company. The Company has a single operating segment and therefore a single reportable segment.

There was no individual client that accounted for more than 10% of aggregate revenues for the years ended December 31, 2023, 2022, and 2021. Since the financial markets are global in nature, the Company generally manages its business based on the operating results of the Company taken as a whole, not by geographic region. The following tables set forth the geographical distribution of revenues and assets based on the location of the office that generates the revenues or holds the assets and therefore may not be indicative of the geography in which the Company's clients are located:

	Year Ended December 31,		
	2023	2022	2021
<b>Revenues</b>			
United States	\$ 530,284	\$ 477,990	\$ 659,947
International	118,368	153,517	141,715
<b>Total</b>	<b>\$ 648,652</b>	<b>\$ 631,507</b>	<b>\$ 801,662</b>

	December 31,	
	2023	2022
<b>Assets</b>		
United States	\$ 569,332	\$ 531,590
International	191,776	185,503
<b>Total</b>	<b>\$ 761,108</b>	<b>\$ 717,093</b>

**Note 19—Subsequent Events**

The Company has evaluated subsequent events through the issuance date of these consolidated financial statements.

On January 1, 2024, the total shares reserved and available for future issuance under the PWP Incentive Plan increased to 12.9 million in accordance with the terms of such plan, and on February 15, 2024, the Company granted 5,677,760 RSUs to certain employees and executive officers pursuant to such plan.

On February 7, 2024, the Company's Board of Directors declared a cash dividend of \$ 0.07 per outstanding share of Class A common stock. This dividend will be paid on March 11, 2024 to Class A common stockholders of record on February 28, 2024. Holders of Class B common stock will also receive dividends equal to the amount of dividends made on 0.001 shares of Class A common stock.

**Item 9. Changes in and Disagreement with Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

This Item 9A includes information concerning the controls and controls evaluation referred to in the certifications of our Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 of the Exchange Act included in this Annual Report on Form 10-K as Exhibits 31.1 and 31.2.

***Management's Evaluation of Disclosure Controls and Procedures***

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to management to allow timely decisions regarding required disclosures.

In connection with the preparation of this Annual Report on Form 10-K, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2023. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed in reports that we file or submit under the Exchange Act is accumulated and communicated to management, and made known to our principal executive officer and principal financial officer, on a timely basis to ensure that it is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

***Management's Annual Report on Internal Control Over Financial Reporting***

Management is responsible for designing, implementing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed 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. Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Management has assessed the effectiveness of its internal control over financial reporting as of December 31, 2023 based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management believes that, as of December 31, 2023, the Company's internal control over financial reporting was effective.

Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permits us to provide only management's report in this Annual Report on Form 10-K. This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm due to an exemption established by the JOBS Act for "emerging growth companies."

***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the three months ended December 31, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information**

During the year ended December 31, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.



### **PART III.**

#### **Item 10. Directors, Executive Officers and Corporate Governance**

The information regarding directors and executive officers set forth under the caption “Proposal 1—Election of Directors” and “Executive Officers” in our definitive proxy statement to be filed in connection with our 2024 Annual Meeting of Stockholders (the “Proxy Statement”) is incorporated herein by reference.

The information regarding our Code of Business Conduct and Ethics, our audit committee and our audit committee financial expert under the caption “Corporate Governance” in the Proxy Statement is incorporated herein by reference.

We post our Code of Business Conduct and Ethics on our corporate website at [www.pwpartners.com](http://www.pwpartners.com) under the “Investor Relations/Corporate Governance/Documents & Charters” section. Our Code of Business Conduct and Ethics applies to all directors, officers and employees, including our chief executive and senior financial officers. We will post any amendments to the Code of Business Conduct and Ethics, and any waivers that are required to be disclosed by the rules of either the SEC or Nasdaq, on our website within the required periods.

#### **Item 11. Executive Compensation**

The information required by this item is incorporated herein by reference to the sections captioned “Executive Compensation” and “Director Compensation” in the Proxy Statement.

Information regarding our compensation committee and compensation committee interlocks under the caption “Corporate Governance—Board Committees” and “Corporate Governance—Compensation Committee Interlocks and Insider Participation” in the Proxy Statement is incorporated herein by reference.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item is incorporated by reference to the sections captioned “Executive Compensation—Equity Compensation Plan Information” and “Stock Ownership of Certain Beneficial Owners and Management” in the Proxy Statement.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item is incorporated herein by reference to the sections captioned “Certain Relationships and Related Person Transactions” and “Corporate Governance—Director Independence” in the Proxy Statement.

#### **Item 14. Principal Accountant Fees and Services**

The information required by this item is incorporated herein by reference to the section captioned “Ratification of Independent Auditor Appointment” in the Proxy Statement.

