

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K/A

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

Date of report (Date of earliest event reported): October 13, 2022

P10, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction
of Incorporation)

001-40937
(Commission
File Number)

87-2908160
(IRS Employer
Identification No.)

4514 Cole Avenue, Suite 1600
Dallas, Texas 75205
(Address of principal executive offices and Zip Code)

(214) 865-7998
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 \$0.001 per share Series A Junior Participating Preferred Stock Purchase Rights	PX	New York Stock Exchange LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

EXPLANATORY NOTE

On October 13, 2022, P10, Inc. (“P10” or the “Company”) filed a Current Report on Form 8-K (the “Initial Form 8-K”) to report the completion of the acquisition (the “Acquisition”) of all of the outstanding membership interests of Westech Investment Advisors LLC, a California limited liability company (“WTI”), pursuant to a previously announced Sale and Purchase Agreement, dated August 25, 2022, by and among WTI, the Company, P10 Intermediate Holdings, LLC, Westech Investment Management, Inc., Maurice C. Werdegar, David R. Wanek, the Bonnie Sue Swenson Survivors Trust, Jay L. Cohan, and David R. Wanek (in his capacity as the Seller Representative). The Initial Form 8-K stated that the historical financial statements of WTI and pro forma financial information related to the Acquisition would be filed, as permitted under Items 9.01(a) and 9.01(b) of Form 8-K, by an amendment to the Initial Form 8-K.

This amendment to the Initial Form 8-K on Form 8-K/A amends and supplements the Initial Form 8-K to include the financial statements of WTI and pro forma financial information as described in Items 9.01(a) and 9.01(b) of Form 8-K. No other amendments are being made to the Initial Form 8-K. This Current Report on Form 8-K/A should be read in conjunction with the Initial Form 8-K, which provides a more complete description of the Acquisition.

The pro forma financial information included in this Form 8-K/A has been presented for informational purposes only, are based on various adjustments and assumptions and is not necessarily indicative of what the Company’s consolidated statement of operations or consolidated statement of financial condition would have been had the Acquisition and other adjustments been completed as of the dates indicated or will be for any future periods.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired

The audited consolidated financial statements of Westech Investment Advisors LLC and Subsidiaries as of and for the year ended December 31, 2021 are filed herewith as Exhibit 99.1 and are incorporated in their entirety herein by reference.

The unaudited consolidated financial statements of Westech Investment Advisors LLC and Subsidiaries as of as of September 30, 2022 and for the period from January 1, 2022 through September 30, 2022 are filed herewith as Exhibit 99.2 and are incorporated in their entirety herein by reference.

(b) Pro Forma Financial Information

Unaudited pro forma financial information as of and for the nine months ended September 30, 2022 and for the year ended December 31, 2021 are attached hereto as Exhibit 99.3 and are incorporated in their entirety herein by reference.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
23.1	Consent of Deloitte & Touche LLP
99.1	Audited consolidated financial statements of Westech Investment Advisors LLC and Subsidiaries as of and for the year ended December 31, 2021
99.2	Unaudited consolidated financial statements of Westech Investment Advisors LLC and Subsidiaries as of as of September 30, 2022 and for the period from January 1, 2022 through September 30, 2022
99.3	Unaudited pro forma financial information as of and for the nine months ended September 30, 2022 and for the year ended December 31, 2021
104	Cover Page Interactive Data File (formatted as inline XBRL)

SIGNATURE

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 hereunto duly authorized.

P10, INC.

Date: December 28, 2022

By: /s/ Amanda Coussens

Amanda Coussens

Chief Financial Officer

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement No. 333-264882 on Form S-8 and Registration Statement No. 333-268275 on Form S-3 of P10, Inc. of our report dated November 4, 2022, relating to the consolidated financial statements of Westech Investment Advisors LLC and subsidiaries appearing in this Current Report on Form 8-K/A of P10, Inc dated December 28, 2022.

/s/ Deloitte & Touche LLP
San Francisco, CA
December 28, 2022

Westech Investment Advisors LLC and Subsidiaries

Consolidated Financial Statements as of and for the year ended December 31, 2021, and Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Members of Westech Investment Advisors LLC:

Opinion

We have audited the consolidated financial statements of Westech Investment Advisors LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the Members of the Company entered into an agreement to sell their entire membership interest in the Company. The transaction was closed on October 13, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Deloitte & Touche LLP

November 4, 2022

Westech Investment Advisors LLC and Subsidiaries
Consolidated Balance Sheet
December 31, 2021

ASSETS	
Cash and cash equivalents	\$ 13,748,120
Marketable securities, at fair value	48,238
Due from affiliated Investment Funds	9,680,428
Equity interest in Investment Funds	2,134,555
Right -of-use assets	348,487
Prepaid expenses	246,182
Furniture, equipment and leasehold improvements, net	141,805
Assets of Consolidated Subsidiaries (Note 4):	
Cash and cash equivalents	10,185,927
Equity interest in Investment Funds	4,481,070
TOTAL ASSETS	\$ 41,014,812
LIABILITIES AND MEMBERS' EQUITY	
LIABILITIES	
Compensation and benefits payable	\$ 5,763,646
Due to affiliated Investment Fund	3,000,000
Other accounts payable	198,161
Lease obligation	365,965
Liabilities of Consolidated Subsidiaries (Note 4):	
Performance Incentive Compensation Payable	2,729,828
Total liabilities	\$ 12,057,600
Commitments and contingencies (Note 7)	—
Members' Equity	
Class A common shares, 600 shares issued and outstanding	\$ —
Class B common shares, 10 shares issued and outstanding	—
Class C common shares, 150 shares issued and outstanding	—
Class D common shares, 150 shares issued and outstanding	—
Retained earnings	18,928,988
Noncontrolling interest	10,028,224
Total members' equity	\$ 28,957,212
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 41,014,812

The Notes to the Consolidated Financial Statements are an integral part of this statement

Westech Investment Advisors LLC and Subsidiaries
Consolidated Statement of Operations
For the Year Ended December 31, 2021

REVENUES AND OTHER INCOME	
From related parties:	
Management fees	\$ 31,911,568
Carried interest	58,131,181
Investment income	697,067
Recognized by Consolidated Subsidiaries (Note 4):	
Carried interest	16,941,492
Investment income	1,369,460
From non-related party income:	
Other Income	57,787
Total revenues and other income	<u>109,108,555</u>
EXPENSES	
Compensation and benefits	\$ 21,979,333
Professional fees	2,469,554
General, administrative and other	1,641,298
Depreciation and amortization	96,499
Unrealized trading losses	59,329
Incurred by Consolidated Subsidiaries (Note 4):	
Performance Incentive Compensation - Employees	4,540,320
Total expenses	<u>30,786,333</u>
NET INCOME	<u>78,322,222</u>
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>12,604,143</u>
NET INCOME ATTRIBUTABLE TO WESTECH INVESTMENT ADVISORS LLC	<u>65,718,079</u>

The Notes to the Consolidated Financial Statements are an integral part of this statement

Westech Investment Advisors LLC and Subsidiaries
Consolidated Statement of Changes in Members' Equity
For the Year Ended December 31, 2021

	<u>Class A Shares</u>		<u>Class B Shares</u>		<u>Class C Shares</u>		<u>Class D Shares</u>		<u>Retained Earnings</u>	<u>Noncontrolling Interests</u>	<u>Total Members' Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance at January 1, 2021	600	\$ —	10	\$ —	150	\$ —	150	\$ —	\$ 6,176,021	\$ 4,062,868	\$ 10,238,889
Net income		—		—		—		—	65,718,079	12,604,143	78,322,222
Contributions		—		—		—		—	—	349,125	349,125
Distributions		—		—		—		—	(52,965,112)	(6,987,912)	(59,953,024)
Balance at December 31, 2021	<u>600</u>	<u>\$ —</u>	<u>10</u>	<u>\$ —</u>	<u>150</u>	<u>\$ —</u>	<u>150</u>	<u>\$ —</u>	<u>\$ 18,928,988</u>	<u>\$ 10,028,224</u>	<u>\$ 28,957,212</u>

The Notes to the Consolidated Financial Statements are an integral part of this statement

Westech Investment Advisors LLC and Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 78,322,222
Adjustments to reconcile net income to net cash provided by operating activities:	
Carried Interest - In-kind receipt of carried interest from related parties	(22,793,936)
Unrealized trading losses	59,329
Proceeds from sale of marketable securities	718
Change in equity interest in Investment Funds	(697,067)
Depreciation and amortization expense	96,499
Non-cash lease expense	6,623
Changes in operating assets and liabilities:	
Due from affiliated Investment Funds	(2,221,491)
Prepaid expenses	75,504
Other accounts payable	(184,714)
Compensation and benefits payable	1,231,752
Due to affiliated investment fund	3,000,000
Lease obligation	(41,580)
Changes related to Consolidated Subsidiaries (Note 4):	
Change in equity interest in Investment Funds	(1,369,460)
Performance Incentive Compensation Payable	2,195,335
Net cash provided by operating activities	<u>57,679,734</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of furniture, equipment and leasehold improvements	(95,882)
Contributions to Investment Funds	(719,125)
Distributions from Investment Funds	1,160,261
Net cash provided by investing activities	<u>345,254</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions	349,125
Distributions	(36,715,662)
Net cash used in financing activities	<u>(36,366,537)</u>
Increase in cash and cash equivalents	21,658,451
CASH AND CASH EQUIVALENTS, beginning of year	2,275,596
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 23,934,047</u></u>
SUPPLEMENTAL INFORMATION	
Cash paid for amounts included in lease obligation	<u>\$ 551,380</u>
NON-CASH SUPPLEMENTAL INFORMATION	
In-kind distribution from Investment Funds	<u>\$ 551,711</u>
In-kind distributions to members	<u><u>\$ 23,237,362</u></u>

The Notes to the Consolidated Financial Statements are an integral part of this statement

Note 1. Organization and Nature of Business

Westech Investment Advisors LLC (“WIA”) was formed as a limited liability company and provides investment management services to the Company’s family of investment funds (Investment Funds). These Investment Funds include certain debt funds (“Debt Funds”) and an equity fund (“Equity Opportunity Fund”). Debt Funds include Venture Lending & Leasing IV, LLC, Venture Lending & Leasing V, LLC, Venture Lending & Leasing VI, LLC, Venture Lending & Leasing VII, LLC, Venture Lending & Leasing VIII, LLC, Venture Lending & Leasing IX, LLC and WTI Fund X, LLC. Equity Opportunity Fund includes WTI Equity Opportunity Fund I, LLC.

Each of the Debt Funds provides debt and equity based financing primarily to venture capital backed technology and health care companies. Each fund is organized as a limited liability company that is formed for the principal purpose of acquiring and owning all of the outstanding shares of a business development company and the secondary purpose of acquiring and owning direct interest in companies. Each business development company is a closed end management investment company registered with the United States Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940. An equity opportunity fund was added to this family of funds in 2015. The Equity Opportunity Fund was established to co-invest alongside one or more of the Debt Funds and its goal is to make selective equity investments that are beyond the equity mandate of the Debt Funds.

