Prospectus Supplement No. 1 **(to prospectus dated March 22, 2022)**	**Filed Pursuant to Rule 424(b)(3)** **Registration No. 333-257924**

Perella Weinberg Partners

64,738,934 Shares of Class A Common Stock

203,333 Warrants to Purchase Class A Common Stock

This prospectus supplement is being filed to update and supplement the information contained in the prospectus dated March 22, 2022 (the "Prospectus"), related to: (1) the issuance by us of up to 7,869,975 shares of our Class A common stock, par value $0.0001 per share ("Class A common stock") that may be issued upon exercise of warrants to purchase Class A common stock at an exercise price of $11.50 per share of Class A common stock, including the Public Warrants and the Private Placement Warrants (each as defined in the Prospectus); and (2) the offer and sale, from time to time, by the selling holders identified in this prospectus (the "Selling Holders"), or their permitted transferees, of (i) up to 64,738,934 shares of Class A common stock and (ii) up to 203,333 Warrants (as defined in the Prospectus), with the information contained in our Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission ("SEC") on May 5, 2022 (the "Quarterly Report"). Accordingly, we have attached the Quarterly Report to this prospectus supplement.

This prospectus supplement updates and supplements the information in the Prospectus and is not complete without, and may not be delivered or utilized except in combination with, the Prospectus, including any amendments or supplements thereto. This prospectus supplement should be read in conjunction with the Prospectus and if there is any inconsistency between the information in the Prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

Our Class A common stock and Warrants are traded on the Nasdaq Global Select Market under the symbols "PWP" and "PWPPW," respectively. On May 4, 2022, the closing price of our Class A common stock was $7.69 per share and the closing price of our Warrants was $1.06 per Warrant.

Investing in our securities involves risks. See "*Risk Factors*" beginning on page 30 of the Prospectus and in any applicable prospectus supplement.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the Prospectus or this prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is May 5, 2022.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2022

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**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
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
Warrants, each whole warrant exercisable for one share of Class A common stock	PWPPW	Nasdaq Global Select Market

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 x No o

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 x No o

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	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	x
		Emerging growth company	x

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. o

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

As of May 2, 2022, the registrant had 46,281,037 shares of Class A common stock, par value $0.0001 per share, and 46,318,953 shares of Class B common stock, par value $0.0001 per share, outstanding.

Perella Weinberg Partners
Table of Contents

On June 24, 2021 (the “Closing Date” or the “Closing”), Perella Weinberg Partners (formerly known as FinTech Acquisition Corp. IV (“FTIV”)) consummated its previously announced 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) FTIV acquired certain partnership interests in PWP Holdings LP (“PWP OpCo”), (ii) PWP OpCo became jointly-owned by Perella Weinberg Partners, PWP Professional Partners LP (“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”). 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 Quarterly Report on Form 10-Q 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, and Section 21E of the Securities Exchange Act of 1934, as amended. 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:

- any projected financial information, anticipated growth rate, and market opportunity of the Company;
- the ability to maintain the listing of the Company’s Class A common stock and warrants on Nasdaq following the Business Combination;
- our public securities’ potential liquidity and trading;
- our success in retaining or recruiting partners and other employees, or changes related to, our officers, key employees or directors following the completion of the Business Combination;
- members of our management team allocating their time to other businesses and potentially having conflicts of interest with our business;
- factors relating to the business, operations and financial performance of the Company, including:
  - whether the Company realizes all or any of the anticipated benefits from the Business Combination;
  - whether the Business Combination results in any increased or unforeseen costs or has an impact on the Company’s ability to retain or compete for professional talent or investor capital;
  - global economic, business, market and geopolitical conditions, including the impact of public health crises, such as the ongoing rapid, worldwide spread of a novel strain of coronavirus and the pandemic caused thereby (collectively, “COVID-19”), as well as the impact of recent hostilities between Russia and Ukraine;
  - the Company’s dependence on and ability to retain working partners and other key employees;
  - the Company’s ability to successfully identify, recruit and develop talent;
  - risks associated with strategic transactions, such as joint ventures, strategic investments, acquisitions and dispositions;

- conditions impacting the corporate advisory industry;
- 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 ability of the Company's clients to pay for its services, including its restructuring clients;
- 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;
- strong competition from other financial advisory and investment banking firms;
- potential impairment of goodwill and other intangible assets, which represent a significant portion of the Company's assets;
- the Company's successful formulation and execution of its business and growth strategies;
- the outcome of third-party litigation involving the Company;
- substantial litigation risks in the financial services industry;
- cybersecurity and other operational risks;
- the Company's ability to expand into new markets and lines of businesses for the advisory business;
- exposure to fluctuations in foreign currency exchange rates;
- assumptions relating to the Company's operations, financial results, financial condition, business prospects, growth strategy and liquidity;
- 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 (including the treatment of carried interest);
- other risks and uncertainties described under the section entitled "*Risk Factors*" included in our Annual Report on Form 10-K.

The forward-looking statements contained in this Quarterly Report on Form 10-Q 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 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. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

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

	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	$ 223,142	$ 502,773
Restricted cash	1,995	2,002
Accounts receivable, net of allowance	75,254	46,914
Due from related parties	3,183	4,225
Fixed assets, net of accumulated depreciation and amortization	10,401	10,362
Intangible assets, net of accumulated amortization	30,707	32,352
Goodwill	34,383	34,383
Prepaid expenses and other assets	27,088	24,313
Right-of-use lease assets	37,028	39,912
Deferred tax assets, net	27,450	21,091
Total assets	$ 470,631	$ 718,327
Liabilities and Equity		
Accrued compensation and benefits	$ 55,205	$ 311,500
Deferred compensation programs	5,473	11,221
Accounts payable, accrued expenses and other liabilities	42,796	31,048
Deferred revenue	5,842	7,845
Lease liabilities	40,208	43,448
Warrant liabilities	15,799	27,805
Amount due pursuant to tax receivable agreement	19,731	14,108
Total liabilities	185,054	446,975
Commitments and Contingencies (Note 18)		
Class A common stock, par value $0.0001 per share (1,500,000,000 shares authorized, 48,089,498 issued and 46,917,195 outstanding at March 31, 2022; 1,500,000,000 shares authorized, 43,649,319 issued and 42,649,319 outstanding at December 31, 2021)	5	4
Class B common stock, par value $0.0001 per share (600,000,000 shares authorized, 46,318,953 issued and outstanding at March 31, 2022; 600,000,000 shares authorized, 50,154,199 issued and outstanding at December 31, 2021)	5	5
Additional paid-in-capital	179,745	158,131
Retained earnings (accumulated deficit)	(13,410)	(18,075)
Accumulated other comprehensive income (loss)	(2,786)	(1,746)
Treasury stock, at cost (1,172,303 and 1,000,000 shares at March 31, 2022 and December 31, 2021, respectively)	(13,598)	(12,000)
Total Perella Weinberg Partners equity	149,961	126,319
Non-controlling interests	135,616	145,033
Total equity	285,577	271,352
Total liabilities and equity	$ 470,631	$ 718,327

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

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

	Three Months Ended March 31,	
	2022	**2021**
Revenues	$ 151,876	$ 169,802
Expenses		
Compensation and benefits	87,245	109,470
Equity-based compensation	40,890	6,157
Total compensation and benefits	128,135	115,627
Professional fees	10,303	5,728
Technology and infrastructure	7,556	6,956
Rent and occupancy	5,729	6,702
Travel and related expenses	2,294	661
General, administrative and other expenses	5,275	2,204
Depreciation and amortization	2,943	3,880
Total expenses	162,235	141,758
Operating income (loss)	(10,359)	28,044
Non-operating income (expenses)		
Related party income	558	2,209
Other income (expense)	1,911	(1,854)
Change in fair value of warrant liabilities	12,006	—
Interest expense	(68)	(3,868)
Total non-operating income (expenses)	14,407	(3,513)
Income (loss) before income taxes	4,048	24,531
Income tax benefit (expense)	(2,996)	(2,024)
Net income (loss)	1,052	$ 22,507
Less: Net income (loss) attributable to non-controlling interests	(7,842)	
Net income (loss) attributable to Perella Weinberg Partners	$ 8,894	
Net income (loss) per share attributable to Class A common shareholders (1)		
Basic	$ 0.19	
Diluted	$ 0.00	
Weighted-average shares of Class A common stock outstanding (1)		
Basic	45,917,935	
Diluted	93,231,332	

(1) The Company analyzed the calculation of net income (loss) per share for periods prior to June 24, 2021, the date of the Business Combination (as defined in Note 1—Organization and Nature of Business), and determined that it resulted in values that would not be meaningful to the users of the condensed consolidated financial statements. Therefore, net income (loss) per share information has not been presented for periods prior to the Business Combination. For more information, refer to Note 15—Net Income (Loss) Per Share Attributable to Class A Common Shareholders.

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

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

	Three Months Ended March 31,	
	2022	**2021**
Net income (loss)	$ 1,052	$ 22,507
Foreign currency translation gain (loss)	(2,102)	228
Comprehensive income (loss)	(1,050)	$ 22,735
Less: Comprehensive income (loss) attributable to non-controlling interests	(8,903)	
Comprehensive income (loss) attributable to Perella Weinberg Partners	$ 7,853	

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

Perella Weinberg Partners
Condensed Consolidated Statements of Changes in Equity
(Unaudited)
(Dollars in Thousands)

	Partners' Capital	Shares: Class A Common Stock	Shares: Class B Common Stock	Shares: Treasury Stock	Class A Common Stock	Class B Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total Equity
Balance at December 31, 2020	$ 76,509	—	—	—	$ —	$ —	$ —	$ —	$ —	$ (2,326)	$ —	$ 74,183
Net income (loss)	22,507	—	—	—	—	—	—	—	—	—	—	22,507
Equity-based compensation	6,157	—	—	—	—	—	—	—	—	—	—	6,157
Distributions to partners	(9,816)	—	—	—	—	—	—	—	—	—	—	(9,816)
Other	384	—	—	—	—	—	—	—	—	—	—	384
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	—	228	—	228
Balance at March 31, 2021	$ 95,741	—	—	—	$ —	$ —	$ —	$ —	$ —	$ (2,098)	$ —	$ 93,643

	Shares: Class A Common Stock	Shares: Class B Common Stock	Shares: Treasury Stock	Class A Common Stock	Class B Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total Equity
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)	—	—	—	—	—	—	—	8,894	—	(7,842)	1,052
Equity-based compensation	—	—	—				22,695		—	18,710	41,405
Distributions to partners	—	—	—	—	—	—	—	—	—	(15,823)	(15,823)
Issuance of Class A common stock for vested RSUs	601,098	—	—	—	—	—	—	—	—	—	—
Withholding payments on vested RSUs	—	—	—	—	—	—	(6,075)	—	—	—	(6,075)
Dividends declared ($0.07 per share of Class A common stock)	—	—	—	—	—	—	116	(4,229)	—	—	(4,113)
Foreign currency translation gain (loss)	—	—	—	—	—	—	—	—	(1,040)	(1,062)	(2,102)
Other	—	—	—	—	—	—	734	—	—	1,265	1,999
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)	337,048	(336,712)	—	—	—	—	17	—	—	—	17
Treasury stock purchase	—	—	(172,303)	—	—	(1,598)	—	—	—	—	(1,598)
Change in ownership interests	—	—	—	—	—	—	4,665	—	—	(4,665)	—
Balance at March 31, 2022	48,089,498	46,318,953	(1,172,303)	$ 5	$ 5	$ (13,598)	$ 179,745	$ (13,410)	$ (2,786)	$ 135,616	$ 285,577

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash flows from operating activities		
Net income (loss)	$ 1,052	$ 22,507
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Equity-based awards vesting expense	41,405	6,157
Depreciation and amortization	2,943	3,880
Amortization of debt discounts and deferred financing costs	37	1,034
Change in fair value of warrant liabilities	(12,006)	—
Non-cash operating lease expense	4,396	4,262
Deferred taxes	(563)	150
Other	(205)	(511)
Decrease (increase) in operating assets:		
Accounts receivable, net of allowance	(29,277)	(21,621)
Due from related parties	1,042	(956)
Prepaid expenses and other assets	2,081	(2,655)
Increase (decrease) in operating liabilities:		
Accrued compensation and benefits	(255,560)	(129,941)
Deferred compensation programs	(3,098)	13
Accounts payable, accrued expenses and other liabilities	6,066	5,683
Deferred revenue	(1,911)	(4,852)
Lease liabilities	(4,775)	(4,379)
Net cash provided by (used in) operating activities	(248,373)	(121,229)
Cash flows from investing activities		
Purchases of fixed assets	(1,389)	(417)
Other	—	(978)
Net cash provided by (used in) investing activities	(1,389)	(1,395)
Cash flows from financing activities		
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	(798)	—
Distributions to partners	(15,823)	(9,816)
Dividends paid on Class A and Class B common stock	(3,409)	—
Withholding payments for vested RSUs	(6,075)	—
Treasury stock purchases	(1,214)	—
Net cash provided by (used in) financing activities	(27,319)	(9,816)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,557)	557
Net increase (decrease) in cash, cash equivalents and restricted cash	(279,638)	(131,883)
Cash, cash equivalents and restricted cash, beginning of period	504,775	330,908
Cash, cash equivalents and restricted cash, end of period	$ 225,137	$ 199,025
Supplemental disclosure of non-cash activities		
Pending broker-to-broker trades	$ 5,763	$ —
Non-cash paydown of Partner promissory notes	$ 2,567	$ —
Lease liabilities arising from obtaining right-of-use lease assets	$ 1,649	$ 138
Accrued dividends and dividend equivalents on unvested RSUs	$ 1,149	$ —
Deferred tax effect resulting from exchanges of PWP OpCo units, net of amounts payable under tax receivable agreement	$ 798	$ —
Accrued treasury stock purchases	$ 384	$ —
Net assets of deconsolidated affiliate	$ —	$ 394
Supplemental disclosures of cash flow information		
Cash paid for income taxes	$ 2,214	$ 44
Cash paid for interest	$ 31	$ 2,835

The accompanying notes are an integral part of these condensed consolidated financial statements (unaudited)

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 related to mission-critical strategic and financial decisions, mergers and acquisitions advice and execution, capital markets advisory, shareholder and defense advisory, capital structure and restructuring, underwriting, equity research and private capital raising.