## PART IV.

### Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Report:

(1) Financial Statements

The consolidated financial statements filed as part of this report are listed on the Index to Consolidated Financial Statements of this Annual Report on Form 10-K.

(2) Financial Statement Schedules

All other financial statement schedules are omitted because they are not applicable or the amounts are immaterial and not required, or the required information is presented in the consolidated financial statements and notes thereto in Item 8 of Part II above.

(3) Exhibits

We hereby file as part of this report the exhibits listed in the attached Exhibit Index. Exhibits which are incorporated herein by reference can be inspected and copied as the public reference facilities maintained by the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549 at prescribed rates or on the SEC website as [www.sec.gov](http://www.sec.gov).

Exhibit Number	Description
3.1	<a href="#"><u>Restated Certificate of Incorporation of Perella Weinberg Partners (incorporated by reference to Exhibit 3.1 to Amendment No. 1 to the Company's Registration Statement on Form S-1 filed with the SEC on January 13, 2022 (File No. 333-261785)).</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of Perella Weinberg Partners (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
4.1	<a href="#"><u>Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
4.2*	<a href="#"><u>Description of Securities.</u></a>
10.1†	<a href="#"><u>Employment Agreement, effective as of January 1, 2023, by and between Perella Weinberg Partners, PWP Employer LP and Peter A. Weinberg (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2023).</u></a>
10.2†	<a href="#"><u>Employment Agreement, effective as of January 1, 2023, by and between Perella Weinberg Partners, PWP Employer LP and Andrew Bednar (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2023).</u></a>
10.3†	<a href="#"><u>Employment Agreement, effective as of January 1, 2023, by and between Perella Weinberg Partners, PWP Employer LP and Dietrich Becker (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2023).</u></a>
10.4†	<a href="#"><u>Form of Director Restricted Stock Unit Award Agreement (One-Time Award) (incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q filed with the SEC on November 5, 2021).</u></a>
10.5†	<a href="#"><u>Form of Director Restricted Stock Unit Award Agreement (Annual Base Retainer Award) (incorporated by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q filed with the SEC on November 5, 2021).</u></a>
10.6	<a href="#"><u>Amended and Restated Registration Rights Agreement, dated June 24, 2021, by and among the Company, FinTech Investor Holdings IV, LLC, FinTech Masala Advisors, LLC and the other Holders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>

10.7	<a href="#"><u>Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 to FinTech Acquisition Corp. IV's Current Report on Form 8-K/A, filed with the SEC on December 31, 2020).</u></a>
10.8	<a href="#"><u>Stockholders Agreement, dated June 24, 2021, by and between the Company and PWP Professional Partners LP (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
10.9	<a href="#"><u>Tax Receivable Agreement, dated June 24, 2021, by and between the Company, PWP Holdings LP, PWP Professional Partners LP and certain partners party thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
10.10	<a href="#"><u>Sponsor Share Surrender and Share Restriction Agreement, dated as of December 29, 2020, by and among PWP Holdings LP, FinTech Acquisition Corp. IV, FinTech Investor Holdings IV, LLC, FinTech Masala Advisors, LLC and the other parties thereto (incorporated by reference to Exhibit 10.5 to FinTech Acquisition Corp. IV's Current Report on Form 8-K/A, filed with the SEC on December 31, 2020).</u></a>
10.11	<a href="#"><u>Amendment to Sponsor Share Surrender and Share Restriction Agreement, dated as of May 4, 2021, by and among PWP Holdings LP, FinTech Acquisition Corp. IV, FinTech Investor Holdings IV, LLC, FinTech Masala Advisors, LLC and the other parties thereto (incorporated by reference to FinTech Acquisition Corp. IV's definitive proxy statement, filed with the SEC on May 27, 2021).</u></a>
10.12	<a href="#"><u>Amended and Restated Agreement of Limited Partnership of PWP Holdings LP, dated as of June 24, 2021, by and among PWP GP LLC, the Company, PWP Professional Partners LP, and the other limited partners party thereto (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
10.13	<a href="#"><u>Amended and Restated Limited Liability Company Agreement of PWP GP LLC, dated June 24, 2021 (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
10.14†	<a href="#"><u>Perella Weinberg Partners 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
10.15†	<a href="#"><u>French Sub-Plan Under the Perella Weinberg Partners 2021 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
10.16	<a href="#"><u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2021).</u></a>
10.17	<a href="#"><u>Amendment Agreement, dated as of June 30, 2023, by and among Perella Weinberg Partners Group LP, as Borrower, and each Lender under the Credit Agreement and Cadence Bank, as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on August 4, 2023).</u></a>
10.18†	<a href="#"><u>Form of Management Performance Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on August 12, 2021).</u></a>
10.19	<a href="#"><u>First Amendment to the Amended and Restated Agreement of Limited Partnership of PWP Holdings LP, dated as of December 31, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 2, 2024).</u></a>
10.20	<a href="#"><u>Joinder to the Amended and Restated Agreement of Limited Partnership of PWP Holdings LP, dated December 31, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 2, 2024).</u></a>
21.1*	<a href="#"><u>List of Subsidiaries.</u></a>
23.1*	<a href="#"><u>Consent of Ernst &amp; Young LLP, independent registered accounting firm.</u></a>
24.1*	<a href="#"><u>Powers of Attorney (included on signature page).</u></a>
31.1*	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>

