

Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Risks Related to Our Business Risks Related to Recruiting and Retaining Talent and Competition Our future growth will depend on, among other things, our ability to successfully identify, recruit and develop talent and will require us to commit additional resources. We have experienced rapid growth over the past several years, which may be difficult to sustain at the same rate. Our future growth will depend on, among other things, our ability to successfully identify and recruit individuals and teams to join our firm. It typically takes time for these professionals to become profitable and effective. **We have** ~~During that time, we and~~ **in the future,** incur significant expenses **to recruit these professionals** and expend significant time and resources toward training, integration and business development aimed at ~~developing this~~ **maximizing the impact of these professionals on our platform. For example, in 2023 we hired 24** ~~new talent~~ **managing directors**. If we are unable to recruit and develop ~~profitable~~ **productive** professionals, we will not be able to implement our growth strategy and our financial results could be materially adversely affected. In addition, sustaining growth will require us to commit additional management, operational and financial resources and to maintain appropriate operational and financial systems to adequately support expansion, especially in instances where we open new offices that may require additional resources before they become profitable. See “ — Our growth strategy may involve opening or acquiring new offices and expanding **domestically and** internationally and would involve hiring new Managing Directors and other senior professionals for these offices, which would require substantial investment by us and could materially and adversely affect our operating results. ” There can be no assurance that we will be able to manage our expanding operations effectively, and any failure to do so could materially adversely affect our ability to grow revenue and control our expenses. Our ability to retain our Managing Directors and our other professionals, including our executive officers, is critical to the success of our business. Our future success depends to a substantial degree on our ability to retain qualified professionals within our organization, including our Managing Directors. However, we may not be successful in our efforts to retain the required personnel as the market for qualified investment bankers is extremely competitive. Our investment bankers possess substantial experience and expertise and have strong relationships with our advisory clients. As a result, the loss of these professionals could jeopardize our relationships with clients and result in the loss of client engagements. For example, if any of our Managing Directors or other senior professionals, including our executive officers, or groups of professionals, were to join or form a competing firm, some of our current clients could choose to use the services of that competitor rather than our services. There is no guarantee that our compensation and non - competition arrangements with our Managing Directors provide sufficient incentives or protections to prevent our Managing Directors from resigning to join our competitors. **For example, non-competition agreements with employees located in California have been banned and other courts in other jurisdictions may refuse to enforce these provisions or, in the future, implement bans on these provisions similar to the California ban**. In addition, some of our competitors have more resources than us which may allow them to attract some of our existing employees through compensation or otherwise. The departure of a number of Managing Directors or groups of professionals could have a material adverse effect on our business and our profitability. We depend on the efforts and reputations of Mr. Moelis and our other executive officers. Our senior leadership team’s reputations and relationships with clients and potential clients are critical elements in the success of our business. The loss of the services of our senior leadership team, in particular Mr. Moelis, could have a material adverse effect on our business, including our ability to attract clients. We face strong competition from other financial advisory firms, many of which have the ability to offer clients a wider range of products and services than those we can offer, which could cause us to fail to win advisory mandates and subject us to pricing pressures that could materially adversely affect our revenue and profitability. The financial services industry is intensely competitive, and we expect it to remain so. Our competitors are other investment banking and financial advisory firms. We compete on both a global and a regional basis, and on the basis of a number of factors, including depth of client relationships, industry knowledge, transaction execution skills, our range of products and services, innovation, reputation and price. In addition, in our business there are usually no long - term contracted sources of revenue. Each revenue - generating engagement typically is separately solicited, awarded and negotiated. We have experienced intense competition over obtaining advisory mandates in recent years, and we may experience further pricing pressures in our business in the future as some of our competitors may seek to obtain increased market share by reducing fees. Our primary competitors are large financial institutions, many of which have far greater financial and other resources than us and, unlike us, have the ability to offer a wider range of products, from loans, deposit taking and insurance to brokerage and trading, which may enhance their competitive position. They also regularly support investment banking, including financial advisory services, with commercial lending and other financial services and products in an effort to gain market share, which puts us at a competitive disadvantage and could result in pricing pressures or loss of opportunities, which could materially adversely affect our revenue and profitability. In addition, we may be at a competitive disadvantage with regard to certain of our competitors who are able to and often do, provide financing or market making services that are often a crucial component of the types of transactions on which we advise. In addition to our larger competitors, over the last few years a number of independent investment banks that offer independent advisory services have emerged, with several showing rapid growth. As these independent firms or new entrants into the market seek to gain market share there could be pricing pressures, which would adversely affect our revenues and earnings.