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 through a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business transaction, one or more businesses or assets. On June 24, 2021 (the "Closing Date" or "Closing"), the Company consummated a business combination pursuant to that certain Business Combination Agreement, dated as of December 29, 2020, by and among FTIV, FinTech Investor Holdings IV, LLC, FinTech Masala Advisors, LLC (together with FinTech Investor Holdings IV, LLC, the "Sponsor"), PWP OpCo, PWP GP LLC, PWP Professional Partners LP ("Professional Partners"), and Perella Weinberg Partners LLC ("Professionals GP") (the "Business Combination Agreement"). As contemplated by the Business Combination Agreement, (i) FTIV acquired certain partnership interests in PWP OpCo, (ii) PWP OpCo became jointly-owned by Perella Weinberg Partners, Professional Partners and certain existing partners of PWP OpCo, and (iii) PWP OpCo serves as the Company's 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"). See Note 3—Business Combination for additional discussion related to the transaction.

The operations of PWP OpCo are conducted through a wholly-owned subsidiary, Perella Weinberg Partners Group LP ("PWP Group"), and its subsidiaries which are consolidated in these financial statements. PWP GP LLC is the general partner that controls PWP OpCo. The limited partner interests of PWP OpCo are held by Investor Limited Partners (the "ILPs") and 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.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements reflect the financial condition, results of operations and cash flows of the Company and have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). All intercompany balances and transactions between the consolidated subsidiaries comprising the Company have been eliminated in the accompanying condensed consolidated financial statements.

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 condensed consolidated financial statements included in this Quarterly Report on Form 10-Q 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.

These condensed consolidated financial statements and notes thereto are unaudited, and as permitted by the interim reporting rules and regulations set forth by the Securities and Exchange Commission (the "SEC"), exclude certain financial information and note disclosures normally included in annual audited financial statements prepared in accordance with U.S. GAAP. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 included in the Company's Annual Report on Form 10-K. The condensed consolidated financial statements reflect all material adjustments of a normal recurring nature that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods.

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 March 31, 2022 and December 31, 2021, the net assets of PWP OpCo were $273.1 million and $268.5 million, respectively. As of March 31, 2022 and December 31, 2021, the Company did not consolidate any VIEs other than PWP OpCo that were deemed material to the condensed consolidated financial statements.

Use of Estimates

The preparation of the condensed 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 condensed 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.

In preparing the condensed consolidated financial statements, management makes estimates regarding the following:

- measurement of amount due pursuant to the tax receivable agreement;
- measurement and timing of revenue recognition;
- adequacy of the allowance for credit losses;
- measurement and realization of deferred taxes;
- measurement of equity-based awards;
- 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 condensed consolidated financial statements.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents includes cash and highly liquid investments with original maturities of three months or less from the date of purchase. As of March 31, 2022 and December 31, 2021, the Company had no cash equivalents. The Company maintains cash with banks and brokerage firms, which from time to time may exceed federally insured limits.

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

Restricted cash represents cash that is not readily available for general purpose cash needs. As of both March 31, 2022 and December 31, 2021, the Company had restricted cash of $2.0 million maintained as collateral for letters of credit related to certain office leases.

A reconciliation of the Company's cash, cash equivalents and restricted cash as of March 31, 2022 and March 31, 2021 is presented below:

	March 31,	
	2022	2021
Cash	$ 223,142	$ 197,189
Restricted cash	1,995	1,836
Cash, cash equivalents and restricted cash as shown on statements of cash flows	$ 225,137	$ 199,025

Accounts Receivable

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 credit losses, if required. As of March 31, 2022 and December 31, 2021, $16.8 million and $2.5 million, respectively, of accrued revenue was included in Accounts receivable, net of allowance on the Condensed Consolidated Statements of Financial Condition. These amounts represent amounts due from clients and recognized as revenue in accordance with the Company's revenue recognition policies but unbilled at the end of the period.

Accounts receivable represent amounts due from clients from various industry and geographic backgrounds. As of March 31, 2022, certain accounts receivable in the aggregate amount of $7.8 million were individually greater than 10% of the Company's gross accounts receivable and were concentrated with one client. As of the issuance date of these condensed consolidated financial statements, this amount has not been collected. As of December 31, 2021, certain accounts receivable in the aggregate amount of $13.6 million, were 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.

Allowance for Credit Losses

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 estimating the probability of loss based on the Company's historical credit loss experience of its client receivables and taking into consideration current market conditions and supportable forecasts that affect the collectability of the reported amount. The Company updates its average 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. In addition, the Company periodically performs a qualitative assessment to monitor risks associated with current and forecasted conditions that may require an adjustment to the expected credit loss rates. The Company also regularly reviews the age of the receivables, credit worthiness of the client and the current economic conditions that may affect a client's ability to pay such amounts owed to the Company and as a result, may recognize a specific credit loss reserve. Changes to expected credit losses during the period are included in General, administrative and other expenses in the Condensed 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.

Prepaid Expenses and Other Assets

Generally, prepaid expenses comprise the majority of Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Condition and represent upfront payments for various services, including subscriptions, software licenses and insurance, which are amortized over the life, related service period or policy. When applicable, deferred offering costs are also presented within Prepaid expenses and other assets. As of December 31, 2021, Prepaid expenses and other assets included deferred offering costs of $0.9 million related to a primary offering of shares of its Class A common stock. Total deferred offering costs of $1.3 million for this primary offering were netted against the proceeds of the offering in Additional paid-in-capital on the Condensed Consolidated Statements of Financial Condition. Refer to Note 11—Stockholders' Equity for additional information regarding this offering.

Tudor, Pickering, Holt & Co. Securities Canada, ULC (“TPH Canada”) executes certain client trades through a counterparty other than its carrying broker (referred to as “broker-to-broker trades”). Per the introducing broker agreement between TPH Canada and its carrying broker, TPH Canada assumes the risk of any failed obligations with respect to broker-to-broker trades and is required to reimburse the carrying broker for any loss which the carrying broker may sustain as a result of these trades. TPH Canada is deemed to be a principal with regards to broker-to-broker trades; and therefore, the value of unsettled broker-to-broker trades as of March 31, 2022 in the amount of $5.8 million was recorded as a receivable from the carrying broker or other counterparty as well as a corresponding payable to the carrying broker or other counterparty, which were included in Prepaid expenses and other assets and Accounts payable, accrued expenses and other liabilities, respectively, on the Condensed Consolidated Statements of Financial Condition. Subsequent to March 31, 2022, these trades were settled and the related receivable and payable were derecognized. There were no unsettled broker-to-broker trades as of December 31, 2021.

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. The Company primarily conducts business through entities held by PWP OpCo that are disregarded for U.S. federal and state tax purposes. Certain non-U.S. subsidiaries are subject to income taxes in their respective local jurisdictions, and therefore, the related income tax provision is reported in the Condensed Consolidated Statements of Operations.

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 benefit (expense) 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 temporary tax differences and tax planning strategies.

The Company analyzes its tax positions for all U.S. federal, state and local 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 General, administrative and other expenses in the Condensed Consolidated Statements of Operations.

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.

Transaction-Related Advisory Services

The Company is contracted to provide different investment banking and advisory services that vary depending on the nature of the contract with each individual client. These transaction-related advisory services include, but are not limited to, providing financial advice and assistance in analyzing, structuring, planning, negotiating and effecting a transaction, providing financial advice with regard to a restructuring of a client's capital structure, which may or may not result in a court-approved bankruptcy plan, and providing certain ongoing services, including research and analysis on potential targets, identifying potential investors, and financial modeling for potential transactions. Typically, the Company provides such advisory services to its clients to assist with corporate finance activities such as 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. However, certain performance obligations may be recognized at a point in time if the performance obligation represents a singular objective that does not transfer any notable value until formally completed, such as when issuing fairness opinions, which are further discussed below. The Company provides 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 its advice as the Company is providing financial and strategic advice throughout the engagement, and, accordingly, over time revenue recognition matches the transfer of such benefits.

Although the Company's transaction-related advisory services meet the criteria for over time revenue recognition, 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, 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.

In some cases, a portion of the variable fees may be deferred based on the services remaining to be completed, if any (e.g., when announcement fees are earned but additional services are expected to be provided until the transaction closes). The determination of when and to what extent to recognize 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. 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. The Company recognizes a receivable between the date of completion of the event and payment by the client.

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 at which the fairness opinion is delivered rather than over the period of time during which the services are being performed because the client does not simultaneously receive and consume the benefit of the Company's performance to provide the fairness opinion but rather receives the benefit upon delivery of the fairness opinion itself. Payments for fairness opinion services are generally due upon delivery of the fairness opinion. The Company recognizes a receivable between the date of delivery of the fairness opinion and payment by the client.

Research and Trading Services

The Company provides research on the energy and related industries and related 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. Recipients of this research compensate the Company for these market insights in various ways – by direct payment (the amount of which is typically at the client's discretion based upon the perceived value of the research services provided), through trades directed through the Company's trading desk (for commission generation) or through third-party commission sharing agreements. These services are sometimes referred to as "soft-dollar arrangements," and the amount of payment is typically based on a percentage of commission income generated from the client's trades executed by the Company. The commission per share and volume of trades are at the client's discretion based upon the perceived value of the research services and trade execution provided. Generally, the Company does not provide trading services separate and apart from research services (i.e., clients do not typically execute trades through the Company in the normal course of business; rather, trade execution is used as a means to be compensated for research services).

Because fees received for research services, and any associated trading services, are typically at the complete discretion of the client and are based on the value the client perceives in the research services provided, the entire transaction price associated with such services is variable. Accordingly, because of the broad range of possible outcomes and the inability to predict the value the client will ascribe to such services, the Company fully constrains the revenue associated with research services, and any associated trading services, until the uncertainty associated with the variable consideration is subsequently resolved, which is typically upon the earlier of receiving an invoice request from the client or receiving payment from the client.

Underwriting Services

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. A separate performance obligation is identified in instances in which the contract with the client includes an over-allotment option. The Company's underwriting services generally do not meet any of the requirements for revenue to be recognized over time, and therefore, the Company typically recognizes underwriting revenue on the pricing date of the offering, which is when the Company receives the pricing wire communication from the lead underwriter detailing the underwriting fees to which the Company is entitled. Similarly, the performance obligation associated with the over-allotment is satisfied at the point in time at which the option is exercised.

The Company's role in underwriting commitments is usually as a co-manager or passive bookrunner, rather than as the lead underwriter. Accordingly, the Company estimates its share of transaction-related expenses incurred by the underwriting syndicate on the pricing date of the offering and presents these expenses gross within Travel and related expenses in the Condensed Consolidated Statements of Operations. Such amounts are adjusted to reflect actual expenses in the period in which the Company receives the final settlement, typically within 90 days following the closing of the transaction.

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 typically reimbursed by the client for certain of these out-of-pocket expenses, which is recorded within Revenues in the Condensed Consolidated Statements of Operations.

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).

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 in an amount equal to the fair value of the awards at the grant date. Equity-based compensation expense for employees and partners are included in Compensation and benefits on the Condensed Consolidated Statements of Operations and equity-based compensation expense for non-employees is included in Professional fees on the Condensed Consolidated Statements of Operations. Refer to Note 13—Equity-Based Compensation for detail of amounts included in each financial statement line item. 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 condensed consolidated financial statements. Non-controlling interests are presented as a separate component of equity on the Condensed Consolidated Statements of Financial Condition. Net income (loss) includes the net income (loss) attributable to the holders of the non-controlling interests on the Condensed Consolidated Statements of Operations. 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 are fully attributed to non-controlling interests. Refer to Note 13—Equity-Based Compensation for further information.

Recently Adopted Accounting Pronouncements

No changes to U.S. GAAP that went into effect during the three months ended March 31, 2022 had a material effect on the Company’s condensed consolidated financial statements.

Future Adoption of Accounting Pronouncements

No changes to U.S. GAAP that are not yet effective are expected to have a material effect on the Company’s condensed consolidated financial statements.

Note 3—Business Combination

On June 24, 2021, the Company consummated a business combination pursuant to the Business Combination Agreement dated as of December 29, 2020, by and among the Company (previously FTIV), the Sponsor, PWP OpCo, PWP GP LLC, PWP GP, Professional Partners, and Professionals GP. Pursuant to the Business Combination Agreement, among other things, (i) FTIV acquired certain partnership interests in PWP OpCo, (ii) PWP OpCo became jointly-owned by PWP, Professional Partners and certain existing partners of PWP OpCo, and (iii) PWP OpCo now serves as the Company's operating partnership as part of an Up-C structure. 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.

On December 29, 2020, concurrent with the execution of the Business Combination Agreement, FTIV also entered into subscription agreements with certain private investors ("PIPE Investors"), pursuant to which the PIPE Investors collectively subscribed for 12,500,000 shares of the Company's Class A common stock for an aggregate purchase price equal to $125.0 million (the "PIPE Investment"), including $1.5 million subscribed by entities related to the Sponsor. The PIPE Investment was consummated concurrently with the Closing.