31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
97.1*	<a href="#">Perella Weinberg Partners Clawback Policy.</a>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definitions Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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\* Filed herewith.

\*\* Furnished herewith.

† Indicates a management or compensatory plan.

+ Certain schedules to this Exhibit have been omitted in accordance with Item 601(b)(2) of Regulation S-K. The Company hereby agrees to hereby furnish supplementally a copy of all omitted schedules to the SEC upon request.

#### Item 16. Form 10-K Summary

None.

## 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, in New York, New York.

PERELLA WEINBERG PARTNERS

Date: February 23, 2024

By: /s/ ANDREW BEDNAR

**Andrew Bednar**

**Chief Executive Officer**

Date: February 23, 2024

By: /s/ ALEXANDRA GOTTSCHALK

**Alexandra Gottschalk**

**Chief Financial Officer**

## POWER OF ATTORNEY

KNOW BY ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Andrew Bednar and Alexandra Gottschalk, and each of them, his or her true and lawful attorney-in-fact and agents with full and several power of substitution, for him or her and his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 23, 2024.

Signature	Title
<hr/> <div>/s/ ANDREW BEDNAR</div> <hr/> Andrew Bednar	Chief Executive Officer (Principal Executive Officer)
<hr/> <div>/s/ ALEXANDRA GOTTSCHALK</div> <hr/> Alexandra Gottschalk	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<hr/> <div>/s/ PETER A. WEINBERG</div> <hr/> Peter A. Weinberg	Chairman
<hr/> <div>/s/ JOSEPH R. PERELLA</div> <hr/> Joseph R. Perella	Chairman Emeritus
<hr/> <div>/s/ ROBERT K. STEEL</div> <hr/> Robert K. Steel	Vice Chairman
<hr/> <div>/s/ DIETRICH BECKER</div> <hr/> Dietrich Becker	Director
<hr/> <div>/s/ ELIZABETH COGAN FASCITELLI</div> <hr/> Elizabeth Cogan Fascitelli	Director
<hr/> <div>/s/ KRISTIN W. MUGFORD</div> <hr/> Kristin W. Mugford	Director
<hr/> <div>/s/ JORMA OLLILA</div> <hr/> Jorma Ollila	Director
<hr/> <div>/s/ JANE C. SHERBURNE</div> <hr/> Jane C. Sherburne	Director

**DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

*The following description of the securities of Perella Weinberg Partners (the "Company," "we," "us," and "our") and certain provisions of our restated certificate of incorporation (the "Restated Certificate of Incorporation") and amended and restated bylaws (the "Bylaws") are summaries and are qualified in their entirety by reference to the full text of the Restated Certificate of Incorporation and Bylaws, copies of which have been filed with the Securities and Exchange Commission, and applicable provisions of the General Corporation Law of the State of Delaware (the "DGCL").*

*As of December 31, 2023, we had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: Class A common stock, \$0.0001 par value per share ("Class A common stock"). All shares of our Class A common stock outstanding are fully paid and non-assessable.*

**Authorized and Outstanding Stock**

Our authorized capital stock consists of 2,200,000,000 shares, consisting of (a) 2,100,000,000 shares of common stock including (i) 1,500,000,000 shares of Class A common stock, (ii) 300,000,000 shares of Class B-1 common stock, par value \$0.0001 per share (the "Class B-1 common stock"), and (iii) 300,000,000 shares of Class B-2 common stock, par value \$0.0001 per share (the "Class B-2 common stock") and together with the Class B-1 common stock, the "Class B common stock"), and (b) 100,000,000 shares of preferred stock, par value \$0.0001 per share. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

As of February 20, 2024, our issued and outstanding share capital consisted of: (i) 44,734,947 shares of Class A common stock, (ii) 40,467,075 shares of Class B-1 common stock, (iii) 1,122,264 shares of Class B-2 common stock, and (iv) no shares of preferred stock. Such numbers do not include DTC participants or beneficial owners holding shares through nominee names.