Risks Related to Market Conditions and the Impact on Our Business Changing market conditions can adversely affect our business in many ways, including by reducing the volume of the transactions involving our business, which could materially reduce our revenue. As a financial services firm, we are materially affected by conditions in the global financial markets and economic conditions

throughout the world. For example, our revenue is directly related to the volume and value of the transactions in which we are involved. During periods of unfavorable market or economic conditions, including in **2022-2023**, the volume and value of M & A transactions generally decreases, thereby reducing the demand for our M & A advisory services and increases price competition among financial services companies seeking such engagements. In addition, during periods of strong market and economic conditions, the volume and value of recapitalization and restructuring transactions may decrease, thereby reducing the demand for our recapitalization and restructuring advisory services and increasing price competition among financial services companies seeking such engagements. Our results of operations have been in the past and are likely to be adversely affected by any such reduction in the volume or value of such advisory transactions. Further, in the period following an economic downturn, the volume and value of M & A transactions typically takes time to recover and lags a recovery in market and economic conditions. Our profitability may also be adversely affected by certain non-discretionary costs, including (but not limited to) costs related to information technology, information services and real estate leasing. We may be unable to scale back these and other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. The future market and economic climate may further deteriorate because of many factors beyond our control, including rising interest rates, inflation, **recession**, international conflict (including the conflict between Russia and Ukraine), terrorism, natural disasters, a pandemic or political uncertainty. **For example, the U. S. Federal Reserve raised the federal funds rate eleven times since the beginning of 2022 in response to rising inflation with the volume of announced global M & A transactions decreasing by 17 % in 2023 from 2022 and by 37 % in 2022 from 2021. While the timing and impact of interest rate changes are unknown, rising interest rates and uncertainty as to changes in interest rates has had, and in the future, could have an adverse effect on our transaction volumes, results of operations and financial condition**. If the number of debt defaults, bankruptcies or other factors affecting demand for our recapitalization and restructuring advisory services declines, our recapitalization and restructuring business could suffer. We provide various financial recapitalization and restructuring and related advice to companies in financial distress or to their creditors or other stakeholders. A number of factors affect demand for these advisory services, including general economic conditions, the availability and cost of debt and equity financing, governmental policy and changes to laws, rules and regulations, including those that protect creditors. In addition, providing recapitalization and restructuring advisory services entails the risk that the transaction will be unsuccessful or take considerable time and can be subject to a bankruptcy court's authority to disallow or discount our fees in certain circumstances. If the number of debt defaults, bankruptcies or other factors affecting demand for our recapitalization and restructuring advisory services declines, our recapitalization and restructuring business would be adversely affected. Fluctuations in foreign currency exchange rates could adversely affect our results. Because our financial statements are denominated in U. S. dollars and we receive a portion of our net revenue in other currencies (including euros and pound sterling), we are exposed to fluctuations in foreign currencies. In addition, we pay certain of our expenses in such currencies. We have not entered into any transactions to hedge our exposure to these foreign exchange fluctuations through the use of derivative instruments or otherwise. An appreciation or depreciation of any of these currencies relative to the U. S. dollar would result in an adverse or beneficial impact, respectively, to our financial results.