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

- Pursuant to the Sponsor Share Surrender and Share Restriction Agreement executed concurrently with the Business Combination Agreement among the Sponsor, FTIV, PWP OpCo and certain other parties (the "Surrender Agreement"), which was amended on May 4, 2021, Sponsor surrendered and forfeited to FTIV 1,023,333 shares of Class B common stock, par value $0.0001 per share, of FTIV;

- All outstanding shares of FTIV's Class B common stock (other than the 1,023,333 shares of FTIV Class B common stock that were forfeited by the Sponsor) were converted into shares of FTIV's Class A common stock, and FTIV's outstanding warrants were assumed by the Company and became exercisable for shares of Company Class A common stock on the same terms as were contained in the warrant agreements prior to the Business Combination;

- 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 the proceeds from the PIPE Investment and 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;

- Professional Partners contributed the equity interests of PWP GP, the general partner of PWP OpCo, to FTIV;

- 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;

- PWP OpCo first redeemed PWP OpCo Units held by certain electing ILPs in the amount of $80.5 million, and second, redeemed PWP OpCo Units held by certain electing former working partners in the amount of $28.6 million; and

- FTIV was renamed "Perella Weinberg Partners."

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

On the date of the Closing, the Company recorded $22.2 million in public warrant liabilities and $0.7 million in private warrant liabilities, which represented their fair value on such date. See Note 12—Warrants for further information. In conjunction with the Business Combination, the Company incurred approximately $2.9 million in transaction expenses, which were recorded in Professional fees on the Condensed 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 payable pursuant to the 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.

At the time of the Closing, there were 42,956,667 shares of Class A common stock and 50,154,199 shares of Class B common stock outstanding. The number of shares of Class B common stock outstanding corresponds to the number of PWP OpCo Units attributable to the Professional Partners and ILPs. Such PWP OpCo Units are exchangeable into shares of PWP's Class A common stock on a one-for-one basis and represent the non-controlling ownership interests in the Company. Class B-1 and B-2 common stock have de minimis economic rights. See Note 11—Stockholders' Equity for additional information.

Concurrent with the Closing, the Company entered into certain other related agreements which are discussed further in Note 11—Stockholders' Equity and Note 17—Related Party Transactions.

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:

	Three Months Ended March 31,	
	2022	**2021**
Over time	$ 146,598	$ 157,923
Point in time	5,278	11,879
Total revenues	$ 151,876	$ 169,802

Reimbursable expenses billed to clients was $0.3 million and $1.6 million for the three months ended March 31, 2022 and 2021, respectively.

Remaining Performance Obligations and Revenue Recognized from Past Performance

As of March 31, 2022, the aggregate amount of the transaction price allocated to performance obligations yet to be satisfied is $5.2 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 and fairness opinion services.

The Company recognized revenue of $119.9 million and $115.8 million during the three months ended March 31, 2022 and 2021, respectively, related to performance obligations that were satisfied or partially satisfied in prior periods, mainly due to constraints on variable consideration in prior periods being resolved for transaction-related advisory services.

Contract Balances

As of March 31, 2022 and December 31, 2021, the Company recorded $5.8 million and $7.8 million, respectively, for contract liabilities which are presented as Deferred revenue on the Condensed Consolidated Statements of Financial Condition. For the three months ended March 31, 2022 and 2021, $3.8 million and $6.7 million, respectively, of the respective beginning deferred revenue balance was recognized as revenue and was primarily related to transaction-related advisory services performance obligations that are recognized over time.

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

Allowance for Credit Losses

The allowance for credit losses activity for the three months ended March 31, 2022 and 2021 is as follows:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Beginning balance	$ 1,851	$ 1,045
Bad debt expense	284	(538)
Write-offs	(730)	(21)
Recoveries	—	710
Foreign currency translation and other adjustments	(27)	—
Ending balance	$ 1,378	$ 1,196

Note 5—Leases

In May 2021, the Company extended the term of its New York office lease by five months, which resulted in an increase to Lease liabilities and a corresponding increase to Right-of-use lease assets of $5.1 million. In July 2021, the Company executed a lease amendment to vacate a portion of its Houston office space, which resulted in a $1.9 million decrease to Right-of-use lease assets, a $2.4 million decrease to Lease liabilities and a $0.5 million gain recorded in Other income (expense) in the Condensed Consolidated Statements of Operations. The Houston sublease agreement with PWP Capital Holdings LP was terminated in conjunction with this lease amendment.

In February 2022, the Company entered into a lease agreement related to the relocation of its U.K. office. The lease has an initial term of 12 years and is expected to commence mid-2022. Also in February 2022, the Company entered into an amendment to its Los Angeles office lease which is expected to commence in mid-2022 and is scheduled to expire on December 31, 2032.

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

	March 31, 2022	December 31, 2021
Weighted-average discount rate - operating leases	2.38%	2.45%
Weighted-average remaining lease term - operating leases	3.13 years	3.26 years

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating lease cost	$ 4,635	$ 4,818
Variable lease cost	442	1,316
Sublease income - operating leases	(203)	(806)
Total net lease cost	$ 4,874	$ 5,328
Cash paid for lease obligation	$ 4,988	$ 5,079

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

As of March 31, 2022, the maturities of undiscounted operating lease liabilities of the Company are as follows:

Years Ending:	**Operating Leases**	**Sublease Income**	**Net Payments**
Remainder of 2022	$ 14,536	$ 616	$ 13,920
2023	14,198	307	13,891
2024	4,910	—	4,910
2025	2,950	—	2,950
2026	2,852	—	2,852
Thereafter	2,131	—	2,131
Total lease payments	41,577	$ 923	$ 40,654
Less: Imputed Interest	(1,369)		
Total lease liabilities	$ 40,208		

Note 6—Intangible Assets

Below is the detail of the intangible assets:

	March 31, 2022		
	Gross Amount	**Accumulated Amortization**	**Net Carrying Amount**
Customer relationships	$ 47,400	$ (25,280)	$ 22,120
Trade names and trademarks	18,400	(9,813)	8,587
Total	$ 65,800	$ (35,093)	$ 30,707

	December 31, 2021		
	Gross Amount	**Accumulated Amortization**	**Net Carrying Amount**
Customer relationships	$ 47,400	$ (24,095)	$ 23,305
Trade names and trademarks	18,400	(9,353)	9,047
Total	$ 65,800	$ (33,448)	$ 32,352

The intangible assets are amortized over an average useful life of 10 years. Intangible amortization expense was $1.6 million for each of the three months ended March 31, 2022 and 2021, which is included in Depreciation and amortization in the Condensed Consolidated Statements of Operations. Amortization of intangible assets held at March 31, 2022 is expected to be $6.6 million for each of the years ending December 31, 2022, 2023, 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.

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

Note 7—Regulatory Requirements

The Company has a number of consolidated subsidiaries registered as broker-dealers with regulatory agencies in their respective countries, including the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority ("FINRA"), the Investment Industry Regulatory Organization of Canada ("IIROC"), the Financial Conduct Authority ("FCA") of the United Kingdom (the "UK") and the Autorité de contrôle prudentiel et de resolution ("ACPR") of France. None of the 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 March 31, 2022 and December 31, 2021, 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.

Note 8—Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization and consist of the following as of March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
Leasehold improvements	$ 50,581	$ 49,610
Furniture and fixtures	8,138	8,188
Equipment	16,127	15,969
Software	8,581	8,581
Total	83,427	82,348
Less: Accumulated depreciation and amortization	(73,026)	(71,986)
Fixed assets, net	$ 10,401	$ 10,362

Depreciation expense related to fixed assets was $1.1 million and $1.9 million for the three months ended March 31, 2022 and 2021, respectively. Amortization expense related to software development costs was $0.2 million and $0.4 million for the three months ended March 31, 2022 and 2021, respectively.

Note 9—Income Taxes

The following table summarizes the Company's tax position for the periods presented:

	Three Months Ended March 31,	
	2022	2021
Income (loss) before income taxes	$ 4,048	$ 24,531
Income tax benefit (expense)	$ (2,996)	$ (2,024)
Effective income tax rate	74.0 %	8.3 %

For the three months ended March 31, 2022, the Company determined that the year-to-date actual effective tax rate represents the Company's best estimate of the annual effective tax rate. This is due to the Company's significant permanent differences as compared to estimated pre-tax income.

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

The Company's effective tax rate is dependent on many factors, including the amount of income subject to tax. Consequently, the effective tax rate can vary from period to period. The Company's overall effective tax rate in each of the periods described above varies from the U.S. federal statutory rate primarily because (i) the Company was not subject to U.S. federal corporate income taxes prior to the Business Combination, (ii) a portion of equity-based compensation expense is non-deductible, both prior to the Business Combination and for the subsequent period and (iii) a portion of the Company's income is allocated to non-controlling interests held in PWP OpCo in which the majority of any tax liability on such income is borne by the holders of such non-controlling interests and reported outside of the condensed consolidated financial statements.

As of March 31, 2022, the Company has a liability for unrecognized tax benefits of $6.1 million related to the potential double inclusion of income on its foreign income tax returns. The Company does not expect there to be any material changes to uncertain tax positions within 12 months of the reporting date.

Note 10—Debt

The following is a summary of the Company's debt as of March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
Revolving Credit Facility	$ —	$ —
Unamortized debt discount and issuance costs [1]	(485)	(521)
Total debt, net	$ (485)	$ (521)

(1) As of March 31, 2022 and December 31, 2021, the Company included unamortized debt issuance costs within Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Position since there were no outstanding borrowings under the Revolving Credit Facility, as defined below.

Revolving Credit Facility

The Company has a revolving credit facility (the "Revolving Credit Facility") with Cadence Bank, N.A. ("Cadence Bank") with an available line of credit of $50 million. Prior to the Business Combination, the Revolving Credit Facility bore interest at a rate per annum equal to either the variable Eurodollar Rate (or London Interbank Offered Rate, LIBOR) or a variable Base Rate (defined as the higher of the (i) Federal Funds Rate plus ½ of 1.0%; (ii) Cadence Bank prime rate; or (iii) Eurodollar Rate plus 1.0%) plus a rate which varies by the Company's leverage ratio, as noted in the table below.

	Applicable Rate	
Combined Leverage Ratio	**Eurodollar Rate**	**Base Rate**
< 0.50 : 1.00	2.50%	1.50%
≥ 0.50 : 1.00, but < 1.50 : 1.00	2.75%	1.75%
≥ 1.50 : 1.00	3.00%	2.00%

Upon consummation of the Business Combination, the Company repaid all of the outstanding borrowings under the Credit Agreement, which included $27.7 million principal amount plus accrued and unpaid interest. In anticipation of the Closing, on June 15, 2021, the Credit Agreement was amended such that as of the Closing Date, (i) the maturity was extended from April 1, 2022 to July 1, 2025, (ii) interest accrues at LIBOR plus a fixed rate of 2.00% per annum (with a 0.25% LIBOR floor) with an alternate base rate option equal to Cadence Bank's prime rate minus 1.00% (with a 3.25% floor), (iii) up to $15.0 million of the Revolving Credit Facility may be used for the issuance of letters of credit, (iv) up to $20.0 million of incremental revolving commitments may be incurred under the Credit Agreement, and (v) certain financial covenants were amended. As of March 31, 2022, the Company had no outstanding balance related to the Revolving Credit Facility and no incremental revolving commitments were incurred.

The weighted average interest rate for the Revolving Credit Facility was 2.63% for the three months ended March 31, 2021.

Debt Issuance Costs – Prior to the Business Combination, the Company incurred $1.8 million in issuance costs related to the Credit Agreement, which were amortized to Interest expense using the effective interest method over the life of the Revolving Credit Facility. The effective interest rate of the Revolving Credit Facility, taking into account these issuance costs, was 3.75% for the three months ended March 31, 2021. The amendments described above were accounted for as modifications as opposed to a debt extinguishment in accordance with U.S. GAAP. As such, the unamortized original debt issuance costs as well as the additional $0.1 million in fees incurred to amend the facility are being amortized using the effective interest method to Interest expense over the amended remaining term of the Revolving Credit Facility. Interest expense related to the Revolving Credit Facility was $0.1 million and $0.3 million during the three months ended March 31, 2022 and 2021, respectively.

Convertible Notes - Outstanding Prior to the Business Combination

The Company's 7.0% subordinated unsecured convertible notes with an aggregate principal amount of $150.0 million (the "Convertible Notes") were redeemed upon consummation of the Business Combination in June of 2021. The effective interest rate of the Convertible Notes, considering the cash coupon rate of 7.0% as well as amortization of the debt discount and issuance costs, was 11.95% for the three months ended March 31, 2021. The aggregate interest expense related to the Convertible Notes was $3.6 million for the three months ended March 31, 2021.

Certain of the persons who held Convertible Notes (each herein referred to as a "Holder") are partners. Refer to Note 17—Related Party Transactions for further information.

Note 11—Stockholders' Equity

Subsequent to the Business Combination as described in Note 3—Business Combination, the Company's authorized capital stock consists of 2,200,000,000 shares including (i) 1,500,000,000 shares of Class A common stock, par value $0.0001 per share (the "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 (iv) 100,000,000 shares of preferred stock, par value $0.0001 per share (the "Preferred Stock"). Holders of Class A common stock and Class B common stock vote together as a single class on all matters submitted to the stockholders for their vote or approval, except as required by applicable law. Shares of Class A common stock and Class B common stock are not subject to any conversion right and holders of the Class A common stock and Class B common stock do not have preemptive or subscription rights. Additionally, the Company has 7,869,975 warrants outstanding as of March 31, 2022 and December 31, 2021. See Note 12—Warrants for additional information.