Management services provided by WIA include portfolio management and supervision of all operations, transfer agency, investment custodian and accounting services. WIA generally provides management services on a non-exclusive basis. Under the terms of its agreements with the Debt Funds, WIA may call capital from a new Debt Funds once all previous Debt Funds have invested at least 75% of the members’ subscribed capital commitments. Similarly, under the terms of its agreement with the Equity Opportunity Fund, WIA may call capital from a new Equity Opportunity Fund once all previous Equity Funds have invested at least 70% of the members’ subscribed capital commitments.

WIA is registered as an investment adviser with the SEC under the Investment Advisors Act of 1940. WIA’s offices are primarily located in Portola Valley, California.

Note 2. Significant Accounting Policies and Basis of Presentation

The consolidated financial statements include the accounts of WIA and its consolidated variable interest entities, WTI Fund X GP, LLC, Venture Lending & Leasing IX GP, LLC, and WTI Equity Opportunity Fund GP I, L.L.C. (the “General Partners”) (collectively with WIA, the “Company”).

The consolidated financial statements of the Company are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). All accounts are maintained in U.S. dollars.

Certain entities in which the Company holds an interest are investment companies that follow specialized accounting rules under U.S. GAAP and reflect their investments at estimated fair value. Accordingly, the carrying value of the Company’s equity method investments in such entities retains the specialized accounting treatment.

Recent Accounting Pronouncements

Pronouncements not yet adopted

In June 2016, the FASB issued ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”). ASU 2016-13 provides amendments to ASC 326, Financial Instruments - Credit Losses,

Westech Investment Advisors LLC and Subsidiaries
Notes to the Consolidated Financial Statements

which replaces the incurred loss impairment model with a current expected credit loss (“CECL”) model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. The guidance must be applied using the modified retrospective adoption method on January 1, 2023, with early adoption permitted.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the consolidated financial statements and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers any investment with an original maturity of three months or less to be a cash equivalent. The Company holds no cash equivalents at December 31, 2021.

Furniture, Equipment and Leasehold Improvements

Furniture, equipment and software are stated at cost, less accumulated depreciation, and are depreciated over their estimated useful lives, ranging from 3 to 10 years, using the straight-line method beginning in the year an item was placed in service. Leasehold improvements, which are also stated at cost, less accumulated amortization, are amortized over the shorter of their estimated useful lives or the term of the leases.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then the Company ranks the estimated values based on the observability of the inputs used following the fair value hierarchy set forth by the Financial Accounting Standards Board (FASB).

At December 31, 2021, the Company used the following valuation techniques to measure fair value for assets:

- Level 1 – Assets were valued using the closing price reported in the active market in which the individual security was traded.
- Level 2 – Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.
- Level 3 – Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.

The carrying values of financial instruments comprising cash and cash equivalents, prepaid assets, accounts payable, accounts receivable and due from related parties approximate fair values due to the short-term maturities of these instruments.

Marketable Securities

Marketable securities consist of common stock in a publicly traded company. The marketable securities are classified as trading securities and are carried at fair value, with changes in unrealized gains and losses recorded in unrealized trading losses on the Consolidated Statement of Operations. As of December 31, 2021, all the Company's marketable securities are classified as Level 1 within the fair value hierarchy. For the year ended December 31, 2021, all of the trading losses relate to marketable securities still held as of December 31, 2021.

Compensation Policy

Compensation and Benefits

The Company's accounting policy for employee compensation follows *ASC Topic 710, Compensation*. Employee compensation is recorded in Compensation and Benefits in the Consolidated Statement of Operations. Consolidated carried interest paid to employees of the Company is recognized in Performance Incentive Compensation – Employees on the Consolidated Statement of Operations.

Leases

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases*, and subsequently issued several related amendments which are codified in FASB Accounting Standards Codification ("ASC") Topic 842. The standard requires lessees to record right-of-use assets and lease obligations arising from most operating leases on its balance sheet. The Company adopted the standard for the reporting period beginning January 1, 2021, and adopted the standard using a modified retrospective method. The adoption did not significantly impact its Consolidated Statement of Operations or its Consolidated Statement of Cash Flows. Upon adoption on January 1, 2021, the Company recorded a lease obligation and a corresponding right-of-use asset of \$364,774 and \$312,339, respectively.

The Company currently leases office space under operating lease arrangements. As these leases expire, it is expected that, in the normal course of business, they will be renewed or replaced. The Company must record a right-of-use asset and a lease obligation at the commencement date of the lease, other than for leases with an initial term of 12 months or less. A lease obligation is initially and subsequently reported at the present value of the outstanding lease payments determined by discounting those lease payments over the remaining lease term using the incremental borrowing rate as of the commencement date. A right-of-use asset is initially reported at the present value of the corresponding lease obligation plus any prepaid lease payments and initial direct costs of entering into the lease, and reduced by any lease incentives. Subsequently, a right-of-use asset is reported at the present value of the lease obligation adjusted for any prepaid or accrued lease payments, remaining balances of any lease incentives received, unamortized initial direct costs of entering into the lease and any impairments of the right-of-use asset. The Company tests for possible impairments of right-of-use assets annually or more frequently whenever events or changes in circumstances indicate that the carrying value of a right-of-use asset may exceed its fair value. Subsequent to an impairment, the carrying value of the right-of-use asset is amortized on a straight-line basis over the remaining lease term.

Most lease agreements for office space that are classified as operating leases contain renewal options, rent escalation clauses or other lease incentives provided by the lessor. Lease expense is accrued to recognize lease escalation provisions and renewal options that are reasonably certain to be exercised, as well as lease incentives provided by the lessor, on a straight-line basis over the lease term and is reported in general, administrative and other expenses in the Statement of Operations.

Additionally, upon amendments or other events, the Company may be required to remeasure our lease liability and right-of-use asset.

Revenue Recognition

Management Fees

The Company recognizes revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company's revenue is based on contracts with a determinable transaction price and distinct performance obligations with probable collectability. Revenues are not recognized until the performance obligation(s) are satisfied.

Management fees from the Investment Funds are recognized as the performance obligation is fulfilled and are billed quarterly in arrears based on total assets or aggregate capital commitments for the Debt Funds and total cost of investments for the Equity Opportunity Fund. The management fee percent generally ranges from the greater of 1.5% of committed capital or 2.5% of total assets per annum.

As it relates to the Company's performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the Investment Funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the Investment Funds. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

Carried Interest

The Company accounts for carried interest, which represents a performance-based capital allocation from an investment fund to the Company, as earnings from financial assets within the scope of ASC 323, Investments-Equity Method and Joint Ventures. The Company recognizes carried interest, when received and no reversal is probable, as a separate revenue line item in the Consolidated Statement of Operations.

Carried interest is dependent upon exceeding specified investment return thresholds, generally after the members of Investment Funds have received distributions providing them with a preferred return of 8%. Carried interest typically arise from investment management services that began in prior reporting periods.

Account Receivable

Accounts receivable are equal to contractual amounts reduced for allowances, if applicable. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of December 31, 2021. If accounts become uncollectible, they will be written-off when that determination is made.

Income Taxes

The Company is not subject to federal income taxes. The members are responsible for reporting their proportionate share of the Company's income on their separate tax returns. Accordingly, no federal income tax accruals have been provided for in the accompanying financial statements. The Company is subject to state income taxes in California and New York.

Westech Investment Advisors LLC and Subsidiaries
Notes to the Consolidated Financial Statements

Accounting principles generally accepted in the United States of America set forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Company did not have any unrecognized tax benefits in the accompanying financial statements. In the normal course of business, the Company is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of December 31, 2021, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2018 forward (with limited exceptions).

The Company accounts for uncertain tax positions in accordance with ASC 740-10, Income Taxes. ASC 740-10 provides several clarifications related to uncertain tax positions. Most notably, a “more likely-than-not” standard for initial recognition of tax positions, a presumption of audit detection and a measurement of recognized tax benefits based on the largest amount that has a greater than 50 percent likelihood of realization. ASC 740-10 applies a two-step process to determine the amount of tax benefit to be recognized in the financial statements. First, the Company must determine whether any amount of the tax benefit may be recognized. Second, the Company determines how much of the tax benefit should be recognized (this would only apply to tax positions that qualify for recognition). Accordingly, the Company has not recognized any penalty, interest or tax impact related to uncertain tax positions.

Risks and Uncertainties

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties. The Company’s maximum exposure under these arrangements is unknown as they involve future claims that have not occurred and may not occur. However, based on past experience, management expects the risk of loss to be remote.

Variable Interest Entities

As further described in Note 3, the Company holds membership interests in certain of the Investment Funds. In addition, the principal owners of the Company maintain membership interests in the Investment Funds. Furthermore, as noted in Note 4, WIA serves as the managing member and has membership interest in the managing member of certain Investment Funds (hereafter referred to as the “General Partners”).

As the managing member to certain Investment Funds and General Partners in which the Company also has membership interest, the Company has disproportionate voting rights compared to its economic interest. As a result, the Investment Funds and General Partners are considered variable interest entities (VIEs) in accordance with FASB ASC Topic 810, *Consolidation*.

The Company analyzes whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion at each reporting date. Performance of that analysis requires the exercise of significant judgment. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the VIE held either directly by the Company or indirectly through related parties, to determine whether the Company has the power to direct the activities that most significantly impact the VIE’s economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

As a result of this analysis, the investors in the Investment Funds have been identified as the primary beneficiaries of the Investment Funds. As the Company is not the primary beneficiary of the Investment Funds, the Company has not consolidated the Investment Funds for financial reporting purposes.

Westech Investment Advisors LLC and Subsidiaries
Notes to the Consolidated Financial Statements

The Company consolidates the General Partners, which were established for purposes of allocating and distributing carried interest received from certain Investment Funds to owners, principles and employees of the Company. The Company has determined it has an implicit variable interest in the General Partners, as the carried interest allocated to employees of the Company is considered compensation to the Company's employees. As a result, the Company has determined it is the primary beneficiary of the General Partners.

Investments

For equity investments where the Company is not the primary beneficiary of a VIE, but can exert significant influence over the financial and operating policies of the investee, the Company follows the equity method of accounting. The evaluation of whether the Company exerts control or significant influence over the financial and operational policies of its investees requires significant judgment based on the facts and circumstances surrounding each individual investment. Factors considered in these evaluations may include the type of investment, the legal structure of the investee, the terms and structure of the investment agreement, including investor voting or other rights, the terms of the Company's advisory agreement or other agreements with the investee, any influence the Company may have on the governing board of the investee, the legal rights of other investors in the entity pursuant to the fund's operating documents and the relationship between the Company and other investors in the entity.