**Class A Common Stock**

Holders of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Our Class A stockholders do not have cumulative voting rights. Except as otherwise required in our Restated Certificate of Incorporation or by applicable law, the holders of Class A common stock and Class B common stock will vote together as a single class on all matters on which stockholders are generally entitled to vote (or, if any holders of preferred stock are entitled to vote together with the holders of common stock, as a single class with such holders of preferred stock). In addition to any other vote required in our Restated Certificate of Incorporation or by applicable law, the holders of Class A common stock and Class B common stock will each be entitled to vote separately as a class only with respect to amendments to our Restated Certificate of Incorporation that increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely, as compared to another class of common stock.

Holders of our Class A common stock will be entitled to receive ratably, in proportion to the number of shares held by them, dividends and other distributions in cash, stock or property when, as and if declared by our board of directors out of our assets or funds legally available therefor.

Upon our liquidation, dissolution or winding up, after payment to creditors that may at the time be outstanding and subject to the rights of any holders of preferred stock that may then be outstanding, the

holders of our Class A common stock and Class B common stock will be entitled to receive ratably, in proportion to the number of shares held by them, all of our remaining assets and funds available for distribution; provided, however, that, for purposes of any such distribution, each share of Class B common stock will be entitled to receive the same distribution as would be made on 0.001 shares of Class A common stock. Holders of our Class A common stock do not have preemptive or subscription rights.

Upon the terms and subject to the conditions of the Amended and Restated Agreement of Limited Partnership of PWP Holdings LP ("PWP OpCo"), holders of PWP OpCo Class A partnership units (other than us) may redeem such PWP OpCo Class A partnership units for shares of Class A common stock on a one-for-one basis or cash equal to the value of such shares, with the form of consideration determined by us.

Pursuant to the Sponsor Share Surrender and Share Restriction Agreement, dated as of December 29, 2020, among the Company, PWP OpCo, FinTech Investor Holdings IV, LLC, FinTech Masala Advisors, LLC (together with FinTech Investor Holdings IV, LLC, the "Sponsor") and the other parties thereto (as amended on May 4, 2021, the "Sponsor Share Surrender and Share Restriction Agreement"), the founder shares (as defined below) owned by the Sponsor as of the Closing and certain shares of Class A common stock purchased by the Sponsor as part of private placement units in connection with FinTech Acquisition Corp. IV's ("FTIV") initial public offering were subject to transfer restrictions for six months following the Closing, or until December 24, 2021, and certain of the founder shares owned by the Sponsor as of the Closing continue to be subject to transfer restrictions that lapse in tranches based on share price targets or the 10-year anniversary of the Closing, whichever occurs first.

### **Class B Common Stock**

Following the filing of our second amended and restated certificate of incorporation with the Secretary of State of the State of Delaware in connection with the closing of the business combination with FTIV (the "Closing"), each share of Pre-Business Combination Class B common stock (as defined below) owned by the Sponsor prior to the Closing (each, a "founder share") (other than those founder shares which were surrendered for no consideration, as contemplated by that certain Sponsor Share Surrender and Share Restriction Agreement, as amended) were automatically converted from one share of Class B common stock, par value \$0.001 per share ("Pre-Business Combination Class B common stock"), into one share of Class A common stock and the number of authorized shares of Pre-Business Combination Class B common stock was reduced to zero.

For so long as PWP Professional Partners LP (together with its successors and assigns, as applicable, "Professional Partners") or its limited partners as of the date of the Closing or its or their respective successors or assigns maintain, directly or indirectly, ownership of PWP OpCo Class A partnership units that represent at least ten percent (10%) of our issued and outstanding Class A common stock (calculated, without duplication, on the basis that all issued and outstanding PWP OpCo Class A partnership units not held by us or our subsidiaries had been exchanged for our Class A common stock) (the "Class B Condition"), each share of our Class B-1 common stock will entitle Professional Partners or certain transferees to 10 votes for each share held of record on all matters submitted to a vote of stockholders. After the Class B Condition ceases to be satisfied, each share of our Class B-1 common stock will entitle Professional Partners to one vote for each share held of record on all matters submitted to a vote of stockholders. Our Class B stockholders do not have cumulative voting rights. Holders of our Class B-2 common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Except as otherwise required in our Restated Certificate of Incorporation or by applicable law, the holders of Class A common stock and Class B common stock will vote together as a single class on all matters on which stockholders are generally entitled to vote (or, if any holders of preferred stock are entitled to vote together with the holders of common stock, as a single class with such holders of preferred stock). In addition to any other vote required in our Restated Certificate of Incorporation or by



applicable law, the holders of Class A common stock and Class B common stock will each be entitled to vote separately as a class only with respect to amendments to our Restated Certificate of Incorporation that increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely, as compared to another class of common stock.