Risks Related to the Drivers of Our Revenues Our revenue in any given period is dependent on the number of fee-paying clients in such period, and a significant reduction in the number of fee-paying clients in any given period could reduce our revenue and adversely affect our operating results in such period. Our revenue in any given period is dependent on the number of fee-paying clients in such period. In **2023 and 2022 and 2021**, we had **175 clients and 187 clients and 282 clients** paying fees equal to or greater than \$ 1 million, respectively. We may lose clients as a result of the sale or merger of a client, a change in a client's senior management, competition from other financial advisors and financial institutions and other causes. A significant reduction in the number of fee-paying clients in any given period could reduce our revenue and adversely affect our operating results in such period. Substantially all of our revenue is derived from advisory fees. As a result, our revenue and profits are highly volatile on a quarterly basis and may cause the price of our Class A common stock to fluctuate and decline. Our revenue and profits are highly volatile. We derive substantially all of our revenue from advisory fees, generally from a limited number of engagements that generate significant fees at key transaction milestones, such as closing, the timing of which is outside of our control. We expect that we will continue to rely on advisory fees for most of our revenue for the foreseeable future. Accordingly, a decline in our advisory engagements or the market for advisory services would adversely affect our business. In addition, our financial results will likely fluctuate from quarter to quarter based on the timing of when fees are earned, and high levels of revenue in one quarter will not necessarily be predictive of continued high levels of revenue in future periods. Because we lack other, more stable, sources of revenue, which could moderate some of the volatility in our advisory revenue, we may experience greater variations in our revenue and profits than other larger, more diversified competitors in the financial services industry. Fluctuations in our quarterly financial results could, in turn, lead to large adverse movements in the price of our Class A common stock or increased volatility in our stock price generally. Because in many cases we are not paid until the successful consummation of the underlying transaction, our revenue and cash flow is highly dependent on market conditions and the decisions and actions of our clients, interested third parties and governmental authorities. For example, we may be engaged by a client in connection with a sale or divestiture, but the transaction may not occur or be consummated because, among other things, anticipated bidders may not materialize, no bidder is prepared to pay our client's price or because our client's business experiences unexpected operating or financial problems. We may be engaged by a client in connection with an acquisition, but the transaction may not occur or be consummated for a number of reasons, including because our client may not be the winning bidder, failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or stockholder approvals, failure to secure necessary financing, adverse market conditions or because the target's business experiences unexpected operating or financial problems. In these circumstances, we often do not receive significant advisory fees, despite the fact that we have devoted considerable resources to these transactions. In addition, we face the risk that certain clients may not have the financial resources to pay our agreed-upon advisory fees.

Certain clients may also be unwilling to pay our advisory fees in whole or in part, in which case we may have to incur significant costs to bring legal action to enforce our engagement agreement to obtain our advisory fees. **Risk-Risks** Related to Managing Our Business, Including Conflicts, Employees, Client Satisfaction and Our Reputation Our failure to deal appropriately with actual, potential or perceived conflicts of interest could damage our reputation and materially adversely affect our business. We confront actual, potential or perceived conflicts of interest in our business including when we represent clients who are also our affiliates. For instance, we face the possibility of an actual, potential or perceived conflict of interest where we represent a client on a transaction in which an existing client is a party. We may be asked by two potential clients to act on their behalf on the same transaction, including two clients as potential buyers in the same acquisition transaction, and we may act for both clients if both clients agree to us doing so. In each of these situations, we face the risk that our current policies, controls and procedures do not timely identify or appropriately manage such conflicts of interest. It is possible that actual, potential or perceived conflicts could give rise to client dissatisfaction, litigation or regulatory enforcement actions. Appropriately identifying and managing actual or perceived conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential or actual conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation which could materially adversely affect our business in a number of ways, including a reluctance of some potential clients and counterparties to do business with us. Employee misconduct, which is difficult to detect and deter, could harm us by impairing our ability to attract and retain clients and talent and by subjecting us to legal liability and reputational harm. There have been a number of highly-publicized cases involving fraud, insider trading, use of off-channel electronic messaging applications or other misconduct by employees in the financial services industry, and there is a risk that our employees engage in misconduct that adversely affects our business. Our business often requires that we deal with confidential matters of great significance to our clients. Our employees' improper use or disclosure of confidential information and material non-public information provided by our clients could subject us to regulatory and criminal investigations, disciplinary action, fines, or sanctions and we could suffer serious harm to our reputation, financial position, the trading price of our common stock, current client relationships and ability to attract