The Company's equity method investees are investment companies and record their underlying investments at fair value. Therefore, under the equity method of accounting, the Company's share of the investee's underlying net income predominantly represents fair value adjustments in the investments held by the equity method investees. The Company's share of the investees' underlying net income or loss is based upon the most currently available information and is recognized as investment income.

Note 3. Investments in Funds

As of December 31, 2021, the Company and Consolidated Subsidiaries held membership interests in Investment Funds accounted for under the equity method in the amount of \$6,615,625 which is included in equity interest in Investment Funds on the Consolidated Balance Sheet.

In addition to direct investments in the Investment Funds, the Company also holds variable interests in certain Investment Funds through its position as the managing member. The investment strategies and business purposes of the Investment Funds in which the Company serves as the managing member are described below:

The investment strategy of Venture Lending & Leasing IV, LLC, Venture Lending & Leasing V, LLC, Venture Lending & Leasing VI, LLC, Venture Lending & Leasing VII, LLC, Venture Lending & Leasing VIII, LLC, Venture Lending & Leasing IX, LLC, and WTI Fund X, LLC, each an Investment Fund, is to provide debt financing to carefully selected companies that have received equity funding from traditional sources of venture capital equity funding (i.e. a professionally managed venture capital firm) as well as non-traditional sources of venture capital equity funding (e.g. angel investors, strategic investors, family offices, crowdfunding investment platforms, etc.) (collectively, "Venture-Backed Companies"), generally in the form of secured loans.

WTI Equity Opportunity Fund I, L.P., is an Investment Fund organized to make selective equity investments in Venture-Backed Companies.

Westech Investment Advisors LLC and Subsidiaries

Notes to the Consolidated Financial Statements

The following table presents information regarding the Company's ownership percentage of equity method investments, as well as summarized financial information of the equity method investments as of and for the year ended December 31, 2021.

	Venture Lending & Leasing IV, LLC	Venture Lending & Leasing V, LLC	Venture Lending & Leasing VI, LLC	Venture Lending & Leasing VII, LLC	Venture Lending & Leasing VIII, LLC	Venture Lending & Leasing IX, LLC ⁽¹⁾	WTI Fund X, LLC ⁽¹⁾	WTI Equity Opportunity Fund I, L.P. ⁽¹⁾⁽²⁾
Fund								
Commitments	250,000,000	270,000,000	294,000,000	375,000,000	423,625,000	460,000,000	500,000,000	75,000,000
WIA								
Commitment	700,000	1,000,000	1,000,000	1,100,000	1,100,000	1,000,000	1,000,000	2,625,000
Owner								
percentage	0.3%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	3.5%
Assets	4,445,179	19,217,160	82,594,795	264,660,609	489,618,726	788,674,226	105,066,492	106,440,154
Liabilities	10,539	24,239	43,881	2,012,769	50,935,032	271,911,175	57,819,348	89,203
Members' equity	4,434,640	19,192,921	82,550,914	262,647,840	438,683,694	516,763,051	47,247,144	106,350,951
Investment								
Income	276	583	532,842	6,474,407	38,253,970	85,983,924	1,456,546	266
Expenses	122,650	188,290	455,628	8,110,306	17,768,560	18,996,642	3,343,584	435,748
Gain(loss) on investments	(4,065,356)	5,368,551	3,927,770	107,164,891	171,288,009	112,719,300	(674,202)	35,688,322
Net income (loss)	(4,187,730)	5,180,844	4,004,984	105,528,992	191,773,419	179,706,582	(2,561,240)	35,252,840

(1) WIA's interest is held through its consolidated variable interest entities.

(2) 100% of the interest in WTI Equity Opportunity Fund I, L.P. is represented by noncontrolling interest.

The Company's risk of loss for the investments in funds is limited to its investment balance and unfunded capital commitments as disclosed in Note 7.

Note 4. Consolidated Variable Interest Entities

WTI Fund X GP, LLC, Venture Lending & Leasing IX GP, LLC, and WTI Equity Opportunity Fund GP I, L.L.C., each a General Partner (collectively referred to as "Consolidated Subsidiaries" or "WIA GPs") serve as the managing members and have direct investments in WTI Fund X, LLC and Venture Lending & Leasing IX, LLC, and WTI Equity Opportunity Fund I, L.P.

The ownership of each of the General Partners is divided into two classes of interest, the "LLC Interest" and "Capital Interest". The LLC Interest is summarized as the rights to the General Partners' carried interest in the underlying funds. The Capital Interest is summarized as the rights to the General Partners' capital account balances in the underlying funds, excluding any allocated carried interest. WIA's ownership of the LLC Interest and Capital interest in the General Partners as of December 31, 2021 is summarized in the following table:

	LLC Interest	Capital Interest
WTI Fund X GP, LLC,	5%	100%
Venture Lending & Leasing IX GP, LLC	5%	100%
WTI Equity Opportunity Fund GP I, LLC	5%	0%

Westech Investment Advisors LLC and Subsidiaries

Notes to the Consolidated Financial Statements

The following table summarizes the assets and liabilities of Venture Lending & Leasing IX GP, LLC and WTI Equity Opportunity Fund GP I, L.L.C. that are included in the Company's Consolidated Balance Sheet.

	Venture Lending & Leasing IX GP, LLC	WTI Equity Opportunity Fund GP I, L.L.C.
Cash and cash equivalents	\$10,185,927	\$ —
Investments in funds	1,063,144	3,417,926
Total assets	\$11,249,071	\$3,417,926
Performance Incentive Payable	\$ 2,729,828	\$ —
Total liabilities	\$ 2,729,828	\$ —

WTI Fund X GP, LLC is excluded from the table above as it did not have any material asset or liabilities as of December 31, 2021.

Note 5. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at December 31, 2021 is summarized as follows:

Furniture and fixtures	\$ 487,616
Computer equipment	628,018
Computer software	17,665
Leasehold improvements	400,774
	<u>1,534,073</u>
Less: Accumulated depreciation and amortization	(1,392,268)
Net fixed assets	\$ 141,805

Depreciation and amortization expense amounted to \$96,499 for the year ended December 31, 2021.

Note 6. 401(k) Profit Sharing Plan

The Company has a 401(k) defined contribution pension plan, which generally covers all members and full-time employees meeting certain service requirements. The Company's contribution to this plan for the year ended December 31, 2021 amounted to \$735,105, which is included in compensation and benefits in the Consolidated Statement of Operations.

Note 7. Commitments and Contingencies

Operating Leases

The Company currently leases space in Portola Valley, California. At December 31, 2021, the Company's lease had a remaining term of less than 1 year with two five-year renewal options. Since the rents at the beginning of the renewal period will adjust to market rents, the renewal option does not create an economic incentive for WIA to exercise its options. Since the property is neither unique nor specialized and no other economic incentives exist, WIA concluded that at the lease commencement date, the option was not reasonably certain of exercise. As a result, the extended option periods were not included in WIA's ROU Asset and Lease Liability calculations.

The lease commitments provide for minimum annual rental payments, net of amounts prepaid, as of December 31, 2021 and are as follows:

Year ending December 31,	Minimum Rental Commitments
2022	\$ 367,587
Thereafter	—
Total future minimum lease payments	367,587
Less: Imputed interest	(1,622)
Total lease obligation	\$ 365,965

During the year ended December 31, 2021, the Company recognized rent expense on operating leases of \$516,423, and such amount is included in general, administrative and other expenses in the Consolidated Statement of Operations.

In determining the lease obligation on the Consolidated Balance Sheet, the Company utilized a discount rate of 1.18%.

Contingencies

The Company is subject to claims, legal proceedings and other contingencies in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company establishes accruals for matters that are probable and can be reasonably estimated. The Company's maximum exposures under these arrangements are unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Commitments

Through the Company's membership interest in WTI Fund X GP, LLC and Venture Lending & Leasing IX GP, LLC, the Company has capital commitments to the underlying Investment Funds in the aggregate of \$2,000,000, of which \$1,055,000 is unfunded as of December 31, 2021. In addition, 100% of the capital interest distributions received from Venture Lending & Leasing IX, LLC through Venture Lending & Leasing IX GP, LLC, or \$214,511, is recallable as of December 31, 2021. In addition, 10% of the Company's capital commitment to Venture Lending & Leasing VIII, LLC is recallable as of December 31, 2021.

Note 8. Related Party Transactions

As described in Note 1, the Company provides investment management and advisory services to Investment Funds for which the Company receives management fees and carried interest. During the year ended December 31, 2021, the Company earned management fees and carried interest of \$31,911,568 and \$58,131,181, respectively, from these Investment Funds. Additionally, consolidated WIA GPs have earned carried interest of \$16,941,492.

The Company paid for general, administrative and other expenses on behalf of the Investment Funds. These expenses are reimbursed by the Investment Funds. During the year ended December 31, 2021, the Company paid for expenses totaling \$1,445,225 on behalf of the Investment Funds, all of which was reimbursed by December 31, 2021.

The Company has a payable of \$3,000,000 to Venture Lending & Leasing VIII, LLC as a result of an overpayment of a distribution, which was subsequently returned to the underlying fund in January 2022.

During the year ended December 31, 2021, the Company received in-kind distributions of carried interest of \$22,793,936 and in-kind distributions from equity method investments of \$551,711 in the form of publicly traded marketable securities. The securities were recognized at fair value when received. \$23,237,362 of the securities received in-kind were immediately distributed to members of the Company resulting in no gains or losses on non-cash transactions.

In connection with the Loan and Securities Agreement, dated October 18, 2021 (the "ING Loan Agreement"), between WTI Fund X, LLC and ING Capital LLC, the Company granted to ING Capital LLC for the ratable benefit of itself and other lenders on the ING Loan Agreement a security interest in the Company's right to receive management fees from WTI Fund X, LLC. In addition, in connection with the Amended and Restated Loan and Security Agreement, dated as of March 18, 2021 (the "MUFG Loan Agreement"), between Venture Lending & Leasing IX, LLC and MUFG Bank, Ltd., the Company granted to MUFG Bank, Ltd. for the ratable benefit of itself and the other lenders under the MUFG Loan Agreement a security interest in the Company's right to receive management fees from Venture Lending & Leasing IX, LLC.

Note 9. Members' Equity

An operating agreement (the "Agreement") governs the management of WIA and the rights, preferences, and privileges of members. No member of the LLC shall be personally obligated for any liability of the LLC or of any other member solely by reason of being a member of the LLC except as otherwise provided under the California Beverly-Killea Limited Liability Company Act, by law of expressly in the Agreement.

Ownership of WIA is evidenced by four classes of shares: Class A Shares, Class B Shares, Class C Shares, and Class D Shares. Class A Shares are also referred to as Founders Shares. Class C and D Shares are also collectively referred to as Executive Shares. Each outstanding Class B, Class C and Class D Share shall be entitled to one vote, and each Class A Share shall be entitled to three votes.