Holders of our Class B common stock will be entitled to receive ratably, in proportion to the number of shares held by them, dividends of the same type as any dividends and other distributions in cash, stock or property payable or to be made on outstanding Class A common stock in an amount per share of Class B common stock equal to the amount of such dividends or other distributions as would be made on 0.001 shares of Class A common stock. The holders of our Class B common stock are entitled to receive, on a pari passu basis with the holders of our Class A common stock, such dividend or other distribution on the Class A common stock when, as and if declared by our board of directors out of our assets or funds legally available therefor.

Upon our liquidation, dissolution or winding up, after payment to creditors that may at the time be outstanding and subject to the rights of any holders of preferred stock that may then be outstanding, the holders of our Class A common stock and Class B common stock will be entitled to receive ratably, in proportion to the number of shares held by them, all of our remaining assets and funds available for distribution; provided, however, that, for purposes of any such distribution, each share of Class B common stock will be entitled to receive the same distribution as would be made on 0.001 shares of Class A common stock.

Holders of our Class B common stock do not have preemptive or subscription rights.

Concurrently with an exchange of PWP OpCo Class A partnership units for shares of Class A common stock or cash by a PWP OpCo unitholder who also holds shares of Class B common stock, such PWP OpCo unitholder will be required to surrender to us a number of shares of Class B common stock equal to the number of PWP OpCo Class A partnership units exchanged, and such shares will be converted into shares of Class A common stock or cash (at our option) which will be delivered to such PWP OpCo unitholder (at our option) at a conversion rate of 0.001.

Holders of our Class B common stock are not be permitted to transfer such shares of Class B common stock other than as part of a concurrent transfer of an equal number of PWP OpCo Class A partnership units made to the same transferee in compliance with the restrictions on transfer contained in the Amended and Restated Agreement of Limited Partnership of PWP OpCo. In the event of any transfer of our Class B-1 common stock to any individual or legal entity who is not, at the time of such transfer, a director, officer, employee, consultant or independent contractor of, or otherwise providing services to, PWP, then such Class B-1 common stock shall be automatically, without further action by such holder, converted into Class B-2 common stock.

## **Preferred Stock**

Our Restated Certificate of Incorporation authorizes our board of directors to establish one or more classes or series of preferred stock (including convertible preferred stock). Unless required by law or by any stock exchange, the authorized shares of preferred stock will be available for issuance without further action by our stockholders. Our board of directors may determine, with respect to any class or series of preferred stock, the terms and rights of such class or series, including without limitation:

- the voting powers, full or limited, or no voting powers of such class or series;
  - the designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, of such class or series;
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- the redemption rights and price or prices, if any, for shares of such class or series;
- whether dividends, if any, will be cumulative or non-cumulative and the related dividend rates, conditions and times for payment and preferences of such class or series;
- the rights of such class or series upon our dissolution or upon any distribution of our assets; and
- whether the shares of the series will be convertible into, or exchangeable for, shares of any other class or series of stock, or of any other series of the same or any other class or classes of stock, and, if so, the price or prices or rate or rates of exchange and with such adjustments as the board of directors may determine.

We may issue a class or series of preferred stock that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of our stockholders might believe to be in their best interests or in which our stockholders might receive a premium for their Class A common stock over the market price of the Class A common stock.

#### **Authorized but Unissued Capital Stock**

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the Nasdaq, which will apply so long as the Class A common stock remains listed on the Nasdaq, require stockholder approval of certain issuances of capital stock equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of Class A common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved Class A common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares of Class A common stock at prices higher than prevailing market prices.

#### **Corporate Opportunities**

Our Restated Certificate of Incorporation contains provisions which provide that in the event that a director or officer of the Company, PWP OpCo or any of their respective subsidiaries who is also a partner, principal, director, officer, member, manager, employee, consultant, independent contractor and/or other service provider of any of the Ownership Group (as defined in the Restated Certificate of Incorporation) acquires knowledge of a potential transaction or matter which may be a corporate opportunity for the Company, PWP OpCo or any of their respective subsidiaries and the Ownership Group or their affiliates, neither the Company, PWP OpCo nor any of their respective subsidiaries will have any expectancy in such corporate opportunity unless such corporate opportunity is expressly offered to such person in his or her capacity as a director or officer of the Company in which case such opportunity will belong to the Company, in each case, to the fullest extent permitted by law. In addition, a corporate opportunity will not be deemed to belong to us if it is a business opportunity that the Company, PWP OpCo or any of their respective subsidiaries is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Company, PWP OpCo or any of their respective subsidiaries' business or is of no practical advantage to it or is one in which we have no interest or reasonable expectancy. In addition, the Ownership Group and their respective affiliates will not have any duty (fiduciary or otherwise) to refrain from engaging, directly or indirectly, in the same or similar business activities or lines of business as the Company, PWP OpCo or any of their respective subsidiaries, in each case, to the fullest extent permitted by law. To the fullest extent permitted by law, in the event that the Ownership Group acquires knowledge of a potential transaction or matter which may be a corporate opportunity for themselves or any of their respective affiliates and the Company, PWP OpCo