future clients. In addition, our financial professionals and other employees are responsible for following proper measures to maintain the confidentiality of information and material non-public information we hold. If an employee's failure to do so results in the improper release of confidential information or material nonpublic information, we could be subject to reputational harm, regulatory actions and legal liability, which could impair our ability to attract and retain clients and in turn materially adversely affect our business. We also face the risk that our employees engage in work place misconduct, such as sexual harassment or discrimination, despite our implementation of policies and training to prevent and detect misconduct. In addition to impairing our ability to attract and retain clients, such misconduct may also impair our ability to attract and retain talent resulting in a materially adverse effect on our business. It is not always possible to deter employee misconduct despite the precautions we take to prevent and detect misconduct. If our employees engage in misconduct, our business could be materially adversely affected. We may face damage to our professional reputation if our services are not regarded as satisfactory or for other reasons. As an advisory service firm, we depend to a large extent on our relationships with our clients and reputation for integrity and high-caliber professional services to attract and retain clients and talent. As a result, if a client is not satisfied with our services, it may be more damaging in our business than in other businesses. Our reputation could be impacted by events that may be difficult or impossible to control, and costly or impossible to remediate. For example, alleged or actual failures by us or our employees to comply with applicable laws, rules or regulations, perceptions of our environmental, social and governance practices or business selection, or the public announcement or potential publicity surrounding any of these events, even if inaccurate, or satisfactorily addressed, or even if no violation or wrongdoing actually occurred, could adversely impact our reputation, our relationships with clients and our ability to attract and retain talent, which could have an adverse effect on our financial condition and results of operations. Negative publicity regarding our business and our people could adversely impact our reputation and our business. We depend to a large extent on our reputation for integrity and high-caliber professional services to attract and retain clients. We may experience negative publicity from time to time relating to our business and our people, regardless of whether the allegations are valid. Such negative publicity may adversely affect our business in a number of ways, including whether potential clients choose to engage us and our ability to attract and retain talent. The use of the "Moelis" brand name by either Moelis Asset Management LP and its subsidiaries or MA Financial and the affiliation of Atlas Crest Investment Corp. entities with Moelis may expose us to reputational harm that could adversely affect our business should they take actions that damage the brand name. Moelis Asset Management LP and MA Financial operate as separate legal entities. We have licensed to Moelis Asset Management LP and its subsidiaries the use of the "Moelis" brand name for certain purposes, including in connection with asset management activities. We have licensed to MA Financial the use of the "Moelis" brand name in connection with its financial advisory services business, an equity capital markets and research, sales and trading business covering Australian public equity securities and asset management businesses. As Moelis Asset Management LP and its subsidiaries and MA Financial historically have and will continue to use the "Moelis" brand name, and because the Company no longer controls these entities, there is a risk of reputational harm to us if any of Moelis Asset Management LP, its subsidiaries or MA Financial, among other things, have engaged, or in the future were to engage in poor business practices, or were to experience adverse results or otherwise damage the reputational value of the "Moelis" brand name. These risks could adversely affect our revenue and our business prospects. Atlas Crest Investment Corp. entities (each an "Atlas Crest Entity" and collectively referred to as "Atlas Crest Entities") were SPACs affiliated with Moelis. Mr. Moelis was the non-Executive Chairman of the Atlas Crest Entities. Mr. Moelis, other executive officers and Managing Directors of Moelis owned a majority of each respective sponsor of Atlas Crest Entities. If Atlas Crest Entities engaged in poor business practices, Moelis could suffer reputational harm that could adversely affect our revenue and our business prospects. During 2022, the remaining Atlas Crest Entities were wound up and the remainder of the Company's investments were liquidated. **Risk-Risks** Related to Operating Our

Business, Including Litigation, Financial Regulations, and Information Technology and Security As a member of the financial services industry, we face substantial litigation risks. Our role as advisor to our clients on important transactions involves complex analysis and the exercise of professional judgment, including rendering “ fairness opinions ” in connection with mergers and other transactions. We also act as an underwriter, placement agent and dealer manager in capital markets transactions. Our activities may subject us to the risk of significant legal liabilities to our clients, investors in capital markets transactions and affected third parties, including shareholders of our clients and investors who bring securities class actions against us. Litigation risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us in all cases, including when a client does not have the financial capacity to pay under the indemnity. As a result, we may incur significant legal expenses in defending against or settling litigation. In addition, we may have to spend a significant amount to adequately insure against these potential claims. Substantial legal liability or significant regulatory action against us could have material adverse financial effects or cause significant reputational harm to us, which could seriously harm our business prospects. Extensive and evolving regulation of our business and the business of our clients