Carried Interest Revenue, net of expenses, are allocated to Founder and Executive shares based on the Founder Profit Percentage and Executive Profit Percentage, 20% and 80%, respectively, as defined in the operating agreement. The operating agreement then further, ascribes specific economic rights, including rights to Management Fee Revenue, net of expenses, to individual members of WIA based on their individual roles and operating capacity for the organization. As such, the economic returns to holders of Class A, Class B, Class C or Class D Shares may vary within each group based on the individual attributes of the Members.

Westech Investment Advisors LLC and Subsidiaries
Notes to the Consolidated Financial Statements

The Company makes distributions of net operating profit to the Members periodically based on retained earnings and available cash from operations.

Note 10. Concentrations

The Company maintains its cash balances in a single financial institution. The balances in these accounts usually exceed the insurance limits of the Federal Deposit Insurance Corporation. The Company is subject to credit risk should this financial institution be unable to fulfill its obligations. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits.

Note 11. Subsequent Events

In February 2022, the Company extended its current operating lease for an additional five year option period.

On August 25, 2022, the Company entered into a sale and purchase agreement for 100% of membership interest held by the members in the Company with P10 Intermediate Holdings, LLC, a 100% owned subsidiary of P10 Holdings, Inc. ("P10"). The transaction was closed on October 13, 2022. In connection with the transaction, the Company became a guarantor of P10's obligations under the Credit Agreement, dated as of December 22, 2021 with JPMorgan Chase Bank the administrative and collateral agent, and the lenders party thereto. The guaranteed obligations are secured by security interests in the Company's assets. Such security interests are junior to the security interests of ING Capital LLC and MUFG Bank, Ltd. described in Note 8. On September 30, 2022, the Company terminated its 401(k) plan and joined the P10 401(k) plan on October 13, 2022, in conjunction with P10's acquisition of the Company.

In accordance with ASC 855, Subsequent Events, the Company evaluated all material events or transactions that occurred after December 31, 2021, the Consolidated Balance Sheet date, through November 4, 2022, the date the consolidated financial statements were issued, and determined no additional events or transactions which would materially impact the consolidated financial statements.

Westech Investment Advisors LLC and Subsidiaries

Consolidated Financial Statements (Unaudited) as of September 30, 2022 and for the period from January 1, 2022 through September 30, 2022

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Westech Investment Advisors LLC and Subsidiaries
Consolidated Balance Sheet (Unaudited)
As of September 30, 2022

ASSETS	
Cash and cash equivalents	\$ 2,505,402
Due from affiliate Investment Funds	8,435,685
Equity interest in Investment Funds	1,605,469
Right -of-use assets	2,907,630
Other accounts receivable	507,922
Prepaid expenses	363,291
Furniture, equipment and leasehold improvements, net	138,040
Assets of consolidated Subsidiaries (Note 4):	
Cash and cash equivalents	5,065,332
Equity interest in Investment Funds	<u>3,829,550</u>
TOTAL ASSETS	<u>\$25,358,321</u>
LIABILITIES AND MEMBERS' EQUITY	
LIABILITIES	
Legal fees payable	\$ 5,307,707
Compensation and benefits payable	1,941,534
Other accounts payable	174,399
Lease obligation	2,956,586
Liabilities of consolidated Subsidiaries (Note 4):	
Performance Incentive Compensation Payable	<u>1,362,756</u>
Total liabilities	<u>\$11,742,982</u>
Commitments and contingencies (Note 7)	—
Members' Equity	
Class A common shares, 600 shares issued and outstanding	\$ —
Class B common shares, 10 shares issued and outstanding	—
Class C common shares, 150 shares issued and outstanding	—
Class D common shares, 150 shares issued and outstanding	—
Retained earnings	7,908,506
Noncontrolling interest	<u>5,706,833</u>
Total members' equity	<u>\$13,615,339</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$25,358,321</u>

The Notes to the Consolidated Financial Statements (unaudited) are an integral part of this statement

Westech Investment Advisors LLC and Subsidiaries
Consolidated Statement of Operations (Unaudited)
For the nine months ended September 30, 2022

REVENUES AND OTHER INCOME	
From related parties:	
Management fees	\$26,139,930
Carried interest	988,125
Investment loss	(270,670)
Recognized by consolidated Subsidiaries (Note 4):	
Carried interest	9,335,585
Investment loss	(686,480)
From non-related party income:	
Other income	36,334
Total revenues and other income	<u>35,542,824</u>
EXPENSES	
Compensation and benefits	11,004,727
Professional fees	6,604,954
General, administrative and other	1,321,811
Depreciation and amortization	46,315
Trading losses	4,992
Incurred by consolidated Subsidiaries (Note 4):	
Performance Incentive Compensation - Employees	2,501,937
Total expenses	<u>21,484,736</u>
NET INCOME	<u>14,058,088</u>
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>5,684,708</u>
NET INCOME ATTRIBUTABLE TO WESTECH INVESTMENT ADVISORS LLC	<u>\$ 8,373,380</u>

The Notes to the Consolidated Financial Statements (unaudited) are an integral part of this statement

Westech Investment Advisors LLC and Subsidiaries
Consolidated Statement of Changes in Members' Equity (Unaudited)
For the nine months ended September 30, 2022

	<u>Class A Shares</u>		<u>Class B Shares</u>		<u>Class C Shares</u>		<u>Class D Shares</u>		<u>Retained Earnings</u>	<u>Noncontrolling Interests</u>	<u>Total Members' Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance at January 1, 2022	600	\$ —	10	\$ —	150	\$ —	150	\$ —	\$ 18,928,988	\$ 10,028,224	\$ 28,957,212
Net income		—		—		—		—	8,373,380	5,684,708	14,058,088
Contributions		—		—		—		—		27,169	27,169
Distributions		—		—		—		—	(19,393,862)	(10,033,268)	(29,427,130)
Balance at September 30, 2022	<u>600</u>	<u>\$ —</u>	<u>10</u>	<u>\$ —</u>	<u>150</u>	<u>\$ —</u>	<u>150</u>	<u>\$ —</u>	<u>\$ 7,908,506</u>	<u>\$ 5,706,833</u>	<u>\$ 13,615,339</u>

The Notes to the Consolidated Financial Statements (unaudited) are an integral part of this statement

Westech Investment Advisors LLC and Subsidiaries
Consolidated Statement of Cash Flows (Unaudited)
For the nine months ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 14,058,088
Adjustments to reconcile net income to net cash provided by operating activities:	
Proceeds from sale of marketable securities	43,268
Change in equity interest in Investment Funds	270,670
Trading losses	4,992
Depreciation and amortization expense	46,315
Non-cash lease expense	33,677
Changes in operating assets and liabilities:	
Due from affiliated Investment Funds	1,244,743
Other accounts receivable	(507,922)
Prepaid expenses	(117,109)
Legal fees payable	5,307,707
Other accounts payable	(23,762)
Compensation and benefits payable	(3,822,112)
Due to affiliated investment fund	(3,000,000)
Lease obligation	(2,199)
Changes related to Consolidated Subsidiaries (Note 4):	
Performance incentive compensation payable	(1,367,072)
Changes in equity interests in Investment Funds	686,480
Net cash provided by operating activities	<u>12,855,764</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of furniture, equipment and leasehold improvements	(42,550)
Contributions to Investment Funds	(291,250)
Distributions from Investment Funds	465,022
Net cash provided by investing activities	<u>131,222</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions	27,169
Distributions	(29,377,468)
Net cash used in financing activities	<u>(29,350,299)</u>
Decrease in cash and cash equivalents	(16,363,313)
CASH AND CASH EQUIVALENTS, beginning of period	23,934,047
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 7,570,734</u>
SUPPLEMENTAL INFORMATION	
Cash paid for amounts included in lease obligation	<u>\$ 417,445</u>
NON-CASH SUPPLEMENTAL INFORMATION	
In-kind distribution from Investment Funds	<u>\$ 49,684</u>
In-kind distributions to members	<u>\$ 49,662</u>

The Notes to the Consolidated Financial Statements (unaudited) are an integral part of this statement

Note 1. Organization and Nature of Business

Westech Investment Advisors LLC (“WIA”) was formed as a limited liability company and provides investment management services to the Company’s family of investment funds (Investment Funds). These Investment Funds include certain debt funds (“Debt Funds”) and an equity fund (“Equity Opportunity Fund”). Debt Funds include Venture Lending & Leasing IV, LLC, Venture Lending & Leasing V, LLC, Venture Lending & Leasing VI, LLC, Venture Lending & Leasing VII, LLC, Venture Lending & Leasing VIII, LLC, Venture Lending & Leasing IX, LLC and WTI Fund X, LLC. Equity Opportunity Fund includes WTI Equity Opportunity Fund I, LLC.

Each of the Debt Funds provides debt and equity based financing primarily to venture capital backed technology and health care companies. Each fund is organized as a limited liability company that is formed for the principal purpose of acquiring and owning all of the outstanding shares of a business development company and the secondary purpose of acquiring and owning direct interest in companies. Each business development company is a closed end management investment company registered with the United States Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940. An equity opportunity fund was added to this family of funds in 2015. The Equity Opportunity Fund was established to co-invest alongside one or more of the Debt Funds and its goal is to make selective equity investments that are beyond the equity mandate of the Debt Funds.

Management services provided by WIA include portfolio management and supervision of all operations, transfer agency, investment custodian and accounting services. WIA generally provides management services on a non-exclusive basis. Under the terms of its agreements with the Debt Funds, WIA may call capital from a new Debt Funds once all previous Debt Funds have invested at least 75% of the members’ subscribed capital commitments. Similarly, under the terms of its agreement with the Equity Opportunity Fund, WIA may call capital from a new Equity Opportunity Fund once all previous Equity Funds have invested at least 70% of the members’ subscribed capital commitments.

WIA is registered as an investment adviser with the SEC under the Investment Advisors Act of 1940. WIA’s offices are primarily located in Portola Valley, California.

Note 2. Significant Accounting Policies and Basis of Presentation

The consolidated financial statements include the accounts of WIA and its consolidated variable interest entities, WTI Fund X GP, LLC, Venture Lending & Leasing IX GP, LLC, and WTI Equity Opportunity Fund GP I, L.L.C. (the “General Partners”) (collectively with WIA, the “Company”).

The condensed consolidated financial statements included herein are unaudited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although management of the Company believes that the disclosures are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements (the “consolidated financial statements”) should be read in conjunction with the audited financial statements and the notes thereto for the year ended December 31, 2021. In the opinion of management, the unaudited condensed consolidated financial statements for the interim period presented include all adjustments necessary to present a fair statement of the results for such interim period.

The consolidated financial statements of the Company are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). All accounts are maintained in U.S. dollars.