or any of their respective subsidiaries, neither the Company, PWP OpCo nor any of their respective subsidiaries will have any expectancy in such corporate opportunity, and the Ownership Group will not have any duty to communicate or offer such corporate opportunity to the Company, PWP OpCo or any of their respective subsidiaries and may pursue or acquire such corporate opportunity for themselves or direct such corporate opportunity to another person, including one of their affiliates.

#### **Forum Selection Clause**

Our Restated Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Delaware Court of Chancery will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to us or our stockholders, (iii) any action asserting a claim against us or our directors, officers or employees arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws or (iv) any action asserting a claim against us or our directors, officers or employees governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having jurisdiction over such action or proceeding. If the Court of Chancery of the State of Delaware does not have jurisdiction, the sole and exclusive forum for such action or proceeding shall be another State or federal court located in the State of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provision. This choice of forum provision limits a stockholder's ability to bring a claim in another judicial forum, including in a judicial forum that it may find favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. The foregoing provision does not apply to claims made under the federal securities laws as to which the Court of Chancery and the federal district court for the District of Delaware shall have concurrent jurisdiction.

#### **Anti-Takeover Effects of Provisions of Delaware Law, Our Restated Certificate of Incorporation and the Stockholders Agreement**

Our Restated Certificate of Incorporation and Bylaws contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and that may have the effect of delaying, deferring or preventing a future takeover or change in control of our Company unless the takeover or change in control is approved by our board of directors. These provisions include the following:

Our Restated Certificate of Incorporation provides that our board of directors will be divided into three classes that will be, as nearly as may be possible, of equal size. The initial terms of the Class I, Class II and Class III directors will initially expire at the 2022, 2023 and 2024 annual meetings of our stockholders, respectively, and in each case, when any successor has been duly elected and qualified or until their earlier resignation, removal or death. Upon the expiration of each initial term, directors will subsequently serve three-year terms if renominated and reelected.

Our Restated Certificate of Incorporation provides that, for so long as the Class B Condition is satisfied, stockholder action may be taken by written consent in lieu of a meeting if such consent, setting forth the action so taken, will be signed by the holders of shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote were present and voted and will be delivered to us in accordance with the DGCL and our Bylaws. After the Class B Condition ceases to be satisfied, stockholders will no longer have the ability to consent in writing to the taking of any action so that stockholder action may be taken only at an annual or special meeting of stockholders. Additionally, our Restated Certificate of Incorporation provides that as long as the Class B Condition is satisfied, each holder of Class B-1 common stock shall be entitled to ten votes per share.

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Our Restated Certificate of Incorporation provides that, except as otherwise required by law, special meetings of our stockholders can only be called by (i) our Chairman of the board of directors, if there be one, (ii) our Chief Executive Officer, President or Co-President at the request in writing of (a) directors constituting a majority of the voting power of the entire board of directors or (b) a committee of the board of directors that has been duly designated by the board of directors and whose powers and authority include the power to call such meetings, or (iii) until such time as the Class B Condition ceases to be satisfied, stockholders collectively holding a majority of the voting power of the shares represented at the meeting and entitled to vote in connection with the election of our directors. After the Class B Condition ceases to be satisfied, stockholders will no longer have the ability to call a special meeting.

In addition, in connection with the Closing, we entered into a stockholders agreement with Professional Partners (the "Stockholders Agreement"). Under this agreement, Professional Partners has the right to designate a number of designees to our board of directors equal to a majority of the board of directors for so long as the Class B Condition is satisfied. For so long as the Class B Condition is no longer satisfied and Professional Partners or its limited partners as of the date of Closing or its or their respective successors or assigns maintain, directly or indirectly, ownership of PWP OpCo Class A partnership units that represent at least five percent (5%) of our issued and outstanding Class A common stock (calculated, without duplication, on the basis that all issued and outstanding PWP OpCo Class A partnership units not held by us or our subsidiaries had been exchanged for our Class A common stock) (the "Secondary Class B Condition"), Professional Partners will have the right to designate a number of directors (rounded up to the nearest whole number) equal to one third of our board of directors. Professional Partners retains the right to remove any director previously designated by it, with or without cause, for so long as the Class B Condition or the Secondary Class B Condition remains satisfied. For so long as the Class B Condition is satisfied, Professional Partners will also have the right to veto the authorization, approval, or ratification of certain actions or any plan with respect thereto without its prior approval.