Class A Common 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. Additionally, holders of shares of Class A common stock are entitled to receive ratably, in proportion to the number of shares held by them, dividends and other distributions in cash, stock or property of PWP when, as, and if declared by the Board of Directors out of our assets or legally available funds.

Class B Common Stock

The Company has two classes of Class B common stock: Class B-1 common stock and Class B-2 common stock. Holders of Class B common stock are entitled to receive ratably, in proportion to the number of shares held, dividends of the same type as any dividends and other distributions in cash, stock or property of PWP payable or to be made on outstanding shares of 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. Additionally, the holders of shares of Class B common stock are entitled to receive on a pari passu basis with the holders of the Class A common stock, such dividend or other distribution on the Class A common stock when, as, and if declared by the Board of Directors out of our assets or legally available funds. Each holder of Class B-1 common stock shall be entitled to ten votes for each share of Class B-1 common stock held of record by such holder for so long as the Professional Partners directly or indirectly maintain units that represent at least ten percent of issued and outstanding Class A common stock (the "10% Condition"). After the 10% Condition ceases to be satisfied, each share of Class B-1 common stock shall be entitled to one vote. Each holder of Class B-2 common stock shall be entitled to one vote for each share of Class B-2 common stock held of record by such holder.

The Class B-1 common stock was distributed to and owned by Professional Partners and the Class B-2 common stock was distributed to and owned by ILPs, with the number of shares of such Class B common stock issued equal to the number of PWP OpCo Units held by Professional Partners and ILPs, respectively, at the Business Combination Closing.

Preferred Stock

The Board of Directors may establish one or more classes or series of preferred stock (including convertible preferred stock). 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. We currently do not have any preferred stock issued and outstanding.

Dividends

On February 16, 2022, the Company's Board of Directors declared a cash dividend of $0.07 per outstanding share of Class A common stock. This dividend was paid on March 17, 2022 to each of the holders of Class A common stock of record as of the close of business on March 3, 2022. Holders of Class B common stock also received dividends equal to the amount of dividends made on 0.001 shares of Class A common stock.

Share Repurchase Agreement

On February 16, 2022, the Company's Board of Directors approved a stock repurchase program under which the Company is authorized to repurchase up to $100.0 million of the Company's Class A common stock with no requirement to purchase any minimum number of shares. Shares may be repurchased under the new repurchase program through open market purchases, privately negotiated transactions, block trades, accelerated or other structured share repurchase programs, or other means. The manner, timing, pricing and amount of any transactions will be subject to the Company's discretion. During the three months ended March 31, 2022, the Company purchased 172,303 shares resulting in an increase of $1.6 million, at cost, to Treasury stock on the Company's Condensed Consolidated Statement of Financial Condition.

Rights upon Liquidation

In the event of any liquidation, dissolution or winding up of PWP, after payments to creditors of the corporation that may at the time be outstanding and subject to the rights of any holders of Preferred Stock that may then be outstanding, holders of shares of Class A common stock and Class B common stock shall be entitled to receive ratably, in proportion to the number of shares held by them, all remaining assets and funds of PWP available for distribution. For purposes of any such distribution, each share of Class B common stock shall be entitled to receive the same distribution as 0.001 shares of Class A common stock.

Non-Controlling Interests

Non-controlling interests represents the ownership interests in PWP OpCo held by holders other than Perella Weinberg Partners. Professional Partners and the ILPs own 46,318,953 PWP OpCo Units as of March 31, 2022, which represent a 49.65% non-controlling ownership interest in PWP OpCo. These PWP OpCo Units are exchangeable into PWP Class A common stock on a one-for-one basis. Class B-1 and Class B-2 common stock have de minimis economic rights.

Registration Rights Agreement

In connection with the Closing, the Company entered into a registration rights agreement among the Sponsor, Professional Partners and the ILPs pursuant to which the Company was required to file with the SEC a registration statement pursuant to Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”) registering the resale of certain shares of its Class A common stock and certain of its other equity securities, which was filed by the Company with the SEC on July 15, 2021. The Company bears the expenses incurred in connection with the filing of any registration statements filed pursuant to the registration rights agreement. The registration rights agreement does not contain any penalties associated with failure to file or to maintain the effectiveness of a registration statement covering the shares owned by individuals covered by such agreement.

Sponsor Share Surrender and Share Restriction Agreement

Concurrent with the Business Combination Agreement, FTIV, PWP OpCo and certain other parties entered into the Surrender Agreement with the Sponsor, which was amended on May 4, 2021, under which the founder shares 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 the FTIV’s initial public offering were subject to transfer restrictions for six months following the Closing of the Business Combination, 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, whichever occurs first. Additionally, if, prior to the fourth anniversary of the Closing, the closing share price is greater than $12.00 per share or $15.00 per share for any 20 trading days out of 30 consecutive trading days (each a “Trigger Date”), then, during the 15 day period following such Trigger Date, the Company shall have the right to purchase from the Sponsor or its permitted transferees, as applicable, up to an aggregate of 1,000,000 founder shares per Trigger Date for a purchase price of $12.00 per share or $15.00 per share, respectively, by providing written notice of such repurchase election to the Sponsor or its permitted transferees, as applicable.

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 Condensed Consolidated Statements of Financial Condition.

Stockholder Agreement

On the date of the Closing, PWP and Professional Partners entered into a Stockholders Agreement (the “Stockholders Agreement”), providing for certain approval and director nomination rights in favor of Professional Partners. The Stockholders Agreement provides that for so long as Professional Partners or its limited partners as of the date of the Closing (or their permitted successors or assigns) continue to hold securities representing at least five percent of the Company’s outstanding Class A common stock on an as-exchanged basis (the “5% Condition”), the Board of Directors may not approve, absent the prior consent of Professional Partners, any amendment to the certificate of incorporation or bylaws of the Company, or the limited partnership agreement of PWP OpCo, in each case, that would materially and adversely affect in a disproportionate manner the rights of Professional Partners or its limited partners.

In addition, for so long as the 10% Condition is met, the Board of Directors may not approve, absent the prior consent of Professional Partners, a number of ordinary course operating activities in respect of the Company, PWP OpCo and PWP OpCo’s subsidiaries.

The effect of the agreement is that Professional Partners may 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 will terminate once the 5% Condition is no longer satisfied.

PWP OpCo Limited Partnership Agreement

Governance and Voting and Economic Rights

On the date of the Closing, PWP OpCo adopted an Amended and Restated Agreement of Limited Partnership of PWP OpCo (as amended, restated, modified or supplemented from time to time, the "PWP OpCo LPA"). Through the Company's control of PWP GP, the general partner of PWP OpCo, the Company will have unilateral control (subject to the consent of PWP OpCo's partners on certain limited matters) over the affairs and decisions of PWP OpCo, including the appointment of officers of PWP OpCo. As such, including through such officers and directors, the Company will be responsible for all operational and administrative decisions of PWP OpCo and the day-to-day management of PWP OpCo's business. Furthermore, PWP GP cannot be removed as the general partner without the Company's approval. No holders of PWP OpCo Units (the "PWP OpCo Unitholders"), in their capacity as such, will have any authority or right to control the management of PWP OpCo or to bind it in connection with any matter. However, Professional Partners, which is ultimately managed by a committee of limited partners that manages Professionals GP, the general partner of Professional Partners, will have the ability to exercise majority voting control over the Company by virtue of its ownership of all outstanding shares of Class B-1 common stock.

In accordance with the PWP OpCo LPA, the Company intends to use best efforts to cause PWP OpCo to make sufficient cash distributions to the PWP OpCo Unitholders to fund their tax obligations in respect of the income of PWP OpCo that is allocated to them. Generally, these tax distributions will be computed based on the Company's estimate of the net taxable income of PWP OpCo allocable to such holder of partnership units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporation (taking into account the non-deductibility of certain expenses and the character of PWP OpCo's income).

Exchange Rights

In accordance with the PWP OpCo LPA, PWP OpCo Unitholders (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. Concurrently with an exchange of PWP OpCo 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 the Company a number of shares of Class B common stock equal to the number of PWP OpCo 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.

The PWP OpCo LPA contains restrictions on the ability to exchange PWP OpCo Units for shares of Class A common stock or cash from an offering of shares of Class A common stock, for the following periods: (i) PWP OpCo Units held by Professional Partners are subject to a restriction for time periods that are fully back-to-back with the lock-up periods contemplated in the amended and restated limited partnership agreement of Professional Partners (generally speaking, such lock-up periods (a) for former working partners, was 180 days after Closing and expired on December 24, 2021; and (b) for working partners, is between three to five years after the Closing), (ii) PWP OpCo Units held by ILPs existing at the time of the Business Combination were subject to such restriction for 180 days after the Closing which expired on December 24, 2021, and (iii) any other outstanding PWP OpCo Units not previously covered by clauses (i) and (ii) above are subject to such restriction for a period of twelve months following the date on which such PWP OpCo Units were acquired. 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.

On January 21, 2022, the Company closed a follow-on public offering of 3,502,033 shares of Class A common stock (the "Offering") at a public offering price of $10.75 per share for total gross proceeds of $37.6 million, before deducting underwriting discounts and commissions. All proceeds from the Offering, net of the underwriting discounts and commissions of $0.32 per share or an aggregate of $1.1 million, were used by the Company to settle an exchange of certain PWP OpCo Units and certain shares of Class B common stock. Under the terms of the underwriting agreement, directors, officers and certain significant shareholders signed customary lockup agreements with respect to their ownership of Class A common stock. Total deferred offering costs of $1.3 million for the Offering were netted against the proceeds of the offering in Additional paid-in-capital on the Condensed Consolidated Statements of Financial Condition.

On February 28, 2022, the Company settled an exchange of certain PWP OpCo Units and certain shares of Class B common stock for 337,048 shares of Class A common stock.

The exchanges created a step-up in tax basis for which the Company recorded an increase in Deferred tax assets, net, as well as a related increase in Amounts due pursuant to the tax receivable agreement resulting in a net increase to Additional paid-in-capital.

Note 12—Warrants

Public Warrants

Each public warrant entitles the registered holder to purchase one share of Class A common stock at an exercise price of $11.50 per share, subject to adjustment, and became exercisable on September 29, 2021, the one-year anniversary of FTIV's initial public offering. A warrant holder may exercise its warrants only for a whole number of shares of Class A common stock. This means that only a whole warrant may be exercised at any given time by a warrant holder. The warrants will expire five years after the Business Combination, or earlier upon redemption or liquidation.

As of March 31, 2022 and December 31, 2021, the Company had 7,666,642 public warrants outstanding and no warrants had been exercised or redeemed.

Private Warrants

The private warrants are identical to the public warrants, except that the private warrants and the Class A common stock issuable upon the exercise of the private warrants were subject to certain restrictions on transfer, assignment or sale until July 24, 2021, 30 days after the completion of the Business Combination. Additionally, the private warrants will be non-redeemable so long as they are held by the Sponsor or its permitted transferees. If the private warrants are held by someone other than the Sponsor or its permitted transferees, the private warrants will be redeemable by the Company and exercisable by such holders on the same basis as the public warrants. As of March 31, 2022 and December 31, 2021, the Company had 203,333 private warrants outstanding and no private warrants were exercised or redeemed.

Valuation of Warrants

The public and private warrants meet the definition of a derivative under ASC 815 and as such, the Company recorded these warrants as liabilities at fair value upon the closing of the Business Combination in accordance with ASC 820 with subsequent changes in their respective fair values recorded in Change in fair value of warrant liabilities on the Condensed Consolidated Statements of Operations. See Note 16—Fair Value Measurements and Investments for descriptions of the valuation methodology and further information.

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

Note 13—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 incentive compensation awards measured by reference to PWP Class A common stock. Under the PWP Incentive Plan, the Company may grant options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance restricted stock units ("PSUs"), stock bonuses, other stock-based awards, cash awards or any combination of the foregoing. The PWP Incentive Plan established a reserve for a one-time grant of awards that occurred in connection with the Business Combination (the "Transaction Pool Reserve") as well as a reserve for general purpose grants (the "General Share Reserve"). The maximum aggregate number of shares of Class A common stock reserved for issuance from the General Share Reserve will be increased on the first day of each fiscal year of the Company beginning in calendar year 2022 by the number of shares of Class A common stock equal to the excess, if any, of (i) 15% of the number of outstanding shares of Class A common stock and the outstanding PWP OpCo Units that are exchangeable for shares of Class A common stock, in each case, on the last day of the immediately preceding fiscal year, over (ii) the number of shares of Class A common stock reserved and available for issuance in respect to future grants of awards under the PWP Incentive Plan as of the last day of the immediately preceding fiscal year. As of March 31, 2022, 7,823,995 total shares remained reserved and available for future issuance under the PWP Incentive Plan.

Business Combination Awards

During the third quarter of 2021, in connection with the Business Combination, the Company granted awards in the form of (i) restricted stock units out of the Transaction Pool Share Reserve consisting of (a) PSUs that only vest upon the achievement of both service and market conditions ("Transaction Pool PSUs") and (b) RSUs that vest upon the achievement of service conditions ("Transaction Pool RSUs") as well as (ii) PSUs out of the General Share Reserve to certain executives that vest upon the achievement of both service and market conditions ("Long-Term Incentive Awards").