Certain entities in which the Company holds an interest are investment companies that follow specialized accounting rules under U.S. GAAP and reflect their investments at estimated fair value. Accordingly, the carrying value of the Company’s equity method investments in such entities retains the specialized accounting treatment.

Recent Accounting Pronouncements

Pronouncements not yet adopted

In June 2016, the FASB issued ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”). ASU 2016-13 provides amendments to ASC 326, Financial Instruments - Credit Losses,

Westech Investment Advisors LLC and Subsidiaries
Notes to the Consolidated Financial Statements (Unaudited)

which replaces the incurred loss impairment model with a current expected credit loss (“CECL”) model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. The guidance must be applied using the modified retrospective adoption method on January 1, 2023, with early adoption permitted.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the consolidated financial statements and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers any investment with an original maturity of three months or less to be a cash equivalent. The Company holds no cash equivalents at September 30, 2022.

Furniture, Equipment and Leasehold Improvements

Furniture, equipment and software are stated at cost, less accumulated depreciation, and are depreciated over their estimated useful lives, ranging from 3 to 10 years, using the straight-line method beginning in the year an item was placed in service. Leasehold improvements, which are also stated at cost, less accumulated amortization, are amortized over the shorter of their estimated useful lives or the term of the leases.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then the Company ranks the estimated values based on the observability of the inputs used following the fair value hierarchy set forth by the Financial Accounting Standards Board (FASB).

At September 30, 2022, the Company used the following valuation techniques to measure fair value for assets:

- Level 1 – Assets were valued using the closing price reported in the active market in which the individual security was traded.
- Level 2 – Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.
- Level 3 – Assets were valued using unobservable inputs in which little or no market data exists as reported by the respective institutions at the measurement date.

The carrying values of financial instruments comprising cash and cash equivalents, prepaid assets, accounts payable, accounts receivable and due from related parties approximate fair values due to the short-term maturities of these instruments.

Marketable Securities

Marketable securities consist of common stock in a publicly traded company. The marketable securities are classified as trading securities and are carried at fair value, with changes in unrealized and realized gains and losses recorded in trading losses on the Consolidated Statement of Operations. As of September 30, 2022, the Company did not hold any marketable securities.

Compensation Policy

Compensation and Benefits

The Company's accounting policy for employee compensation follows ASC Topic 710, Compensation. Employee compensation is recorded in Compensation and Benefits in the Consolidated Statement of Operations. Consolidated carried interest paid to employees of the Company is recognized in Performance Incentive Compensation – Employees on the Consolidated Statement of Operations.

Leases

The Company recognizes a lease obligation and right-of-use asset in the Consolidated Balance Sheet for contracts that it determines are leases or contain a lease. The Company currently leases office space under operating lease arrangements. As these leases expire, it is expected that, in the normal course of business, they will be renewed or replaced. The Company must record a right-of-use asset and a lease obligation at the commencement date of the lease, other than for leases with an initial term of 12 months or less. A lease obligation is initially and subsequently reported at the present value of the outstanding lease payments determined by discounting those lease payments over the remaining lease term using the incremental borrowing rate as of the commencement date. A right-of-use asset is initially reported at the present value of the corresponding lease obligation plus any prepaid lease payments and initial direct costs of entering into the lease, and reduced by any lease incentives. Subsequently, a right-of-use asset is reported at the present value of the lease obligation adjusted for any prepaid or accrued lease payments, remaining balances of any lease incentives received, unamortized initial direct costs of entering into the lease and any impairments of the right-of-use asset. The Company tests for possible impairments of right-of-use assets annually or more frequently whenever events or changes in circumstances indicate that the carrying value of a right-of-use asset may exceed its fair value. Subsequent to an impairment, the carrying value of the right-of-use asset is amortized on a straight-line basis over the remaining lease term.

Most lease agreements for office space that are classified as operating leases contain renewal options, rent escalation clauses or other lease incentives provided by the lessor. Lease expense is accrued to recognize lease escalation provisions and renewal options that are reasonably certain to be exercised, as well as lease incentives provided by the lessor, on a straight-line basis over the lease term and is reported in general, administrative and other expenses in the Statement of Operations.

Additionally, upon amendments or other events, the Company may be required to remeasure our lease obligation and right-of-use asset.

Revenue Recognition

Management Fees

The Company recognizes revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company's revenue is based on contracts with a determinable transaction price and distinct performance obligations with probable collectability. Revenues are not recognized until the performance obligation(s) are satisfied.

Westech Investment Advisors LLC and Subsidiaries
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Management fees from the Investment Funds are recognized as the performance obligation is fulfilled and are billed quarterly in arrears based on total assets or aggregate capital commitments for the Debt Funds and total cost of investments for the Equity Opportunity Fund. The management fee percent generally ranges from the greater of 1.5% of committed capital or 2.5% of total assets per annum.

As it relates to the Company's performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the Investment Funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the Investment Funds. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

Carried Interest

The Company accounts for carried interest, which represents a performance-based capital allocation from an investment fund to the Company, as earnings from financial assets within the scope of ASC 323, Investments-Equity Method and Joint Ventures. The Company recognizes carried interest, when received and no reversal is probable, as a separate revenue line item in the Consolidated Statement of Operations.

Carried interest is dependent upon exceeding specified investment return thresholds, generally after the members of Investment Funds have received distributions providing them with a preferred return of 8%. Carried interest typically arise from investment management services that began in prior reporting periods.

Accounts Receivable

Accounts receivable are equal to contractual amounts reduced for allowances, if applicable. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of September 30, 2022. If accounts become uncollectible, they will be written-off when that determination is made.

Income Taxes

The Company is not subject to federal income taxes. The members are responsible for reporting their proportionate share of the Company's income on their separate tax returns. Accordingly, no federal income tax accruals have been provided for in the accompanying financial statements. The Company is subject to state income taxes in California and New York.

Accounting principles generally accepted in the United States of America set forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Company did not have any unrecognized tax benefits in the accompanying financial statements. In the normal course of business, the Company is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of September 30, 2022, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2018 forward (with limited exceptions).

The Company accounts for uncertain tax positions in accordance with ASC 740-10, Income Taxes. ASC 740-10 provides several clarifications related to uncertain tax positions. Most notably, a "more likely-

Westech Investment Advisors LLC and Subsidiaries
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than-not” standard for initial recognition of tax positions, a presumption of audit detection and a measurement of recognized tax benefits based on the largest amount that has a greater than 50 percent likelihood of realization. ASC 740-10 applies a two-step process to determine the amount of tax benefit to be recognized in the financial statements. First, the Company must determine whether any amount of the tax benefit may be recognized. Second, the Company determines how much of the tax benefit should be recognized (this would only apply to tax positions that qualify for recognition). Accordingly, the Company has not recognized any penalty, interest or tax impact related to uncertain tax positions.

Risks and Uncertainties

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties. The Company’s maximum exposure under these arrangements is unknown as they involve future claims that have not occurred and may not occur. However, based on past experience, management expects the risk of loss to be remote.

Variable Interest Entities

As further described in Note 3, the Company holds membership interests in certain of the Investment Funds. In addition, the principal owners of the Company maintain membership interests in the Investment Funds. Furthermore, as noted in Note 4, WIA serves as the managing member and has membership interest in the managing member of certain Investment Funds (hereafter referred to as the “General Partners”).

As the managing member to certain Investment Funds and General Partners in which the Company also has membership interest, the Company has disproportionate voting rights compared to its economic interest. As a result, the Investment Funds and General Partners are considered variable interest entities (VIEs) in accordance with FASB ASC Topic 810, *Consolidation*.

The Company analyzes whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion at each reporting date. Performance of that analysis requires the exercise of significant judgment. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the VIE held either directly by the Company or indirectly through related parties, to determine whether the Company has the power to direct the activities that most significantly impact the VIE’s economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

As a result of this analysis, the investors in the Investment Funds have been identified as the primary beneficiaries of the Investment Funds. As the Company is not the primary beneficiary of the Investment Funds, the Company has not consolidated the Investment Funds for financial reporting purposes.

The Company consolidates the General Partners, which were established for purposes of allocating and distributing carried interest received from certain Investment Funds to owners, principles and employees of the Company. The Company has determined it has an implicit variable interest in the General Partners, as the carried interest allocated to employees of the Company is considered compensation to the Company’s employees. As a result, the Company has determined it is the primary beneficiary of the General Partners.

Investments

For equity investments where the Company is not the primary beneficiary of a VIE, but can exert

Westech Investment Advisors LLC and Subsidiaries
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significant influence over the financial and operating policies of the investee, the Company follows the equity method of accounting. The evaluation of whether the Company exerts control or significant influence over the financial and operational policies of its investees requires significant judgment based on the facts and circumstances surrounding each individual investment. Factors considered in these evaluations may include the type of investment, the legal structure of the investee, the terms and structure of the investment agreement, including investor voting or other rights, the terms of the Company's advisory agreement or other agreements with the investee, any influence the Company may have on the governing board of the investee, the legal rights of other investors in the entity pursuant to the fund's operating documents and the relationship between the Company and other investors in the entity.

The Company's equity method investees are investment companies and record their underlying investments at fair value. Therefore, under the equity method of accounting, the Company's share of the investee's underlying net income predominantly represents fair value adjustments in the investments held by the equity method investees. The Company's share of the investees' underlying net income or loss is based upon the most currently available information and is recognized as investment income or loss.

Note 3. Investments in Funds

As of September 30, 2022, the Company and Consolidated Subsidiaries held membership interests in Investment Funds accounted for under the equity method in the amount of \$5,435,019, which is included in equity interest in Investment Funds on the Consolidated Balance Sheet. Additionally, the Company and Consolidated Subsidiaries recognized \$957,150 of investment loss from such equity interests in Investment Funds included on the Consolidated Statement of Operations.

In addition to direct investments in the Investment Funds, the Company also holds variable interests in certain Investment Funds through its position as the managing member. The investment strategies and business purposes of the Investment Funds in which the Company serves as the managing member are described below:

The investment strategy of Venture Lending & Leasing IV, LLC, Venture Lending & Leasing V, LLC, Venture Lending & Leasing VI, LLC, Venture Lending & Leasing VII, LLC, Venture Lending & Leasing VIII, LLC, Venture Lending & Leasing IX, LLC, and WTI Fund X, LLC, each an Investment Fund, is to provide debt financing to carefully selected companies that have received equity funding from traditional sources of venture capital equity funding (i.e. a professionally managed venture capital firm) as well as non-traditional sources of venture capital equity funding (e.g. angel investors, strategic investors, family offices, crowdfunding investment platforms, etc.) (collectively, "Venture-Backed Companies"), generally in the form of secured loans.

WTI Equity Opportunity Fund I, L.P., is an Investment Fund organized to make selective equity investments in Venture-Backed Companies.

The following table presents information regarding the Company's ownership percentage of equity method investments as of September 30, 2022, as well as summarized financial information of the equity method investments as of September 30, 2022 and for the period from January 1, 2022 through September 30, 2022.