In addition, there is no cumulative voting in the election of directors and our Restated Certificate of Incorporation provides that, subject to the rights, if any, of the holders of shares of preferred stock then outstanding, any or all of our directors may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of the shares entitled to vote in connection with the election of our directors; provided that at any time the Class B Condition is satisfied, any or all of our directors may be removed from office at any time, with or without cause, by the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote in connection with the election of our directors.

The foregoing provisions of our Restated Certificate of Incorporation and the Stockholders Agreement could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by our board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our Class A common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management or delaying or preventing a transaction that might benefit our minority stockholders.

#### **Indemnification of Directors and Officers**

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We have entered into separate indemnification agreements with each of our directors and executive officers which are in addition to our indemnification obligations under our Restated Certificate of Incorporation. These indemnification agreements may require us, among other things, to indemnify our directors and executive officers against expenses and liabilities that may arise by reason of their status as directors and executive officers, subject to certain exceptions. These indemnification agreements may also require us to advance any expenses incurred by our directors and executive officers as a result of any proceeding against them as to which they could be indemnified and to obtain and maintain directors' and officers' insurance.

We maintain standard policies of insurance under which coverage is provided (a) to our directors and executive officers against loss arising from claims made by reason of breach of duty or other wrongful act and (b) to us with respect to payments which may be made by us to such executive officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

**Transfer Agent**

The transfer agent for our Class A Common Stock is American Stock Transfer & Trust Company, LLC.

**Listing**

Our Class A common stock is traded on The Nasdaq Global Select Market under the symbol "PWP."

## Subsidiaries of Registrant

Name of Subsidiary	Jurisdiction of Incorporation or Organization
PWP GP LLC	Delaware, United States of America
PWP Holdings LP	Delaware, United States of America
PWP Group GP LLC	Delaware, United States of America
Perella Weinberg Partners Group LP	Delaware, United States of America
PWP Employer LLC	Delaware, United States of America
PWP Employer LP	Delaware, United States of America
Perella Weinberg Partners Europe (Cayman) LDC	Cayman Islands
TPH International GP LLC	Delaware, United States of America
Perella Weinberg Partners France SAS	France
Perella Weinberg GmbH	Germany
PWP UK LLC	Delaware, United States of America
Perella Weinberg UK Limited	United Kingdom
Perella Weinberg UK II Limited	United Kingdom
Perella Weinberg Partners UK LLP	United Kingdom
TPH Canada GP LLC	Delaware, United States of America
Tudor, Pickering Holt & Co Securities – Canada LP	Delaware, United States of America
Tudor, Pickering, Holt & Co. Securities – Canada ULC	Alberta, Canada
PadCo GP LLC	Delaware, United States of America
Perella Weinberg Partners LP	Delaware, United States of America
Tudor, Pickering, Holt & Co. Securities LLC	Texas, United States of America

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-259166) pertaining to the Perella Weinberg Partners 2021 Omnibus Incentive Plan;
2. Registration Statement (Form S-8 No. 333-263027) pertaining to the Perella Weinberg Partners 2021 Omnibus Incentive Plan, as amended;
3. Registration Statement (Form S-3 No. 333-257924) of Perella Weinberg Partners;
4. Registration Statement (Form S-3 No. 333-266051) of Perella Weinberg Partners;
5. Registration Statement (Form S-8 No. 333-269978) pertaining to the Perella Weinberg Partners 2021 Omnibus Incentive Plan, as amended; and,
6. Registration Statement (Form S-8 No. 333-276976) pertaining to the Perella Weinberg Partners 2021 Omnibus Incentive Plan, as amended;

of our report dated February 23, 2024, with respect to the consolidated financial statements of Perella Weinberg Partners included in this Annual Report (Form 10-K) of Perella Weinberg Partners for the year ended December 31, 2023.