Transaction Pool PSUs – The service condition requirement with respect to the Transaction Pool PSUs is generally satisfied over three to five years, with 20% of the awards vesting on each of the 36, 42, 48, 54 and 60 month anniversaries of the grant date. The market condition requirement will be satisfied in 25% increments upon the publicly traded shares of Class A common stock achieving closing share prices equal to $12, $13.50, $15 and $17 for any 20 trading days out of any 30 consecutive trading days ending prior to the sixth anniversary of the grant date. As of March 31, 2022, the $12 and $13.50 market condition requirements were satisfied.

The following table summarizes activity related to Transaction Pool PSUs for the three months ended March 31, 2022:

	Transaction Pool PSUs	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at January 1, 2022	3,208,126	$ 12.74
Granted [(1)]	7,489	12.74
Vested	—	—
Forfeited	(160,000)	12.74
Balance at March 31, 2022	3,055,615	$ 12.74

(1) Includes dividend equivalents that have been awarded in the form of additional Transaction Pool PSUs that were granted from the General Share Reserve.

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

As of March 31, 2022, total unrecognized compensation expense related to unvested Transaction Pool PSUs was $32.7 million, which is expected to be recognized over a weighted average period of 3.44 years.

Transaction Pool RSUs – The Transaction Pool RSUs generally vest in equal annual installments over the requisite service period of three years. As of March 31, 2022, total unrecognized compensation expense related to unvested Transaction Pool RSUs was $43.4 million, which is expected to be recognized over a weighted average period of 2.52 years.

The following table summarizes activity related to Transaction Pool RSUs for the three months ended March 31, 2022:

	Transaction Pool RSUs	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at January 1, 2022	5,450,604	$ 13.97
Granted [(1)]	4,317	13.97
Vested	(712,261)	13.97
Forfeited	(818,857)	13.97
Balance at March 31, 2022	3,923,803	$ 13.97

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

Long-Term Incentive Awards – The service condition requirement with respect to the Long-Term Incentive Awards is generally satisfied in two equal installments subject to continued employment on the third and fifth anniversaries of the grant date. The market condition is satisfied upon the achievement of closing stock prices equal to $15, $20, $25 and $30 for any 20 trading days out of any 30 consecutive trading days prior to the fifth anniversary of the grant date, as measured on the last calendar day of each month, subject to linear interpolation between the applicable price points.

The following table summarizes activity related to Long-Term Incentive Awards for the three months ended March 31, 2022:

	Long-Term Incentive Awards	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at January 1, 2022	9,500,000	$ 8.86
Granted	—	—
Vested	—	—
Forfeited	(500,000)	8.86
Balance at March 31, 2022	9,000,000	$ 8.86

As of March 31, 2022, total unrecognized compensation expense related to unvested Long-Term Incentive Awards was $67.4 million, which is expected to be recognized over a weighted average period of 3.46 years.

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

General Awards

The Company grants RSU awards out of the General Share Reserve that vest upon the achievement of service conditions (the "General RSUs"). The Company expects to grant General RSUs from time to time in the ordinary course of business.

The General RSUs vest over the requisite service period, which is generally one to five years. The grant date fair value of the General RSUs granted during the three months ended March 31, 2022 was $63.0 million, which was based on the PWP stock price on the date of grant. As of March 31, 2022, total unrecognized compensation expense related to unvested General RSUs was $62.9 million which is expected to be recognized over a weighted average period of 2.67 years.

The following table summarizes activity related to General RSUs for the three months ended March 31, 2022:

	General RSUs	
	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Balance at January 1, 2022	906,517	$ 13.76
Granted [(1)]	6,323,662	9.96
Vested	(448,240)	11.43
Forfeited	—	—
Balance at March 31, 2022	6,781,939	$ 10.37

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

Voting and Dividend Equivalent Rights

Grantees of the Company's RSUs and PSUs have no rights as stockholders with respect to the right to vote or the right to receive dividends prior to the date that the underlying shares are issued. If during the period commencing on the grant date and ending on the date the underlying shares are issued, the Company declares a dividend on its shares, then the grantee shall be eligible to receive such dividends on or about the date such shares are issued. Certain employees in France and Canada receive dividends in the form of award grants that match the underlying award from which the dividends were generated. The remaining employees receive such awards in the form of cash.

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 January 2020, the Company granted Legacy Awards with a grant-date fair value of $6.4 million, which was estimated using the income approach and assumed a range of discount rates between 3.8% and 11.2%. In January 2021, the Company granted Legacy Awards with a grant-date fair value of $9.3 million, which was estimated using the income approach and assumed a range of discount rates between 2.0% and 9.8%. Under the income approach, fair value is determined by converting future projected cash flows to a single present value amount (discounted) using current expectations about those future cash flows.

In connection with the Business Combination and a related internal reorganization of Professional Partners, an ownership structure was implemented that includes a class of partnership units that tracks PWP's advisory business (including increases and decreases in value) and allocates income/distributions with respect to the advisory business on a pro-rata basis to all holders of such partnership units in accordance with their ownership interests. Pursuant to the internal reorganization, existing Legacy Awards were canceled and replaced by converting each limited partner's capital interests in Professional Partners attributable to PWP OpCo into a combination of original capital units ("OCUs"), value capital units ("VCUs"), and/or alignment capital units ("ACUs"). The OCUs are held by current limited partners of Professional Partners based on a pro-rata allocation of their existing capital and were fully vested upon recapitalization. The VCUs and ACUs (collectively, "Professional Partners Awards") are held by current working partners and require services to be performed on behalf of PWP OpCo. The Professional Partners Awards are generally subject to a service-based graded vesting schedule over a three to five-year period. Fully vested Professional Partners Awards are exchangeable for PWP OpCo Units and allow for their exchange into Class A common stock of PWP on a one-for-one basis. Holders of Professional Partners Awards and OCUs are entitled to participate in distributions made on PWP OpCo Units underlying their Professional Partners Awards during the vesting period.

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 fair value of the Professional Partners Awards granted was determined to be incremental value conveyed to the holders of the Legacy Awards and will be accounted for under ASC 718, *Compensation—Stock Compensation*, with the cost reflected in equity-based compensation over the requisite service period. The Company will continue to amortize the unrecognized cost associated with the Legacy Awards over its original vesting schedule. The $301.5 million grant-date fair value of the Professional Partners Awards is based on the closing price of PWP Class A common stock on the date of grant as units in Professional Partners are ultimately exchangeable into shares of PWP Class A common stock on a one-for-one basis.

The vesting of Professional Partners Awards does not dilute Perella Weinberg Partners shareholders relative to Professional Partners as Professional Partners' 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, as well as the remaining compensation expense related to the Legacy Awards, is allocated to non-controlling interests on the Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Financial Condition. If any Professional Partners Award is forfeited, the value attributable to the forfeited Professional Partners Award will accrete to all limited partners in Professional Partners based on relative ownership at the time of forfeiture. The accretion of value upon forfeiture reflects a reallocation of value attributable to the forfeited Professional Partners Award and does not result in an incremental grant.

On August 31, 2021, certain Professional Partner ACUs and VCUs held by French partners were canceled, and an equal number of Transaction Pool PSUs were issued to such partners. The Company accounted for these transactions as a modification. The grant-date fair value of the Transaction Pool PSUs was based on the closing price of PWP Class A common stock on the date of grant. The total expense associated with the replacement awards will be amortized over the remaining service period for Transaction Pool PSUs. The canceled Professional Partner Awards were reallocated to certain other working partners on August 31, 2021, and the Company accounted for these as a new grant of ACUs and VCUs. The grant date fair value of these awards was $11.5 million which was based on the closing price of PWP Class A common stock on the date of grant.

As of March 31, 2022, there was $19.6 million of unrecognized compensation cost associated with the Legacy Awards that is expected to be recognized over a weighted-average period of 1.49 years. As of March 31, 2022, there was $252.2 million of unrecognized compensation expense related to unvested Professional Partners Awards, which is expected to be recognized over a weighted-average period of 4.12 years.

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

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Professional fees		
PWP Incentive Plan Awards	$ 515	$ —
Total Professional fees	$ 515	$ —
Equity-based compensation		
PWP Incentive Plan Awards	$ 22,180	$ —
Legacy Awards (1)	3,339	6,157
Professional Partners Awards (1)	15,371	—
Total Equity-based compensation	$ 40,890	$ 6,157
Income tax benefit of equity-based awards	$ 3,239	$ —

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

Note 14—Other Compensation and Benefits

Compensation and benefits includes, but is not limited to, salaries, bonuses (discretionary awards and guaranteed amounts), severance and deferred compensation. In all instances, compensation expense is accrued over the requisite service period.

Deferred Compensation Programs

The Company has various deferred compensation plans. Some plans allow employees to defer cash payments for services performed in the past and some plans require future service. The Company recognizes compensation expense over the requisite service period. In addition, certain legacy plans required the Company to invest the deferred amounts into designated brokerage accounts at the employee's discretion, while others allowed employees to make hypothetical investments in which their deferrals were deemed to be invested. The designated brokerage balances are reflected in Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Condition. The Company maintains company-owned life insurance policies which are designed to offset a portion of the liability for the hypothetical investments of these legacy plans. The cash surrender value of these life insurance policies is also included in Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Condition.

Deferred compensation liabilities will be paid at various intervals through 2023 and are presented within Deferred compensation programs on the Condensed Consolidated Statements of Financial Condition. During the three months ended March 31, 2022, the Company settled $5.8 million of the deferred compensation liability, of which $2.6 million was settled through a reduction of certain partners' outstanding promissory notes and interest receivable. Refer to Note 17—Related Party Transactions for more information. There were no forfeitures of deferred compensation awards during each of the three months ended March 31, 2022 and March 31, 2021. Compensation expenses related to these deferred compensation plans was $0.3 million for the three months ended March 31, 2021, and is presented within Compensation and benefits in the Condensed Consolidated Statements of Operations. As of March 31, 2022, substantially all deferred amounts were vested, and as such, there was nominal compensation expense related to these deferred compensations plans during the three months ended March 31, 2022.

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

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 and (ii) a UK pension scheme for UK employees and (iii) a Germany pension plan for employees in Germany.

For the three months ended March 31, 2022 and 2021, expenses related to the Company's employee benefit plans was $1.5 million and $1.2 million, and are included in Compensation and benefits in the Condensed Consolidated Statements of Operations.

Note 15—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 condensed 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 three months ended March 31, 2022, as presented on the Condensed Consolidated Statements of Operations, represent only the period after the Business Combination to March 31, 2022.

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

	Three Months Ended March 31, 2022	
Numerator:		
Net income (loss) attributable to Perella Weinberg Partners – basic	$	8,894
Dilutive effect from assumed exchange of PWP OpCo Units, net of tax		(9,328)
Net Income (loss) attributable to Perella Weinberg Partners – diluted	$	(434)
Denominator:		
Weighted average shares of Class A common stock outstanding – basic		45,917,935
Weighted average number of incremental shares from assumed exchange of PWP OpCo Units		47,313,397
Weighted average shares of Class A common stock outstanding – diluted		93,231,332
Net income (loss) per share attributable to Class A common shareholders		
Basic	$	0.19
Diluted	$	0.00

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.

The Company uses the treasury stock method to determine the potential dilutive effect of outstanding warrants and unvested RSUs and PSUs 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 Closing Date. The Company also adjusts 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 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:

	Three Months Ended March 31, 2022
Warrants [(1)]	—
RSUs and PSUs	295,216
Total	295,216

(1) When assessed for the three months ended March 31, 2022, the warrants were out-of-the-money, which resulted in no potentially dilutive shares under the treasury stock method.

Note 16—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 active markets.

Level 3 – Pricing inputs are unobservable for the financial instruments and includes 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 category 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.

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. Due to the variable rate nature of the Revolving Credit Facility, the carrying value as of December 31, 2021 approximated the fair value.

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

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 March 31, 2022 and December 31, 2021:

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial asset				
Cash surrender value of company-owned life insurance	$ —	$ 536	$ —	$ 536
Financial liabilities				
Warrant liabilities - Public warrants	$ 15,407	$ —	$ —	$ 15,407
Warrant liabilities - Private warrants	—	—	392	392
Total financial liabilities	$ 15,407	$ —	$ 392	$ 15,799

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds and other	$ 500	$ —	$ —	$ 500
Cash surrender value of company-owned life insurance	—	565	—	565
Total financial assets	$ 500	$ 565	$ —	$ 1,065
Financial liabilities				
Warrant liabilities - Public warrants	$ 27,063	$ —	$ —	$ 27,063
Warrant liabilities - Private warrants	—	—	742	742
Total financial liabilities	$ 27,063	$ —	$ 742	$ 27,805

The Company had no transfers between fair value levels during the three months ended March 31, 2022 and 2021.

As of December 31, 2021, the Company held investments related to a legacy deferred compensation program and securities. These amounts are included in Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Condition.

The cash surrender value of company-owned life insurance is included in Prepaid expenses and other assets on the Condensed Consolidated Statements of Financial Condition at the amount that could be realized under the contract as of March 31, 2022 and December 31, 2021, which approximates fair value.

The public warrants are valued using quoted market prices on the Nasdaq Global Select Market under the ticker PWPPW and are included in Warrant liabilities on the Condensed Consolidated Statements of Financial Condition. As of March 31, 2022, the price per public warrant was $2.01.

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

Management determines the fair value of the private warrants using the Black-Scholes option pricing valuation model ("Valuation Model"). The private warrants are classified as Level 3 as of March 31, 2022 because of the use of significant unobservable inputs in the Valuation Model. The inputs into the Valuation Model for the private warrants, including some significant unobservable inputs, were as follows:

	March 31, 2022
Expected volatility	38.02 %
Expected dividend yield	2.95 %

The resulting valuation for the private warrants were determined to be $1.93 per unit as of March 31, 2022. The Company had 203,333 private warrants outstanding as of March 31, 2022, resulting in a fair value of $0.4 million recorded within Warrant liabilities in the Condensed Consolidated Statements of Financial Condition.