Westech Investment Advisors LLC and Subsidiaries
Notes to the Consolidated Financial Statements (Unaudited)

	Venture Lending & Leasing IV, LLC	Venture Lending & Leasing V, LLC	Venture Lending & Leasing VI, LLC	Venture Lending & Leasing VII, LLC	Venture Lending & Leasing VIII, LLC	Venture Lending & Leasing IX, LLC ⁽¹⁾	WTI Fund X, LLC ⁽¹⁾	WTI Equity Opportunity Fund I, L.P. ⁽¹⁾⁽²⁾
Fund								
Commitments	250,000,000	270,000,000	294,000,000	375,000,000	423,625,000	460,000,000	500,000,000	75,000,000
WIA								
Commitment	700,000	1,000,000	1,000,000	1,100,000	1,100,000	1,000,000	1,000,000	2,625,000
Owner								
percentage	0.3%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	3.5%
Assets	4,307,945	13,543,369	76,927,349	222,722,501	351,832,932	779,158,646	218,952,664	76,743,387
Liabilities	14,604	14,877	15,014	1,394,275	12,011,430	273,830,972	120,725,150	72,525
Members' equity	4,293,341	13,528,492	76,912,335	221,328,226	339,821,502	505,327,674	98,227,514	76,670,862
Investment								
Income	1,767	36,154	89,416	1,146,446	9,800,145	42,753,649	12,579,218	118,322
Expenses	82,484	120,324	181,534	3,124,861	6,510,120	11,119,811	6,410,838	211,254
Gain(loss) on investments	(60,582)	(5,580,259)	(5,546,461)	(34,345,449)	(85,657,347)	(44,274,630)	(188,010)	(22,836,842)
Net income (loss)	(141,299)	(5,664,429)	(5,638,579)	(36,323,864)	(82,367,322)	(12,640,792)	5,980,370	(22,929,774)

(1) WIA's interest is held through its consolidated variable interest entities.

(2) 100% of the interest in WTI Equity Opportunity Fund I, L.P. is represented by noncontrolling interest.

The Company's risk of loss for the investments in funds is limited to its investment balance and unfunded capital commitments as disclosed in Note 7.

Note 4. Consolidated Variable Interest Entities

WTI Fund X GP, LLC, Venture Lending & Leasing IX GP, LLC, and WTI Equity Opportunity Fund GP I, L.L.C., each a General Partner (collectively referred to as "Consolidated Subsidiaries" or "WIA GPs"), serve as the managing members and have direct investments in WTI Fund X, LLC and Venture Lending & Leasing IX, LLC, and WTI Equity Opportunity Fund I, L.P.

The ownership of each of the General Partners is divided into two classes of interest, the "LLC Interest" and "Capital Interest". The LLC Interest is summarized as the rights to the General Partners' carried interest in the underlying funds. The Capital Interest is summarized as the rights to the General Partners' capital account balances in the underlying funds, excluding any allocated carried interest. WIA's ownership of the LLC Interest and Capital interest in the General Partners as of September 30, 2022 is summarized in the following table:

	LLC Interest	Capital Interest
WTI Fund X GP, LLC,	5%	100%
Venture Lending & Leasing IX GP, LLC	5%	100%
WTI Equity Opportunity Fund GP I, LLC	5%	0%

Westech Investment Advisors LLC and Subsidiaries
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The following table summarizes the assets and liabilities of Venture Lending & Leasing IX GP, LLC, WTI Fund X GP, LLC and WTI Equity Opportunity Fund GP I, L.L.C. as of September 30, 2022 that are included in the Company's Consolidated Balance Sheet.

	Venture Lending & Leasing IX GP, LLC	WTI Fund X GP, LLC	WTI Equity Opportunity Fund GP I, L.L.C.
Cash and cash equivalents	\$ 5,064,413	\$ —	\$ 919
Investments in funds	1,082,349	247,697	2,499,504
Total assets	\$ 6,146,762	\$ 247,697	\$ 2,500,423
Performance Incentive Payable	\$ 1,362,756	\$ —	\$ —
Total liabilities	\$ 1,362,756	\$ —	\$ —

Note 5. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at September 30, 2022 is summarized as follows:

Furniture and fixtures	\$ 487,616
Computer equipment	670,568
Computer software	17,665
Leasehold improvements	400,774
	<u>1,576,623</u>
Less: Accumulated depreciation and amortization	(1,438,583)
Net fixed assets	<u>\$ 138,040</u>

Depreciation and amortization expense amounted to \$46,315 for the period ended September 30, 2022.

Note 6. 401(k) Profit Sharing Plan

The Company has a 401(k) defined contribution pension plan, which generally covers all members and full-time employees meeting certain service requirements. The Company's contribution to this plan for the period ended September 30, 2022 amounted to \$732,250, which is included in compensation and benefits in the Consolidated Statement of Operations.

On September 30, 2022, the Company terminated its 401(k) plan and joined the P10 Holdings, Inc.'s ("P10") 401(k) plan on October 13, 2022, in conjunction with P10's acquisition of the Company.

Note 7. Commitments and Contingencies

Operating Leases

The Company currently leases space in Portola Valley, California. At September 30, 2022, the Company's lease had a remaining term of 66 months with one five-year renewal option. Since the rents at the beginning of the renewal period will adjust to market rents, the renewal option does not create an economic incentive for WIA to exercise its option. Since the property is neither unique nor specialized and no other economic incentives exist, WIA concluded that at the lease commencement date, the option was not reasonably certain of exercise. As a result, the extended option period was not included in WIA's ROU Asset and Lease Obligation calculations.

The lease commitments provide for minimum annual rental payments, net of amounts prepaid, as of September 30, 2022 and are as follows:

Year ending December 31,	Minimum Rental Commitments
Remainder of 2022	\$ 149,575
2023	603,288
2024	618,370
2025	633,829
2026	649,675
2027	440,276
Thereafter	—
Total future minimum lease payments	3,095,013
Less: Imputed interest	(138,427)
Total lease obligation	<u>\$ 2,956,586</u>

During the period ended September 30, 2022, the Company recognized rent expense on operating leases of \$448,924, and such amount is included in general, administrative and other expenses in the Consolidated Statement of Operations.

In determining the lease obligation on the Consolidated Balance Sheet, the Company utilized a discount rate of 1.81%.

Contingencies

The Company is subject to claims, legal proceedings and other contingencies in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company establishes accruals for matters that are probable and can be reasonably estimated. The Company's maximum exposures under these arrangements are unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Legal fees payable as of September 30, 2022 were incurred in connection with the Company's acquisition by P10, which closed on October 13, 2022.

Commitments

Through the Company's membership interest in WTI Fund X GP, LLC and Venture Lending & Leasing IX GP, LLC, the Company has capital commitments to the underlying Investment Funds in the aggregate of \$2,000,000, of which \$1,055,000 was unfunded as of September 30, 2022. In addition, 100% of the capital interest distributions received from Venture Lending & Leasing IX, LLC through Venture Lending & Leasing IX GP, LLC, or \$303,199, was recallable as of September 30, 2022. In addition, 10% of the Company's capital commitment to Venture Lending & Leasing VIII, LLC was recallable as of September 30, 2022.

Note 8. Related Party Transactions

As described in Note 1, the Company provides investment management and advisory services to Investment Funds for which the Company receives management fees and carried interest. During the period ended September 30, 2022, the Company earned management fees and carried interest of \$26,139,430 and \$988,125, respectively, from these Investment Funds. Additionally, consolidated WIA GPs have earned carried interest of \$9,335,585.

The Company paid \$3,000,000 to Venture Lending & Leasing VIII, LLC in January 2022 as a result of an overpayment of a distribution received during the year ended December 31, 2021.

During the period ended September 30, 2022, the Company received in-kind distributions from equity method investments equal to \$49,684 in the form of publicly traded marketable securities. The securities were recognized at fair value when received. Of the securities received in-kind, securities equal to \$49,662 were immediately distributed.

In connection with the Loan and Securities Agreement, dated October 18, 2021 (the "ING Loan Agreement"), between WTI Fund X, LLC and ING Capital LLC, the Company granted to ING Capital LLC for the ratable benefit of itself and other lenders on the ING Loan Agreement a security interest in the Company's right to receive management fees from WTI Fund X, LLC. In addition, in connection with the Amended and Restated Loan and Security Agreement, dated as of March 18, 2021 (the "MUFG Loan Agreement"), between Venture Lending & Leasing IX, LLC and MUFG Bank, Ltd., the Company granted to MUFG Bank, Ltd. for the ratable benefit of itself and the other lenders under the MUFG Loan Agreement a security interest in the Company's right to receive management fees from Venture Lending & Leasing IX, LLC.

Note 9. Members' Equity

An operating agreement (the "Agreement") governs the management of WIA and the rights, preferences, and privileges of members. No member of the LLC shall be personally obligated for any liability of the LLC or of any other member solely by reason of being a member of the LLC except as otherwise provided under the California Beverly-Killea Limited Liability Company Act, by law of expressly in the Agreement.

Ownership of WIA is evidenced by four classes of shares: Class A Shares, Class B Shares, Class C Shares, and Class D Shares. Class A Shares are also referred to as Founders Shares. Class C and D Shares are also collectively referred to as Executive Shares. Each outstanding Class B, Class C and Class D Share shall be entitled to one vote, and each Class A Share shall be entitled to three votes.

Carried Interest Revenue, net of expenses, are allocated to Founder and Executive shares based on the Founder Profit Percentage and Executive Profit Percentage, 20% and 80%, respectively, as defined in

Westech Investment Advisors LLC and Subsidiaries
Notes to the Consolidated Financial Statements (Unaudited)

the operating agreement. The operating agreement then further, ascribes specific economic rights, including rights to Management Fee Revenue, net of expenses, to individual members of WIA based on their individual roles and operating capacity for the organization. As such, the economic returns to holders of Class A, Class B, Class C or Class D Shares may vary within each group based on the individual attributes of the Members.

The Company makes distributions of net operating profit to the Members periodically based on retained earnings and available cash from operations.

Note 10. Concentrations

The Company maintains its cash balances in a single financial institution. The balances in these accounts usually exceed the insurance limits of the Federal Deposit Insurance Corporation. The Company is subject to credit risk should this financial institution be unable to fulfill its obligations. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits.

Note 11. Subsequent Events

On August 25, 2022, the Company entered into a sale and purchase agreement for 100% of membership interest held by the members in the Company with P10 Intermediate Holdings, LLC, a 100% owned subsidiary of P10 Holdings, Inc. ("P10"). The transaction was closed on October 13, 2022. In connection with the transaction, the Company became a guarantor of P10's obligations under the Credit Agreement, dated as of December 22, 2021 with JPMorgan Chase Bank the administrative and collateral agent, and the lenders party thereto. The guaranteed obligations are secured by security interests in the Company's assets. Such security interests are junior to the security interests of ING Capital LLC and MUFG Bank, Ltd. described in Note 8.