/s/ Ernst & Young LLP

New York, New York  
February 23, 2024

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Bednar, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Perella Weinberg Partners;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of 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 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: February 23, 2024

By: /s/ ANDREW BEDNAR

**Andrew Bednar**

**Chief Executive Officer**

*(Principal Executive Officer)*



**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Alexandra Gottschalk, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Perella Weinberg Partners;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of 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 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: February 23, 2024

By: /s/ ALEXANDRA GOTTSCHALK

**Alexandra Gottschalk**

**Chief Financial Officer**

*(Principal Financial Officer)*

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

In connection with the Annual Report on Form 10-K for the year ended December 31, 2023, as filed by Perella Weinberg Partners (the "Company") with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (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: February 23, 2024

By: /s/ ANDREW BEDNAR

**Andrew Bednar**

**Chief Executive Officer**

*(Principal Executive Officer)*

\* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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

In connection with the Annual Report on Form 10-K for the year ended December 31, 2023, as filed by Perella Weinberg Partners (the "Company") with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (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: February 23, 2024

By: /s/ ALEXANDRA GOTTSCHALK

**Alexandra Gottschalk**

**Chief Financial Officer**

*(Principal Financial Officer)*

\* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

PRIVILEGED &amp; CONFIDENTIAL

**PERELLA WEINBERG PARTNERS CLAWBACK POLICY**

Perella Weinberg Partners (the “Company”) has determined that it is appropriate to adopt this Clawback Policy (the “Policy”) to be applied to the Executive Officers of the Company effective as of the Effective Date.

**1. Definitions**

For purposes of this Policy, the following definitions shall apply:

- a) “Board” means the Board of Directors of the Company.
- b) “Committee” means the Compensation Committee of the Board.
- c) “Company Group” means the Company and each of its Subsidiaries, as applicable.
- d) “Covered Compensation” means any Incentive-Based Compensation granted, vested or paid to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was received (i) on or after the effective date of Nasdaq Rule 5608, (ii) after the person became an Executive Officer and (iii) at a time that the Company had a class of securities listed on a national securities exchange or a national securities association.
- e) “Effective Date” means December 1, 2023.
- f) “Erroneously Awarded Compensation” means the amount of Covered Compensation granted, vested or paid to a person that exceeds the amount of Covered Compensation that otherwise would have been granted, vested or paid to the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was granted, vested or paid and the Committee shall maintain documentation of such determination and provide such documentation to the Nasdaq.
- g) “Exchange Act” means the Securities Exchange Act of 1934.
- h) “Executive Officer” means each “officer” of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act, which shall be deemed to include any individuals

identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act. Both current and former Executive Officers are subject to the Policy in accordance with its terms.

- i) "Financial Reporting Measure" means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures and may consist of GAAP or non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company's financial statements, such as in Managements' Discussion and Analysis of Financial Conditions and Result of Operations or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.
- j) "Home Country" means the Company's jurisdiction of incorporation.
- k) "Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- l) "Lookback Period" means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.
- m) "Nasdaq" means the Nasdaq Stock Market.
- n) "Received." Incentive-Based Compensation is deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.
- o) "Restatement" means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement), within the meaning of Exchange Act Rule 10D-1 and Nasdaq Rule 5608. Changes to the Company's

financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

- p) “SEC” means the United States Securities and Exchange Commission.
- q) “Subsidiary” means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust or unincorporated organization “affiliated” with the Company, that is, directly or indirectly, through one or more intermediaries, “controlling”, “controlled by” or “under common control with”, the Company. “Control” for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract or otherwise.

## **2. Recoupment of Erroneously Awarded Compensation**

In the event of a Restatement, any Erroneously Awarded Compensation received during the Lookback Period (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the Company Group in accordance with Section 3 of this Policy. The Committee must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below.

Notwithstanding the foregoing, the Committee (or, if the Committee is not composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered (following reasonable attempts by the Company Group to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to the Nasdaq), (ii) pursuing such recovery would violate the Company’s Home Country laws adopted prior to November 28, 2022 (provided that the Company obtains an opinion of Home Country counsel acceptable to the Nasdaq that recovery would result in such a violation and provides such opinion to the Nasdaq), or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

## **3. Means of Repayment**

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the Company

Group, to require the forfeiture of any award granted by the Company Group to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the Internal Revenue Code and the regulations and guidance thereunder. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company Group by wire, cash or cashier's check no later than thirty (30) days after receipt of such notice.

#### **4. No Indemnification**

No person shall be indemnified, insured or reimbursed by the Company Group in respect of any loss of compensation by such person in accordance with this Policy, nor shall any person receive any advancement of expenses for disputes related to any loss of compensation by such person in accordance with this Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, "indemnification" includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the person a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any person an additional payment if any Restatement would result in a higher incentive compensation payment.

#### **5. Miscellaneous**

This Policy generally will be administered and interpreted by the Committee. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Committee under this Policy need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the Nasdaq, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirement to provide applicable documentation to the Nasdaq.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than recoupment,

that may be available to the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity award agreement, or other plan or agreement of the Company Group.

## **6. Amendment and Termination**

To the extent permitted by, and in a manner consistent with applicable law, including SEC and Nasdaq rules, the Committee may terminate, suspend or amend this Policy at any time in its discretion.

## **7. Successors**

This Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation granted, vested or paid to or administered by such persons or entities.