The following table presents changes in Level 3 financial liabilities measured at fair value for three months ended March 31, 2022:

	Private Warrants
Balance at December 31, 2021	$ 742
Change in fair value	(350)
Balance at March 31, 2022	$ 392

Changes in fair value of the private warrants are presented within Change in fair value of warrant liabilities on the Condensed Consolidated Statements of Operations.

Other Investments

The Company applies the equity method of accounting to its investment in PFAC Holdings I LLC ("PFAC Holdings"), an indirect parent of PWP Forward Acquisition Corp. I ("PFAC"), a special purpose acquisition company. As of March 31, 2022 and December 31, 2021, the Company's investment in PFAC Holdings was $1.8 million and $1.3 million, respectively. The Company's share of earnings of PFAC Holdings is included in Other income (expense) on the Condensed Consolidated Statements of Operations for the three months ended March 31, 2022 and 2021.

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

Note 17—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, which holds the former asset management business

TSA Agreement – In connection with the Separation, the Company entered into a transition services agreement (the "TSA") with PWP Capital Holdings LP under which the Company agreed to provide certain services to PWP Capital Holdings LP and PWP Capital Holdings LP agreed to provide certain services to the Company. Either party to the TSA may terminate the agreement solely as it applies to the services it receives under the agreement with 90 days prior written notice. The services provided under the TSA primarily relate to administrative services such as legal, human resources, compliance, information technology and certain finance functions. Additionally, the Company pays certain vendors for services that were previously contracted and are shared between PWP Capital Holdings LP and the Company until such time as separate terms can be reached with the vendors or the TSA terminates. Fees for services provided as well as a list of specified vendors are stipulated within the TSA.

Sublease Income – In connection with the Separation, the Company subleases a portion of its office space at its New York location to PWP Capital Holdings LP. The Company also subleased a portion of its office space at its Houston location to PWP Capital Holdings LP, but this sublease was terminated in August 2021. Sublease rent payments are due monthly and are based on PWP Capital Holdings LP's pro-rata portion of the underlying lease agreements including base rent as well as other lease related charges. See additional information regarding the subleases at Note 5—Leases.

Compensation Arrangements – In addition, PWP Capital Holdings LP has entered into an arrangement with certain employees of the Company related to services provided directly to PWP Capital Holdings LP. With respect to services provided to PWP Capital Holdings LP, the amounts paid and payable to such employees now and in the future are recognized by PWP Capital Holdings LP. All compensation related to services these employees provide to the Company are included in Compensation and benefits in the Condensed Consolidated Statements of Operations.

Amounts due from PWP Capital Holdings LP are reflected as Due from related parties on the Condensed Consolidated Statements of Financial Condition.

The following table shows the components of TSA income reported within Related party income in the Condensed Consolidated Statements of Operations for the periods presented:

	Three Months Ended March 31,	
	2022	**2021**
TSA income		
TSA income – Compensation related	$ 205	$ 587
TSA income – Non-compensation related	120	181
Sublease income	203	806
Total TSA income	$ 528	$ 1,574

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

Tax Receivable Agreement

In connection with the Business Combination, the Company entered into a tax receivable agreement with 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 March 31, 2022, the Company had an amount due of $19.7 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 and is reported within Amount due pursuant to tax receivable agreement on the Condensed Consolidated Statement of Financial Condition. The Company expects to make the following payments with respect to the tax receivable agreement, which may differ significantly from actual payments made:

Years Ending:	**Estimated Payments Under Tax Receivable Agreement**
Remainder of 2022	$ 465
2023	1,041
2024	1,056
2025	1,080
2026	1,103
Thereafter	14,986
Total payments	$ 19,731

Partner Promissory Notes

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. Repayment of the Partner Promissory Notes may be accelerated based on certain conditions as defined in the promissory note agreements and are primarily secured by the partner's equity interests in PWP OpCo or other affiliate. As the Partner Promissory Notes and associated interest receivable relate to equity transactions, they have been recognized as a reduction of equity on the Condensed Consolidated Statements of Financial Condition in the amount of $3.5 million and $6.0 million as of March 31, 2022 and December 31, 2021, respectively.

During the three months ended March 31, 2022, certain partners effectively repaid $2.6 million of principal and interest related to Partner Promissory Notes by foregoing the amount due from their respective deferred compensation agreements.

Other Partner Loans and Loan Guarantees

As of March 31, 2022 and December 31, 2021, $3.3 million of outstanding loans to certain partners are recognized in Due from related parties on the Condensed Consolidated Statements of Financial Condition.

The Company has unconditionally guaranteed certain of its partners' loans with First Republic Bank. Refer to Note 18—Commitments and Contingencies for additional information on the guarantees.

Convertible Notes

Principal amounts of $8.7 million related to the Convertible Notes were held by partners prior to redemption upon closing of the Business Combination. Refer to Note 10—Debt for additional information on the Convertible Notes.

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.

Perella Weinberg UK Limited, Professional Partners and certain partners (including one partner who serves as a Company director and co-president) are party to a reimbursement agreement, pursuant to which such partners directed Professional Partners to pay distributions related to their ACUs first to a subsidiary of the Company, so that the subsidiary can make employment income tax payments on such distributions to the appropriate non-US authorities.

Note 18—Commitments and Contingencies

Loan Guarantees

The Company has unconditionally guaranteed certain of its partners' loans with First Republic Bank ("Lender") whereby it will pay the Lender upon the occurrence of a default event. The total guarantees related to partners was $1.8 million and $3.3 million as of March 31, 2022 and December 31, 2021, respectively. These guarantees are secured by the partners' interests in Professional Partners. As of March 31, 2022 and December 31, 2021, 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 March 31, 2022 and December 31, 2021, 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 condensed consolidated financial statements of the Company as of March 31, 2022 and December 31, 2021 and for the three months ended March 31, 2022 and 2021.

On October 20, 2015, Perella Weinberg Partners LLC, 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 still 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' breaches of their obligations under the PWP Plaintiffs' partnership and employment agreements, and from Defendants' unfair competition and tortious interference with the PWP Plaintiffs' contracts and client relationships.

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' counterclaims and cross-claims with prejudice. On August 18, 2016, the Defendants filed an Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, which contained only seven counterclaims and cross-claims. On December 12, 2016, the 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 the Defendants' appeal in its entirety other than allowing only 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 to appeal to the New York Court of Appeals. 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. The Defendants are seeking declaratory relief and damages of no less than $60.0 million, as well as statutory interest.

Discovery is complete. Both the PWP Plaintiffs and the Defendants subsequently moved for summary judgment. As of March 20, 2020, the parties had completed briefing their respective motions for summary judgment. The PWP Plaintiffs moved affirmatively for summary judgment on each of their 14 claims and also moved for dismissal of each of the Defendants' remaining eight counterclaims and cross-claims. The Defendants moved affirmatively for summary judgment on four of their eight counterclaims and cross-claims and also moved for dismissal of each of the PWP Plaintiffs' 14 claims. The Court held oral argument on the motions for summary judgment on May 27, 2021. The Court has yet to issue a decision on the motions for summary judgement. In addition, on January 19, 2022, Defendants filed a motion for leave to renew one of their counterclaims brought under the New York Labor Law that the Court dismissed in 2016 (the dismissal of which was affirmed by the First Department in 2017). That motion was fully briefed as of February 3, 2022.

We believe that our 14 causes of action are meritorious. Further, we believe that we have substantial meritorious defenses to the 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.

The Company incurred $0.3 million and $0.2 million during the three months ended March 31, 2022 and 2021, respectively, in legal and professional fees, net of expected insurance reimbursement, related to this litigation. These litigation costs are included in Professional fees in the Condensed Consolidated Statements of Operations.

Note 19—Business Information

The Company's activities of providing advisory services for mergers-and-acquisitions, 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.

For the three months ended March 31, 2022, revenues of $26.1 million related to one individual client accounted for more than 10% of aggregate revenue. For the three months ended March 31, 2021, revenues of $28.7 million related to one individual client accounted for more than 10% of aggregate revenue. 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:

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

	Three Months Ended March 31,	
	2022	2021
Revenues		
United States	$ 92,158	$ 126,827
International	59,718	42,975
Total	$ 151,876	$ 169,802

	March 31, 2022	December 31, 2021
Assets		
United States	$ 348,284	$ 552,865
International	122,347	165,462
Total	$ 470,631	$ 718,327

Note 20—Subsequent Events

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

On April 1, 2022, the Company entered into a lease amendment related to the New York office. The amendment extends the term of the lease by approximately 16 years with an expected expiration of December 31, 2039.

On May 4, 2022, 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 payable on June 2, 2022 to each of the holders of Class A common stock of record as of the close of business on May 19, 2022.

Item 2. 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 the unaudited condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from the forward-looking statements below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" and elsewhere in this Form 10-Q.

Executive Overview

We are a leading global independent advisory firm that provides strategic and financial advice to clients across a range of 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.

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. Our mission is helping clients address complex strategic and financial challenges. 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 and geographic markets. 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 mission-critical strategic and financial decisions, mergers and acquisitions ("M&A") execution, capital markets advisory, shareholder and defense advisory, capital raising, capital structure and restructuring, specialized underwriting and research services 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. In addition to our hiring and internal development of individual professionals, in November 2016, we completed a business combination with Tudor, Pickering, Holt & Co., LLC ("TPH"), an independent advisory firm, focused on the energy industry. As of March 31, 2022, we serve our clients with 62 advisory partners based in 10 offices, located in five countries around the world.

We generate and recognize revenues when earned, primarily from providing advisory services on transactions that are subject to individually negotiated engagement letters, which set forth our fees.

Upfront fees are recognized over the estimated period that the related services are performed. Transaction-related fees are recognized when or as services for a transaction are provided and specified conditions or certain milestones have been achieved, which are often outside of our control. Underwriting revenues are recognized when the offering is deemed complete. As a result, revenues and net income in any period may not be indicative of full year results or the results of any other period and may vary significantly from year to year and quarter to quarter. The performance of our business depends on the ability of our professionals to build relationships with clients over many years by providing trusted advice and exceptional transaction execution.

On June 24, 2021, Perella Weinberg Partners consummated the Business Combination whereby (i) FTIV acquired certain partnership interests in PWP OpCo, (ii) PWP OpCo became jointly-owned by Perella Weinberg Partners, Professional Partners and certain existing partners of PWP OpCo, and (iii) PWP OpCo serves as the Company's operating partnership as part of an umbrella limited partnership C-corporation (Up-C) structure. The Business Combination was structured as a reverse recapitalization. The historical operations of PWP OpCo are deemed to be those of the Company. Thus, the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q 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. The Company shareholders are entitled to receive a portion of PWP OpCo's economics through their ownership interests in shares of Class A common stock of Perella Weinberg Partners, which holds PWP OpCo Class A partnership units. The non-controlling interest owners of PWP OpCo receive a portion of its economics through their ownership of PWP OpCo Class A partnership units ("PWP OpCo Units"). See Note 3—Business Combination and Note 11—Stockholders' Equity in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q for additional discussion related to the transaction.

Business Environment and Outlook

Global macroeconomic headwinds coupled with elevated geopolitical risks have caused a break in M&A momentum off of record 2021 levels. Announced global M&A volumes in the first quarter were down 30% both sequentially and annually, with activity falling steadily throughout the quarter. Closing volumes across the market also dropped more than 30% as timeframes from announcement to close experienced extensions.

While the level of M&A advisory dialogue remains active across industries and geographies of focus, the tough macroeconomic environment may persist in the near-term and affect M&A and financing volumes. Headwinds which are likely to impact 2022 industry volumes include rising rates, record inflation, a more aggressive anti-trust policy stance, supply chain disruptions and elevated geopolitical risks associated with Russia's invasion of Ukraine, amongst others.

Near-term headwinds aside, our core advisory services benefit from changes which impact our client base and lead them to consider business combinations, acquisitions and divestitures, capital raises and restructurings. These changes can include a broad range of economic factors in global or local markets, technological advancements which alter the competitive landscape, regulatory and political policies, globalization, changing consumer preferences, commodity and financial market movements, among many other factors.

As our team of advisory professionals expands and continues to gain traction, and as we continue to expand our advisory services, we expect our sector-focused global team collaboration will deepen and continue to resonate with clients. We expect to continue to experience growing global demand for independent advice over the long-term.

Economic and global financial conditions can materially affect our operational and financial performance. See "*Risk Factors*" included elsewhere in this Form 10-Q for a discussion of some of the factors that can affect our performance.