exposes us to the potential for significant penalties and fines due to compliance failures, increases our costs and may result in limitations on the manner in which our business is conducted. As a participant in the financial services industry, we are subject to extensive financial regulation in the U. S. and internationally. We are subject to general laws and regulations in the jurisdictions in which we operate. Our ability to conduct business and our operating results, including compliance costs, may be adversely affected as a result of any new requirements imposed by the SEC, FINRA or other U. S. or foreign governmental regulatory authorities or self - regulatory organizations that regulate financial services firms or supervise financial markets. We may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self - regulatory organizations. In addition, some of our clients or prospective clients may adopt policies that exceed regulatory requirements and impose additional restrictions affecting their dealings with us. Accordingly, we may incur significant costs to comply with U. S. and international regulation. In addition, new laws or regulations or changes in enforcement of existing laws or regulations applicable to our clients may adversely affect our business. For example, changes in antitrust enforcement could affect the level of M & A activity and changes in applicable regulations could restrict the activities of our clients and their need for the types of advisory services that we provide to them. Our failure to comply with applicable laws or regulations could result in adverse publicity and reputational harm as well as disciplinary actions, censures, fines, suspensions of personnel or business activities and / or other sanctions, including revocation of the registration of us or any of our subsidiaries as a financial advisor and could impair executive retention or recruitment. For example, **on August 8, 2023, we reached an agreement on an Offer of Settlement with the SEC to resolve an administrative cease- and- desist proceeding regarding our practices relating to recordkeeping of business communications on messaging applications. Moelis & Company LLC agreed to be censured, pay a civil monetary penalty of \$ 10. 0 million and comply with certain undertakings, including retaining a compliance consultant, related to retention of electronic communications as enumerated in the Settlement. Also**, we are subject to bribery and anti- corruption regulation, especially with respect to businesses we conduct for clients that are governmental entities or owned by governmental entities. In addition, any changes in the regulatory framework could impose additional expenses or capital requirements on us, result in limitations on the manner in which our business is conducted, have an adverse impact upon our financial condition and business and require substantial attention by senior management. In addition, our business is subject to periodic examination by various regulatory authorities, and we cannot predict the outcome of any such examinations. See also our discussion in Part I- Item 3- Legal Proceedings. We are exposed to risks and costs associated with protecting the integrity and security of our clients’, employees’ and others’ personal data and other sensitive information. As part of our business, we manage, utilize and store sensitive or confidential client or employee data, including personal data and material non- public information. As a result, we are subject to various risks and costs associated with the collection, handling, storage and transmission of sensitive information, including those related to compliance with increasingly stringent U. S. and foreign data collection and privacy laws and other contractual obligations, as well as those associated with the compromise of our information systems collecting such information. For example, the European Union’ s General Data Protection Regulation (“ GDPR”), which became effective in May 2018 and replaced the current data protection laws of each EU member state, requires companies to meet new and more stringent requirements regarding the handling of personal data. Any failure to comply with these regulations could expose us to liability and / or reputational damage. If any person, including any of our employees, negligently disregards or intentionally breaches our established controls with respect to client or employee data, or otherwise mismanages or misappropriates that data, we could be subject to significant monetary damages, regulatory enforcement actions, fines and / or criminal prosecution. In addition, unauthorized disclosure of sensitive or confidential client or employee data, whether through cyber- attacks, systems failure, employee negligence, fraud or misappropriation, could damage our reputation and cause us to lose clients and their related revenue in the future. Our business is subject to various cybersecurity and other operational risks. We face various cybersecurity and other operational risks related to our business on a day - to - day basis. There have been a number of highly publicized cases involving financial services companies, consumer- based companies, governmental agencies and other organizations reporting the unauthorized disclosure of client, customer or other confidential information in recent years, as well as cyber- attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties, including actions by foreign governments. There have also been several highly publicized cases where hackers have requested “ ransom ” payments in exchange for not disclosing customer information or for restoring access to information or systems. We rely heavily on financial, accounting, communication and other information technology systems, including, without limitation, mobile and cloud based storage systems, and the people who operate them. These systems, including the systems of third parties