In accordance with ASC 855, Subsequent Events, the Company evaluated all material events or transactions that occurred after September 30, 2022, the Consolidated Balance Sheet date, through December 28, 2022, the date the consolidated financial statements were issued, and determined no additional events or transactions which would materially impact the consolidated financial statements.

P10 FINANCIAL, INC.UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS*Description of the Acquisition*

On October 13, 2022, P10 Intermediate Holdings, LLC, a Delaware limited liability company (“Buyer”), and P10, Inc., a Delaware corporation (“P10” or the “Company”), completed its previously announced acquisition (the “Acquisition”) of all of the issued and outstanding membership interests in Westech Investment Advisors, LLC, a California limited liability company (“WTI”), in accordance with the terms and conditions of the previously announced Sale and Purchase Agreement, dated August 25, 2022 (the “Sale and Purchase Agreement”).

The purchase price paid at closing for the Acquisition, which is subject to certain customary closing adjustments, consisted of \$97.0 million in cash and an aggregate of 3,916,666 membership units of P10 Intermediate Holdings, LLC, a consolidated subsidiary of P10, Inc., representing limited liability company interest of the Buyer (“Buyer Units”). Subject to certain conditions, the Buyer Units will be exchangeable into shares of Class A Common Stock of P10, Inc. on a one-for-one basis, pursuant to that certain Exchange Agreement entered into on August 25, 2022, by and among the Buyer, P10 and the other signatory parties thereto (the “Exchange Agreement”).

Basis of Pro Forma Presentation

The following unaudited pro forma condensed consolidated and combined financial information has been prepared in accordance with Article 11 of Regulation S-X (“Article 11”). The unaudited pro forma condensed consolidated and combined balance sheet gives effect to the Acquisition as if it were completed on September 30, 2022. The unaudited pro forma condensed consolidated and combined statements of operations for the nine months ended September 30, 2022 and the year ended December 31, 2021 give effect to the Acquisition as if it were completed on January 1, 2021, with acquisition-related adjustments assuming the transaction occurred at the beginning of the fiscal year presented and had a continuing impact through the interim period presented and described in the accompanying notes.

Considerations Regarding Pro Forma Financial Information

The unaudited pro forma condensed consolidated and combined financial information has been prepared for informational purposes only, is subject to the assumptions and uncertainties set forth in the notes thereto, and is not necessarily indicative of or intended to represent the results that would have been achieved if the Acquisition been completed as of the dates indicated, or that may be achieved in the future. The unaudited pro forma condensed consolidated and combined financial information does not reflect the costs of any integration activities or benefits that may result from future cost savings due to revenue synergies, procurement savings or operational efficiency that may result from the Acquisition.

The unaudited pro forma condensed consolidated and combined financial information was derived from and should be read in conjunction with the following:

1. Unaudited Condensed Consolidated Financial Statements and accompanying Notes of P10, Inc., as filed in its Quarterly Report on Form 10-Q as of and for the nine months ended September 30, 2022 with the United States Securities and Exchange Commission (“SEC”) on November 14, 2022;
2. Audited Consolidated Financial Statements and accompanying Notes of P10, Inc., as filed in its Annual Report on Form 10-K as of and for the year ended December 31, 2021 with the SEC on March 21, 2022;
3. Unaudited Condensed Consolidated Financial Statements and accompanying Notes of Westech Investment Advisors, LLC, as of and for the nine months ended September 30, 2022; and
4. Audited Consolidated Financial Statements and accompanying Notes of Westech Investment Advisors, LLC as of and for the year ended December 31, 2021.

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED BALANCE SHEET OF P10, INC. AND ITS
SUBSIDIARIES SEPTEMBER 30, 2022
(In thousands)**

	<u>P10, Inc. Historical</u>	<u>Westech Investment Advisors LLC Historical</u>	<u>Transaction Accounting Adjustments</u>		<u>Pro Forma Adjusted Balance Sheet</u>
ASSETS					
Cash and cash equivalents	\$ 19,415	\$ 7,571	\$ (12,235)	(a)	\$ 14,751
Restricted cash	1,347	—	—		1,347
Accounts receivable	5,407	508	2,782	(b)	8,697
Note receivable	4,001	—	—		4,001
Due from related parties	30,359	8,436	906	(b)	39,701
Investments in funds	—	5,435	(5,435)	(c)	—
Investments in unconsolidated subsidiaries	2,137	—	—	(d)	2,137
Prepaid expenses and other assets	3,596	363	15	(b)	3,974
Property and equipment, net	2,513	138	—	(b)	2,651
Right-of-use assets	13,052	2,907	—		15,959
Deferred tax assets, net	37,321	—	—	(b)	37,321
Intangibles, net	110,449	—	56,640	(e)	167,089
Goodwill	418,690	—	123,508	(e)	542,198
Total assets	<u>\$ 648,287</u>	<u>\$ 25,358</u>	<u>\$ 166,181</u>		<u>\$ 839,826</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
LIABILITIES:					
Accounts payable and accrued expenses	\$ 15,677	\$ 7,423	\$ 7,011	(b)	\$ 30,111
Due to related parties	1,519	1,363	(1,363)	(f)	1,519
Other liabilities	602	—	—		602
Contingent consideration	24,330	—	42,500	(g)	66,830
Deferred revenues	12,748	—	—		12,748
Lease liabilities	15,425	2,957	—	(b)	18,382
Debt obligations	170,774	—	91,790	(h)	262,564
Total liabilities	<u>241,075</u>	<u>11,743</u>	<u>139,938</u>		<u>392,756</u>
COMMITMENTS AND CONTINGENCIES					
STOCKHOLDERS' EQUITY					
Class A common stock	41	—	—		41
Class B common stock	76	—	—		76
Treasury stock	(3,439)	—	—		(3,439)
Additional paid-in capital	641,055	—	—		641,055
Retained earnings (accumulated deficit)	(230,521)	7,908	(8,783)	(h)	(231,396)
Noncontrolling interest	—	5,707	35,026	(i)	40,733
Total stockholders' equity	<u>407,212</u>	<u>13,615</u>	<u>26,243</u>		<u>447,070</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 648,287</u>	<u>\$ 25,358</u>	<u>\$ 166,181</u>		<u>\$ 839,826</u>

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED STATEMENT OF OPERATIONS OF P10, INC. AND ITS
SUBSIDIARIES NINE MONTHS ENDED SEPTEMBER 30, 2022**

(In thousands)

	P10, Inc. Historical	Westech Investment Advisors LLC Historical	Transaction Accounting Adjustments		Pro Forma Adjusted Statement of Operations
REVENUES					
Management and advisory fees	\$ 138,957	\$ 26,140	\$ —		\$ 165,097
Other revenues	1,058	9,403	(9,403)	(a)	1,058
Total revenues	<u>140,015</u>	<u>35,543</u>	<u>(9,403)</u>		<u>166,155</u>
OPERATING EXPENSES					
Compensation and benefits	60,293	13,507	(3,657)	(b)	70,143
Professional fees	9,416	6,605	—		16,021
General, administrative and other	12,393	1,373	—		13,766
Contingent consideration expense	1,367	—	—		1,367
Amortization of intangibles	18,487	—	7,037	(c)	25,524
Strategic alliance expense	429	—	—		429
Total operating expenses	<u>102,385</u>	<u>21,485</u>	<u>3,380</u>		<u>127,250</u>
INCOME FROM OPERATIONS	<u>37,630</u>	<u>14,058</u>	<u>(12,783)</u>		<u>38,905</u>
OTHER (EXPENSE)/INCOME					
Interest expense implied on notes payable to sellers	—	—	—		—
Interest expense, net	(5,268)	—	(2,169)	(d)	(7,437)
Other (expense)/income	1,303	—	—		1,303
Total other (expense)/income	<u>(3,965)</u>	<u>—</u>	<u>(2,169)</u>		<u>(6,134)</u>
Net income before income taxes	33,665	14,058	(14,952)		32,771
Income tax (expense) benefit	(9,102)	—	3,140	(e)	(5,962)
NET INCOME	<u>24,563</u>	<u>14,058</u>	<u>(11,812)</u>		<u>26,809</u>
Less: preferred dividends attributable to redeemable noncontrolling interest	—	—	—		—
Less: Net income attributable to noncontrolling interest	—	(5,685)	7,165	(f)	1,480
NET INCOME ATTRIBUTABLE TO P10	<u>\$ 24,563</u>	<u>\$ 8,373</u>	<u>\$ (4,647)</u>		<u>\$ 28,289</u>
Earnings per share					
Basic earnings per share	\$ 0.21				\$ 0.24
Diluted earnings per share	\$ 0.20				\$ 0.21
Dividend per share	\$ 0.06				\$ 0.06
Weighted average shares outstanding, basic	117,210				117,210
Weighted average shares outstanding, diluted	121,362				125,279

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED STATEMENT OF OPERATIONS OF P10, INC. AND ITS
SUBSIDIARIES YEAR ENDED DECEMBER 31, 2021**

(In thousands)

	P10, Inc. Historical	Westech Investment Advisors LLC Historical	Transaction Accounting Adjustments		Pro Forma Adjusted Statement of Operations
REVENUES					
Management and advisory fees	\$ 149,424	\$ 31,912	\$ —		\$ 181,336
Other revenues	1,110	77,197	(77,197)	(a)	1,110
Total revenues	<u>150,534</u>	<u>109,109</u>	<u>(77,197)</u>		<u>182,446</u>
OPERATING EXPENSES					
Compensation and benefits	54,755	26,519	(14,873)	(b)	66,401
Professional fees	11,508	2,470	875	(g)	14,853
General, administrative and other	9,870	1,739	—		11,609
Contingent consideration expense	3,472	—	—		3,472
Amortization of intangibles	30,431	—	9,638	(c)	40,069
Strategic alliance expense	152	—	—		152
Total operating expenses	<u>110,188</u>	<u>30,728</u>	<u>(4,360)</u>		<u>136,556</u>
INCOME FROM OPERATIONS	<u>40,346</u>	<u>78,381</u>	<u>(72,837)</u>		<u>45,890</u>
OTHER (EXPENSE)/INCOME					
Interest expense implied on notes payable to sellers	(825)	—	—		(825)
Interest expense, net	(21,360)	—	(2,000)	(d)	(23,360)
Loss on extinguishment of debt	(15,312)	—	—		(15,312)
Other (expense)/income	848	(59)	—		789
Total other (expense)/income	<u>(36,649)</u>	<u>(59)</u>	<u>(2,000)</u>		<u>(38,708)</u>
Net income before income taxes	3,697	78,322	(74,837)		7,182
Income tax (expense) benefit	7,070	—	—	(e)	7,070
NET INCOME	<u>10,767</u>	<u>78,322</u>	<u>(74,837)</u>		<u>14,252</u>
Less: preferred dividends attributable to redeemable noncontrolling interest	(1,593)	—	—		(1,593)
Less: Net income attributable to noncontrolling interest	—	(12,604)	11,964	(f)	(640)
NET INCOME ATTRIBUTABLE TO P10	<u>\$ 9,174</u>	<u>\$ 65,718</u>	<u>\$ (62,873)</u>		<u>\$ 12,019</u>
Earnings per share					
Basic earnings per share	\$ 0.13				\$ 0.17
Diluted earnings per share	\$ 0.08				\$ 0.12
Weighted average shares outstanding, basic	72,660				72,660
Weighted average shares outstanding, diluted	112,330				116,247

Note 1 – Basis of Presentation

The accompanying unaudited pro forma condensed consolidated and combined financial information of P10, Inc. and its subsidiaries, and notes thereto, has been prepared in accordance with Article 11 of Regulation S-X and are based on the historical financial statements of P10 and WTI, adjusted to reflect the Acquisition by P10 and the pro forma adjustments described within the notes to the unaudited pro forma condensed consolidated and combined financial statements.