Results of Operations

The following is a discussion of our results of operations for the respective periods indicated:

	Three Months Ended March 31,		
(Dollars in thousands)	**2022**	**2021**	**2022 vs. 2021**
Revenues	$ 151,876	$ 169,802	(11)%
Expenses			
Compensation and benefits	87,245	109,470	(20)%
Equity-based compensation	40,890	6,157	NM
Total compensation and benefits	128,135	115,627	11%
Non-compensation expenses	34,100	26,131	30%
Total operating expenses	162,235	141,758	14%
Operating income (loss)	(10,359)	28,044	NM
Non-operating income (expenses)			
Related party income	558	2,209	(75)%
Other income (expense)	1,911	(1,854)	NM
Change in fair value of warrant liabilities	12,006	—	NM
Interest expense	(68)	(3,868)	(98)%
Total non-operating income (expenses)	14,407	(3,513)	NM
Income (loss) before income taxes	4,048	24,531	(83)%
Income tax benefit (expense)	(2,996)	(2,024)	48%
Net income (loss)	$ 1,052	$ 22,507	(95)%
Less: Net income (loss) attributable to non-controlling interests	(7,842)		
Net income (loss) attributable to Perella Weinberg Partners	$ 8,894		

NM = Not meaningful

Revenues

We operate in a highly competitive environment. Each revenue-generating engagement is separately solicited, awarded and negotiated, and there are limited long-term sources of revenue in the form of recurring retainers. Therefore, our fee-paying client engagements are not predictable, and high levels of revenues in one quarter are not necessarily predictive of continued high levels of revenues in future periods. To develop new business, our professionals maintain an active business dialogue with a large number of existing and potential clients. We expect to add new clients each year as our advisory professionals continue to expand their relationships, as we hire senior advisory professionals who bring their client relationships and as we receive introductions from our relationship network of senior executives, board members, attorneys and other third parties. We also lose clients each year as a result of the sale or merger of clients, changes in clients' senior management, competition from other financial services firms and other reasons.

In many cases, revenue is not recognized until the successful completion of an underlying transaction. Complications that may terminate or delay a transaction include failure to agree upon final terms with the counterparty, failure to obtain regulatory consents, failure to obtain board or stockholder approvals, failure to secure financing, adverse market conditions or unexpected operating or financial problems related to either party to the transaction (or their customer base). While transactions typically close within a 12-month period post-announcement of such transaction, they can occasionally extend longer. Such delays often occur with larger transactions and can contribute to unpredictability in the timing of such revenues. In other circumstances, we often do not receive the same level of advisory fees that would have been received if the transaction had been completed, and in some cases we may receive no advisory fee despite the fact that we may have devoted considerable time and resources to the transaction. Other barriers to the completion of a restructuring transaction may specifically include a lack of anticipated bidders for the assets or securities of our client, the inability of our client to restructure its operations, the absence of court approval in a bankruptcy proceeding, or a failure to reach agreement with a client's creditors. In these circumstances, our advisory fees are generally limited to monthly retainer fees (if any). In the case of bankruptcy engagements, fees are subject to approval by the applicable court. In most cases, even if a transaction is not successfully completed, we are reimbursed for certain out-of-pocket expenses incurred in connection with the engagement.

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 example, (i) a restructuring engagement may evolve to require a sale of all or a portion of the client, (ii) M&A assignments can develop from relationships established on prior restructuring engagements, (iii) capital markets expertise can be instrumental on both M&A and restructuring assignments, and (iv) capital markets revenue can be generated through the provision of capital markets advisory work, capital raising assignments or the issuance of focused equity research services. We dedicate the resources and expertise needed on any given assignment regardless of product lines and focus on achieving the desired outcome for our clients. Such an approach does not lend itself to tracking the type of advisory service offered in each instance.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Revenues for the three months ended March 31, 2022 were $151.9 million, a decrease of 11% from the firm's record first quarter in 2021 of $169.8 million. The period-over-period decline is primarily driven by a reduction in mergers and acquisition activity in our US business, partially offset by an increase in non-US mergers and acquisition completions. The decrease in revenue can be attributed to fewer advisory transaction completions despite a moderate increase in average fee size per client.

For the three months ended March 31, 2022 and 2021, we earned revenues from 77 and 95 advisory clients, respectively. The number of advisory clients who paid fees equal to or greater than $1.0 million decreased to 28 advisory clients for the three months ended March 31, 2022 compared to 29 advisory clients for the three months ended March 31, 2021. The average fee size increased to $1.9 million for the three months ended March 31, 2022 from $1.8 million for the three months ended March 31, 2021.

Operating Expenses

The following table sets forth information relating to our operating expenses:

(Dollars in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	2022 vs. 2021
Expenses			
Compensation and benefits	$ 87,245	$ 109,470	(20)%
% of Revenues	57 %	64 %	
Equity-based compensation	$ 40,890	$ 6,157	NM
% of Revenues	27 %	4 %	
Total compensation and benefits	$ 128,135	$ 115,627	11 %
% of Revenues	84 %	68 %	
Non-compensation expenses	$ 34,100	$ 26,131	30 %
% of Revenues	22 %	15 %	
Total operating expenses	$ 162,235	$ 141,758	14 %
% of Revenues	107 %	83 %	
Income (loss) before income taxes	$ 4,048	$ 24,531	(83)%
% of Revenues	3 %	14 %	

Our operating expenses are classified as (i) total compensation and benefits expenses including equity-based compensation and (ii) non-compensation expenses. Headcount is the primary driver of the level of our operating expenses. Compensation and benefits expenses account for the majority of our operating expenses. Compensation expenses also include expense associated with hiring which has been a significant focus of the Company in all of the historical periods described herein. Non-compensation expenses, which include the costs of professional fees, technology and infrastructure, rent and occupancy, travel and related expenses, general, administrative and other expenses and depreciation and amortization generally have been less significant in comparison with compensation and benefits expenses.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Operating expenses were $162.2 million for the three months ended March 31, 2022 and represented 107% of revenues, compared with $141.8 million for the three months ended March 31, 2021, which represented 83% of revenues. The increase in operating expenses was primarily driven by an increase in total compensation and benefits which was $128.1 million for the three months ended March 31, 2022 compared to $115.6 million for the three months ended March 31, 2021, as well as higher non-compensation expenses which were $34.1 million for the three months ended March 31, 2022 compared to $26.1 million for the three months ended March 31, 2021.

Compensation and Benefits Expenses

Our compensation and benefits expenses are determined by management based on revenues earned, the competitiveness of the prevailing labor market and anticipated compensation requirements for our employees, the level of recruitment of new partners, the amount of compensation expense amortized for equity awards and other relevant factors. Such factors can fluctuate, including headcount, and as a result, our compensation expenses may fluctuate materially in any particular period. Accordingly, the amount of compensation expenses recognized in any particular period may not be consistent with prior periods or indicative of future periods.

Our compensation expenses consist of base salary, benefits, payroll taxes, annual incentive compensation payable as cash bonus awards, deferred compensation awards, profit sharing arrangements and amortization of equity-based compensation awards. Compensation expenses also include signing bonuses and compensation paid pursuant to guarantees for new hires. These amounts have historically been significant. Base salary and benefits are paid ratably throughout the year. Depending on the plan, deferred compensation and profit-sharing awards vest immediately, at future dates, or upon the occurrence of certain events. Cash bonuses, which are accrued each quarter, are discretionary and dependent upon many factors, including the performance of the Company, and are generally paid during the first quarter of each calendar year with respect to prior year performance.

Equity awards are measured at fair value on the grant date and recognized on a straight-line basis over the vesting period. The awards are subject to a service vesting condition, and in some cases a market-based performance vesting condition, and vest ratably on a graded vesting schedule of up to five years. The awards are recorded within equity as they are expensed. The vesting of Legacy Awards granted prior to the Business Combination and the various Professional Partners awards issued in connection with the Business Combination have no economic impact on, and do not dilute, PWP shareholders relative to Professional Partners. The awards do not change the economic allocations between Professional Partners and PWP shareholders, nor do they change the Professional Partners' interest in PWP OpCo. As a result, all of the compensation expense and corresponding capital contribution associated with the Professional Partners Awards is allocated to non-controlling interests on the Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Financial Condition.

Beginning in the third quarter of 2021, the Company granted incentive compensation awards in accordance with the PWP Incentive Plan. The Company uses shares of PWP Class A common stock to satisfy vested awards under the plan. The vesting of these awards for employees are recorded as equity-based compensation expense and awards for non-employees are recorded as professional fees at PWP OpCo for U.S. GAAP accounting purposes. The accounting for this equity-based compensation expense, and potentially other factors as well, may cause the Company to experience operating losses in future periods.

We intend to compensate our personnel competitively in order to continue building our business and growing our Company. Certain awards were granted in conjunction with the Business Combination and directly related to this transaction milestone event. These awards were outside the Company's normal and recurring compensation processes. Total future amortization which will be recognized over the next five years before accounting for forfeitures is $76.2 million for the Transaction Pool RSUs and Transaction Pool PSUs and $67.4 million for the Long-Term Incentive Awards granted in conjunction with the Business Combination.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

For the three months ended March 31, 2022, total compensation and benefits expenses of $128.1 million represented 84% of revenues, compared with $115.6 million of compensation-related expenses, which represented 68% of revenues for the three months ended March 31, 2021. Included in total compensation-related expense was $40.9 million and $6.2 million of amortization of equity awards for the three months ended March 31, 2022 and 2021, respectively. The increase in total compensation and benefit expenses was due to increased equity-based compensation due principally to awards granted in connection with the Business Combination, partially offset by a lower bonus accrual attributable to decreased revenue.

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 including certain co-advisory fees and expenses reimbursed by our clients. Any expenses reimbursed by clients and the co-advisory fees are also presented within revenues on our Condensed Consolidated Statements of Operations.

Historically, our non-compensation expenses associated with business development have increased as we have increased our headcount. These costs include costs such as travel and related expenses. Growth in our headcount has increased rent and occupancy expenses as well as professional fees related to recruiting expenses, while geographic expansion has increased regulatory expenses. This trend may continue as we expand into new sectors, geographies and products to serve our clients' growing needs, domestically and internationally. Additionally, travel and related expenses may increase as COVID-19 pandemic related travel restrictions ease.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

For the three months ended March 31, 2022, non-compensation expenses of $34.1 million represented 22% of revenues, compared with $26.1 million, which represented 15% of revenues, for the three months ended March 31, 2021. The increase in non-compensation expense was primarily driven by a $4.6 million increase in professional fees, principally related to consulting, recruiting and general legal expenses, a $1.6 million increase in travel related expenses as pandemic-related travel restrictions began to ease and an increase in general, administrative and other expenses of $3.1 million primarily due to increased public company costs including D&O insurance.

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, including related party income, change in the fair value of warrant liabilities, interest expense, and other income (expense).

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

For the three months ended March 31, 2022, non-operating income (expenses) was $14.4 million of income compared to $(3.5) million of expense for the three months ended March 31, 2021. The most significant components and change from the prior year period was the $12.0 million gain on the change in fair value of warrant liabilities and a decrease of $3.8 million of interest expense related to the repayment of all indebtedness in connection with the Business Combination. Additionally, the net impact of non functional currency related transaction gains and losses recorded in Other income (expense) resulted in a $3.8 million change year over year as the three months ended March 31, 2022 included a $1.4 million gain as opposed to a $2.0 million loss for the three months ended March 31, 2021.

Income Tax Benefit (Expense)

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.

The Company's income tax provision and the corresponding effective tax rate are based on U.S. GAAP income adjusted for permanent book-tax differences at the currently enacted statutory tax rates in the various jurisdictions in which the Company operates. For the period ending March 31, 2022, the Company determined that the year-to-date actual effective tax rate represents the Company's best estimate of the annual effective tax rate. This is due to the Company's significant permanent differences as compared to estimated pre-tax income.

The Company's effective tax rate is dependent on many factors, including the amount of income subject to tax. Consequently, the effective tax rate can vary from period to period. The Company's overall effective tax rate in each of the periods described above varies from the U.S. federal statutory rate primarily because (i) the Company was not subject to U.S. federal corporate income taxes prior to the Business Combination, (ii) a portion of equity-based compensation expense is non-deductible, both prior to the Business Combination and for the subsequent period and (iii) a portion of the Company's income is allocated to non-controlling interests held in PWP OpCo in which the majority of any tax liability on such income is borne by the holders of such non-controlling interests and reported outside of the condensed consolidated financial statements.

Cash Flows

Our operating cash flows are primarily influenced by the amount and timing of receipt of advisory fees, which generally have net terms of 30 days, and the payment of operating expenses, including payments of incentive compensation to our employees. We pay a significant portion of incentive compensation during the first quarter of each calendar year with respect to the prior year's results. Our investing and financing cash flows are primarily influenced by the payment of dividends, distributions to partners, purchase of treasury shares and withholding payments for vesting of incentive awards in the three months ended March 31, 2022.

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

(Dollars in thousands)	Three Months Ended March 31, 2022	2021
Cash Provided By (Used In)		
Operating Activities		
Net income (loss)	$ 1,052	$ 22,507
Non-cash charges and other operating activity adjustments	36,007	14,972
Other operating activities	(285,432)	(158,708)
Total operating activities	(248,373)	(121,229)
Investing Activities	(1,389)	(1,395)
Financing Activities	(27,319)	(9,816)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,557)	557
Net increase (decrease) in cash, cash equivalents and restricted cash	(279,638)	(131,883)
Cash, cash equivalents and restricted cash, beginning of period	504,775	330,908
Cash, cash equivalents and restricted cash, end of period	$ 225,137	$ 199,025

Three Months Ended March 31, 2022

Cash and restricted cash were $225.1 million as of March 31, 2022, a decrease of $279.6 million from $504.8 million as of December 31, 2021. The Company reported net income of $1.1 million for the three months ended March 31, 2022 which includes $36.0 million of non-cash charges, largely comprised of the equity-based compensation, depreciation and amortization and the change in fair value of warrant liabilities. This operating cash inflow was offset by working capital needs largely due to increased accounts receivable balances and the payment of the annual bonus compensation which occurs in the first quarter of each year, resulting in a net outflow to cash of $248.4 million during the three months ended March 31, 2022. Investing activities resulted in a net outflow of $1.4 million attributable to the purchases of fixed assets. Financing activities resulted in a net outflow of $27.3 million primarily related to distributions to partners, withholding payments for vesting of incentive awards, payment of dividends and the repurchase of shares.

Three Months Ended March 31, 2021

Cash and restricted cash were $199.0 million as of March 31, 2021, a decrease of $131.9 million from $330.9 million as of December 31, 2020. The Company reported net income of $22.5 million for the three months ended March 31, 2021 which includes $15.0 million of non-cash charges, largely comprised of the equity-based compensation, depreciation and amortization and non-cash lease expense. These positive operating results were offset by working capital needs largely due to increased accounts receivable balances and the payment of the annual bonus compensation which occurs in the first quarter of each year, resulting in a net outflow to cash of $121.2 million. Investing activities resulted in a net outflow of $1.4 million and financing activities resulted in a net outflow of $9.8 million primarily related to distributions to limited partners of PWP OpCo.

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 and net cash generated from operations.

Our current assets are primarily composed of cash, receivables related to fees earned from providing advisory services, certain prepaid expenses and amounts due from related parties. Our current liabilities are primarily composed of accounts payable, accrued expenses and accrued and deferred employee compensation. We pay a significant portion of our annual incentive compensation, in the form of cash bonuses, during the first quarter of each calendar year with respect to the prior year's results. Therefore, levels of cash generally decline during the first quarter of each year after our annual incentive compensation has been paid to our employees. Cash then typically builds over the remainder of the year. The Company makes quarterly partner tax distributions as required under the partnership agreement of PWP OpCo. These distributions totaled $15.8 million and $9.8 million during the three months ended March 31, 2022 and 2021, respectively. Additionally, as a public company, we intend to pay dividends throughout the year and may consider share or warrant repurchases as well. During the three months ended March 31, 2022, the Company paid $3.4 million in cash dividends. The Company has the option to net settle vesting RSUs in order to remit required employee withholding taxes using cash on hand. During the three months ended March 31, 2022, the Company paid $6.1 million in withholding payments for the net settlement of 559,403 shares on vested RSUs. Additionally, during the three months ended March 31, 2021, the Company purchased 172,303 shares at a cost of $1.6 million pursuant to the stock repurchase program described below.

We evaluate our cash needs on a regular basis in light of current market conditions. Cash and cash equivalents include 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. The Company had no cash equivalents as of March 31, 2022 and December 31, 2021. As of March 31, 2022 and December 31, 2021, the Company had cash balances of $223.1 million and $502.8 million, respectively, maintained in U.S. and non-U.S. bank accounts, of which most bank account balances exceeded the U.S. Federal Deposit Insurance Corporation ("FDIC") and U.K. Financial Services Compensation Scheme ("FSCS") coverage limits.

Our liquidity is highly dependent upon cash receipts from clients, which generally require the successful completion of transactions. Accounts receivable generally have net terms of 30 days. Accounts receivable were $75.3 million, net of a $1.4 million allowance for credit losses balance as of March 31, 2022. Accounts receivable were $46.9 million, net of a $1.9 million allowance for credit losses balance as of December 31, 2021.

Line of credit

The Company has the Revolving Credit Facility with Cadence Bank with an available line of credit of $50.0 million. Prior to the Business Combination, the Revolving Credit Facility bore interest at a rate per annum equal to either the variable Eurodollar Rate (or London Interbank Offered Rate, LIBOR) or a variable Base Rate (defined as the higher of the (i) Federal Funds Rate plus ½ of 1.0%; (ii) Cadence Bank prime rate; or (iii) Eurodollar Rate plus 1.0%) plus a rate which varies by the Company's leverage ratio, as noted in the table below.

	Applicable Rate	
Combined Leverage Ratio	**Eurodollar Rate**	**Base Rate**
< 0.50 : 1.00	2.50%	1.50%
≥ 0.50 : 1.00, but < 1.50 : 1.00	2.75%	1.75%
≥ 1.50 : 1.00	3.00%	2.00%

Upon consummation of the Business Combination, the Company repaid all of the outstanding borrowings under the Credit Agreement, which included $27.7 million principal amount plus accrued and unpaid interest. As of the Closing Date, the Credit Agreement was amended such that (i) the maturity was extended from April 1, 2022 to July 1, 2025, (ii) interest accrues at LIBOR plus a fixed rate of 2.00% per annum (with a 0.25% LIBOR floor) with an alternate base rate option equal to Cadence Bank's prime rate minus 1.00% (with a 3.25% floor), (iii) up to $15.0 million of the Revolving Credit Facility may be used for the issuance of letters of credit, (iv) up to $20.0 million of incremental revolving commitments above the $50.0 million commitment amount may be incurred under the Credit Agreement, and (v) certain financial covenants were amended. As of March 31, 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 condensed consolidated financial statements included elsewhere in this Form 10-Q.

Based on current market conditions, we believe that the cash we retain post-transaction, the 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.

Share Repurchase Program

On February 16, 2022, the Company's board of directors approved a stock repurchase program under which the Company is authorized to repurchase up to $100.0 million of the Company's Class A common stock with no requirement to purchase any minimum number of shares. Shares may be repurchased under the new repurchase program through open market purchases, privately negotiated transactions, block trades, accelerated or other structured share repurchase programs, or other means. The manner, timing, pricing and amount of any transactions will be subject to the Company's discretion. During the three months ended March 31, 2021, the Company purchased 172,303 shares at a cost of $1.6 million pursuant to this stock repurchase program.

Other Commitments

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 condensed consolidated financial statements included elsewhere in this Form 10-Q 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.

Exchange Rights

In accordance with the PWP OpCo LPA, PWP OpCo Unitholders (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.

The PWP OpCo LPA contains restrictions on the ability to exchange PWP OpCo class A partnership units for shares of Class A common stock or cash from an offering of shares of Class A common stock, for the following periods: (i) PWP OpCo class A partnership units held by Professional Partners are subject to a restriction for time periods that are fully back-to-back with the lock-up periods contemplated in the amended and restated limited partnership agreement of Professional Partners (generally speaking, such lock-up periods (a) for former working partners, was 180 days after Closing and expired on December 24, 2021; and (b) for working partners is between three to five years after the Closing), (ii) PWP OpCo class A partnership units held by ILPs existing at the time of the Business Combination were subject to such restrictions for 180 days after the Closing, which expired on December 24, 2021, and (iii) any other outstanding PWP OpCo class A partnership units not previously covered by clauses (i) and (ii) above are subject to such restriction for a period of twelve months following the date on which such PWP OpCo class A partnership units were acquired. 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.

Sponsor Share Surrender and Share Restriction Agreement

Concurrent with the Business Combination Agreement, FTIV, PWP OpCo and certain other parties entered into the Sponsor Share Surrender and Share Restriction Agreement with the Sponsor, which was amended on May 4, 2021. Pursuant to this agreement, if, prior to the fourth anniversary of the Closing, the closing share price is greater than $12.00 per share or $15.00 per share for any 20 trading days out of 30 consecutive trading days (each a "Trigger Date"), then, during the 15 day period following such Trigger Date, the Company shall have the right to purchase from the Sponsor or its permitted transferees, as applicable, up to an aggregate of 1,000,000 founder shares per Trigger Date for a purchase price of $12.00 per share or $15.00 per share, respectively, by providing written notice of such repurchase election to the Sponsor or its permitted transfers, as applicable.

On August 9, 2021, the Company repurchased 1,000,000 founder shares from the Sponsor at $12.00 per share for a total purchase price of $12.0 million.

Guarantees

PWP OpCo has also unconditionally guaranteed, through a wholly-owned subsidiary, certain loans to limited partners of Professional Partners ("Limited Partners") with First Republic Bank (the "Program Lender"), whereby PWP OpCo will pay the Program Lender upon the occurrence of a default event. Refer to Note 17—Related Party Transactions and Note 18—Commitments and Contingencies in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q for further information.

Tax Receivable Agreement

In connection with the Business Combination, the Company entered into a tax receivable agreement with 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.

Contractual Obligations

We have various non-cancelable operating leases in connection with the leases of our office spaces and equipment. The related lease agreements, which range from non-cancelable to month-to-month terms, generally provide for fixed monthly rentals and can also include renewal options. See Note 5—Leases in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q for further information as well as the expected timing of payments. Our London and New York office leases expire in December 2022 and September 2023, respectively. The Company signed new lease agreements in February 2022 for the London office and April 2022 for the New York office spaces, which expand our square footage meaningfully in both locations in order to accommodate our anticipated growth. This expansion will increase our contractual obligations upon lease commencement and will require capital contributions towards the design and construction of these spaces in excess of $50 million, mitigated in part, by free rent periods at both locations.

In addition, PWP OpCo sponsors certain deferred compensation arrangements whereby portions of compensation related to employees (including working partners) providing services to the Company are deferred and paid in later periods. The deferred compensation amounts are charged to expenses over the period that each employee (including working partners) is required to provide services in order to vest in the payment. Refer to Note 14—Other Compensation and Benefits in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q for further information.

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 U.S. and U.K. account balances exceed the FDIC and FSCS coverage limits. 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 condensed consolidated financial statements included elsewhere in this Form 10-Q for further information.

Exchange Rate Risk

The Company is exposed to exchange rate risk as a result of entering into transactions that are not denominated in the functional currency of its operating subsidiaries, as well as having foreign subsidiaries with non-U.S. dollar functional currencies. For the three months ended March 31, 2022 and 2021, the net impact of non functional currency related transaction gains and losses recorded in Other income (expense) on our Condensed Consolidated Statements of Operations was $1.4 million gain and $2.0 million loss, respectively. In addition, 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, resulting in translation gains and losses. For the three months ended March 31, 2022 and 2021, the net impact of the fluctuation of foreign currencies recorded in Foreign currency translation gain (loss) within our Condensed Consolidated Statements of Comprehensive Income (Loss) was a $2.1 million loss and $0.2 million gain, 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 March 31, 2022, we held balances of $32.6 million of non-U.S. dollar denominated currencies, composed of pound sterling, the Euro, and Canadian dollars.

Critical Accounting Policies

This Quarterly Report on Form 10-Q should be read together with the "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* contained in the Annual Report on Form 10-K filed on March 11, 2022 regarding these critical accounting policies. For changes to our critical accounting policies during the three months ended March 31, 2022, refer to Note 2—Summary of Significant Accounting Policies in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk are set forth above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk and Credit Risk"*.

Item 4. Controls and Procedures

This Item 4 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 Securities Exchange Act of 1934, as amended (the "Exchange Act") included in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q, 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 March 31, 2022. 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 principle 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.

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 March 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. 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, 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 still 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 fourteen causes of action, and seeks declaratory relief as well as damages resulting from the Individual Defendants' breaches of their obligations under the PWP Plaintiffs' partnership and employment agreements, and from Defendants' unfair competition and tortious interference with the PWP Plaintiffs' contracts and client relationships.

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' counterclaims and cross-claims with prejudice. On August 18, 2016, the Defendants filed an Amended Answer, Counterclaims, Cross-claims and Third-Party Complaint, which contained only seven counterclaims and cross-claims. On December 12, 2016, the 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 the Defendants' appeal in its entirety 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 to appeal to the New York Court of Appeals. 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. The Defendants are seeking declaratory relief and damages of no less than $60.0 million, as well as statutory interest.

Discovery is complete. Both the PWP Plaintiffs and the Defendants subsequently moved for summary judgment. As of March 20, 2020, the parties had completed briefing their respective motions for summary judgment. The PWP Plaintiffs moved affirmatively for summary judgment on each of their 14 claims and also moved for dismissal of each of the Defendants' remaining eight counterclaims and cross-claims. The Defendants moved affirmatively for summary judgment on four of their eight counterclaims and cross-claims and also moved for dismissal of each of the PWP Plaintiffs' 14 claims. The Court held oral argument on the motions for summary judgment on May 27, 2021. The Court has yet to issue a decision on the motions for summary judgment. In addition, on January 19, 2022, Defendants filed a motion for leave to renew one of their counterclaims brought under the New York Labor Law that the Court dismissed in 2016 (the dismissal of which was affirmed by the First Department in 2017). That motion was fully briefed as of February 3, 2022.

We believe that our 14 causes of action are meritorious. Further, we believe that we have meritorious defenses to the 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.

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.

For further details on the current legal proceedings, refer to Note 18—Commitments and Contingencies in the notes to condensed consolidated financial statements included elsewhere in this Form 10-Q.

Item 1A. Risk Factors

There have been no material changes or updates to our risk factors that were previously disclosed in Part I "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 as filed with the SEC on March 11, 2022.

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

Repurchases of Equity Securities

The following table summarizes our repurchase of equity securities during the three months ended March 31, 2022:

Period	Total Number of Shares Repurchased	Average Price Paid Per Unit	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares yet to be Purchased Under the Publicly Announced Plans or Programs
January 1, 2022 - January 31, 2022	—	$ —	—	$ —
February 1, 2022 - February 28, 2022	—	—	—	—
March 1, 2022 - March 31, 2022	172,303	9.26	172,303	98,405,000
Total	172,303	$ 9.26	172,303	$ 98,405,000

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit Number	Description
31.1*	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.
31.2*	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.
32.1**	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.
32.2**	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.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because 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 Definition 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 (embedded within the Inline XBRL document)

* Filed herewith.
** Furnished herewith.
† Indicates a management or compensatory plan.

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.

PERELLA WEINBERG PARTNERS

Date: May 5, 2022	By:	/s/ PETER A. WEINBERG
		Peter A. Weinberg
		Chief Executive Officer
		(Principal Executive Officer)
Date: May 5, 2022	By:	/s/ GARY S. BARANCIK
		Gary S. Barancik
		Chief Financial Officer
		(Principal Financial Officer)