The Acquisition is accounted for in accordance with ASC 805. The valuations and related purchase accounting have not been finalized, and the preliminary amounts included in the pro forma financial information, including the estimated fair values of the acquired assets and assumed liabilities, as well as the amortization associated with the acquired intangible assets, and income tax effects are subject to change. The final purchase price allocation, which is expected to be completed in early 2023, and the resulting effect on our financial positions and results of operations may be materially different from the pro forma amounts included herein.

The unaudited pro forma condensed consolidated and combined financial statements reflect pro forma adjustments that are described in the accompanying notes and are based on available information and certain assumptions that the Company believes are reasonable. However, actual results may differ from those reflected in these unaudited pro forma condensed consolidated and combined financial statements. In the Company's opinion, all adjustments that are necessary to present fairly the pro forma information have been made. The unaudited pro forma condensed consolidated and combined financial statements do not purport to represent what the combined company's financial position or results of operations would have been if the Acquisition and related transactions had actually occurred on the dates indicated above, nor are they indicative of the combined company's future financial position or results of operations. The unaudited pro forma condensed consolidated and combined financial statements should be read in conjunction with the historical financial statements and related notes thereto for the periods presented.

Note 2. Acquisition of WTI

P10 accounted for the Acquisition in accordance with ASC 805. Accordingly, the purchase price attributable to the Acquisition was allocated to the assets acquired and liabilities assumed based on their estimated fair values. Prior to or concurrent with the Acquisition, certain reorganization actions occurred which resulted in the Company not consolidating certain entities which had been previously consolidated by WTI, also resulting in certain assets of historical WTI not being acquired. These matters are reflected in the preliminary purchase accounting and pro forma adjustments described below.

As described above, the purchase price paid at closing for the Acquisition, consisted of \$97.0 million in cash, subject to certain working capital adjustments, and an aggregate of 3,916,666 membership units of P10 Intermediate Holdings, LLC. Additionally, the Sale and Purchase Agreement provides for additional consideration of up to \$75.0 million to be paid in cash, or at the discretion of the Company in equity, over a period of between approximately four and six years. The payment of and total amount of contingent consideration to be paid is based on the operating results subsequent to the acquisition. The actual amount of contingent consideration to be paid may materially differ from that included in the preliminary purchase accounting disclosed herein. See definition and terms of the Earn Out Payments in the Sale and Purchase Agreement included in P10's Form 8-K filed on October 13, 2022.

The acquisition date fair value of certain assets and liabilities, including intangible assets acquired and related weighted average expected lives are provisional and subject to revision within one year of the acquisition date. As such, our estimates of fair values are pending finalization which may result in adjustments to goodwill.

Cash consideration	\$105,262
Fair value of equity consideration	40,733
Contingent consideration	42,500
Total consideration paid	<u>\$188,495</u>
ASSETS	
Cash and cash equivalents	\$ 8,807
Accounts receivable	3,290
Due from related parties	9,342
Right-of-use assets	2,908
Prepaid expenses and other	378
Property and equipment	138
Investments in unconsolidated subsidiaries	
Intangible assets, net	56,640
Deferred tax assets	—
Total assets acquired	<u>\$ 81,503</u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 13,559
Lease liabilities	2,957
Deferred tax liabilities	—
Total liabilities assumed	<u>\$ 16,516</u>
Net identifiable assets acquired	<u>\$ 64,987</u>
Goodwill	123,508
Net assets acquired	<u>\$188,495</u>

Note 3. Unaudited Pro Forma Condensed Consolidated and Combined Balance Sheet

For purposes of preparing the unaudited pro forma condensed consolidated and combined balance sheet as of September 30, 2022, the Acquisition will be accounted for as if it occurred on September 30, 2022.

Pro forma accounting adjustments related to the Acquisition in the accompanying unaudited pro forma condensed combined financial statements are as follows:

- (a) Reflects the cash effects of the Acquisition and related transactions, which is comprised of:
 - The net cash proceeds from the draw down on the accordion feature of the Company's Credit Agreement, which consisted of an \$87.5 million term loan and a \$6.0 million revolver, less issuance costs of \$1.7 million,
 - The payment of the \$105.3 million in cash consideration for the Acquisition,
 - As P10 did not acquire certain entities of WTI, the Company did not acquire \$5.1 million of cash and cash equivalents held by such entities as of September 30, 2022.
- (b) Reflects certain changes in working capital between September 30, 2022 and the acquisition date, and adjusting the carrying value of certain assets to the fair value assigned in the allocation of the purchase price.
- (c) Reflects the elimination of the Investments in funds previously owned by WTI, as P10 did not acquire the capital account balances in WTI's underlying funds.
- (d) Reflects the recording at estimated fair value of investments in unconsolidated subsidiaries, which prior to the acquisition and certain reorganization activities were consolidated by WTI prior to acquisition.
- (e) Reflects the adjustments to record the estimated fair value of goodwill as well as intangible assets in the form of a trade name and asset management contracts acquired in connection with the preliminary purchase accounting for the Acquisition as described in Note 2. The trade name intangible asset is assigned a useful life of 10 years while the asset management contracts are 8 years.
- (f) Reflects the elimination of certain accrued incentive compensation liabilities to individuals which were not assumed by P10, and related to certain compensation arrangement which will not be applicable post-acquisition to P10.
- (g) Reflects the recording of the contingent consideration liability, based on the estimated fair value of the contingent consideration associated with the Earn-Out Payments as defined in the Sale and Purchase Agreement.
- (h) Reflects the Company's draw down on the accordion feature of the Company's Credit Agreement, which consisted of an \$87.5 million term loan and a \$6.0 million revolver, less \$1.7 million of issuance costs.
- (i) Reflects the removal of pre-acquisition retained earnings of WTI, the removal of \$5.7 million of pre-acquisition non-controlling interests for entities which are no longer consolidated by WTI post-acquisition, and recording the \$40.7 million fair value of the P10 Intermediate shares issued to the Seller Recipients (as defined in the Sale and Purchase Agreement) in the Acquisition which are reflected as a non-controlling interest on P10 Inc.'s balance sheet.

Note 4. Unaudited Pro Forma Condensed Consolidated and Combined Statements of Operations

For purposes of preparing the unaudited pro forma condensed consolidated and combined statements of operations for the nine months ended September 30, 2022 and for the year ended December 31, 2021 will be accounted for as if the Acquisition occurred on January 1, 2021.

Pro forma accounting adjustments related to the Acquisition in the accompanying unaudited pro forma condensed combined financial statements are as follows:

- (a) Reflects the elimination of the carried interest income and investment income (loss) reflected in the WTI historical financial information related to the capital accounts in the underlying funds which were not acquired by P10.
- (b) Reflects the elimination of the employee performance incentive compensation and adjusted employee benefits reflected in the WTI historical financial statements, which will not be compensation expense of P10 in future periods.
- (c) Reflects the additional amortization expense associated with the intangible assets recorded by the Company in the Acquisition, as if the Acquisition occurred and amortization began on January 1, 2021.
- (d) Reflects the additional interest expense for each period presented, giving effect to \$93.5 million of borrowings on P10's Credit Agreement as if such occurred and began incurring interest expense on January 1, 2021.
- (e) Reflects the income tax expense (benefit) related to the pro forma adjustments at a tax rate of 21%, which represents the Federal corporate income tax rate.
- (f) Reflects the removal of the net income allocated to the noncontrolling interest in WTI's historical financials, as the Company acquired all of the outstanding equity of the entities consolidated by WTI after the acquisition by P10. This adjustment also reflects the allocation of P10's pro forma net income related to the noncontrolling interest in P10 Intermediate acquired by the Seller Recipients in the Company's acquisition of WTI of \$1.5 million for the nine months ended September 30, 2022 and the \$0.6 million for the year ended December 31, 2021.
- (g) Reflects the \$0.9 million of transaction costs incurred by P10 subsequent to September 30, 2022. As the transaction is assumed to have occurred on January 1, 2021, these are reflected in the pro forma year ended December 31, 2021. See Note 6 for additional discussion regarding transaction costs.

Note 5. Earnings per share

The pro forma earnings per common share is computed by dividing combined pro forma net income available to common shareholders by pro forma weighted-average common shares outstanding (basic or diluted as applicable). The pro forma weighted-average common shares outstanding is based on P10's historical weighted-average common shares adjusted for the effects of the P10 intermediates shares issued in the acquisition of WTI.

Earnings per share is represented in the Consolidated Statement of Operations in the above table. The only adjustment made to earnings per share from a pro forma perspective is made to the diluted earnings per share to include the additional potential common shares of P10, Inc. on an as converted basis from the shares of P10 Intermediate issued to the Seller in the Acquisition.

The computations of diluted earnings includes the 3.917 million membership units convertible into P10, Inc. Class A common stock, and excludes options to purchase shares of common stock and restricted stock units totaling 1.0 million shares and 1.3 million shares for the nine months ended September 30, 2022 and the year ended December 31, 2021, respectively, because these options and restricted shares were anti-dilutive.

Note 6. Transaction Costs

P10 and WTI each incurred certain nonrecurring charges in connection with the Acquisition. These costs will not continue to be incurred after the closing date and therefore will not adversely affect the combined P10 statements of operations beyond twelve months after the Acquisition. The historic financial statements of P10, Inc. for the nine months ended September 30, 2022 include transaction costs consisting of \$1.4 million of professional fees and \$0.1 million of general and administrative expenses. Additionally, WTI incurred \$5.4 million of professional fees for the nine months ended September 30, 2022. No adjustments were made for these transaction costs incurred in the historic periods presented.

Subsequent to September 30, 2022, the Company has incurred \$0.9 million of additional transaction costs. These are reflected as a pro-forma adjustment to the statement of operations for the year ended December 31, 2022 as described in Note 4.