on whom we rely, may fail to operate properly or become disabled as a result of tampering or a breach of our network security systems or otherwise. Our clients typically provide us with sensitive and confidential information. We are dependent on information technology networks and systems to securely process, transmit and store such information and to communicate among our locations around the world and with our clients, alliance partners and vendors. We may be subject to attempted security breaches and cyber - attacks and a successful breach could lead to shutdowns or disruptions of our systems or third - party systems on which we rely and potential unauthorized disclosure of sensitive or confidential information. Breaches of our or third - party network security systems on which we rely could involve attacks that are intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses, cyber - attacks and other means and could originate from a wide variety of sources, including foreign governments or other unknown third parties. If our or third - party systems on which we rely are compromised, do not operate properly or are disabled, we could suffer a disruption of our business, financial losses, liability to clients, regulatory sanctions and damage to our reputation. Phishing attacks and email spoofing attacks are often used to obtain information to impersonate employees or clients in order to, among other things, direct fraudulent bank transfers or obtain valuable information. Fraudulent transfers resulting from phishing attacks or email spoofing of our employees could result in a material loss of assets, reputational harm or legal liability and in turn materially adversely affect our business. In addition, our investment banking professionals and other employees are responsible for following proper measures to maintain the confidentiality of information we hold. If an employee's failure to do so results in the improper release of confidential information, or our systems are otherwise compromised or do not operate properly, we could suffer a disruption of our business, financial losses, liability to clients, regulatory sanctions and reputational harm and in turn materially adversely affect our business. The increased use of mobile technologies can heighten these and other operational risks. There can be no assurance that we or the third parties on whom we rely will be able to anticipate, detect or implement effective preventative measures against frequently changing cyber threats. We operate a business that is highly dependent on information systems and technology. Any failure to keep complete and accurate books and records can render us liable to disciplinary action by governmental and self - regulatory authorities, as well as to claims by our clients. We rely on third - party service providers for certain aspects of our business. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair our operations, affect our reputation and adversely affect our business. In addition, a disaster or other business continuity problem, such as a pandemic, other man - made or natural disaster or disruption involving electronic communications or other services used by us or third parties with whom we conduct business, could lead us to experience operational challenges, and if we were unable to timely and successfully recover that could materially disrupt our business and cause material financial loss, regulatory actions, reputational harm or legal liability. Climate change may cause certain types of natural disasters or extreme weather events and may increase the frequency and / or severity of such events, which could increase the risk of disruption to our business and the risks identified above. We may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, cybersecurity incidents and events, terrorist attacks, war, trade policies, military conflict, climate-related incidents, or other natural disasters. The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, such as the novel strain of coronavirus COVID-19 ("COVID-19"), or other widespread health emergency (or concerns over the possibility of such an emergency), cybersecurity incidents and events, terrorist attacks, war, trade policies, geopolitical tensions, military conflict, extreme climate-related incidents or events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair our ability to manage our businesses. **The For example, the** rapid, worldwide spread of COVID-19 has created global economic disruption and uncertainty. **The Even though the COVID-19 pandemic has been gradually subsiding, we believe COVID-19's continuing impact will be significantly of unforeseen or catastrophic events are often** driven by factors that are beyond our control, including, for example: the extent to which COVID-19 variants become additional public health threats, the timing, scope and effectiveness of governmental responses to the pandemic; the effectiveness of vaccinations and medical advancements providing treatments for COVID-19, the timing and speed of economic recovery; and the impact on our clients' willingness to transact if the business environment is further disrupted by COVID-19. As a result, COVID-19 could still have a material adverse effect on our business, operating results and financial condition. **If events warrant We implemented various initiatives to reduce the impact of COVID-19, we provide** such as supporting the ability **capability** for all of our employees to work remotely from home, while seeking to maintain business continuity. We face various cybersecurity and other operational risks related to our business on a day to day basis, which are heightened by COVID-19. We rely heavily on financial, accounting, communication and other information technology systems, including, without limitation, cloud based information technology systems, and the people who operate them. These systems, including the systems of third parties on whom we rely, may experience a disruption as a result of catastrophic events, such as COVID-19, or increased cybersecurity threats. If we were unable to timely and successfully recover, that could materially disrupt our business and cause material financial loss, regulatory actions, reputational harm or legal liability. An extended period of remote working by our employees could strain our technology resources and introduce operational risks, including heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts that seek to exploit events like the COVID-19 pandemic. Catastrophic events, like COVID-19, may present a threat to our employees' well-being. **While our employees have returned to office, we continue to monitor federal, state and local regulations regarding return to office and take into account local conditions, which may result in increased operational and compliance costs. There is no guarantee that the measures implemented will protect the health of our employees.** While we have business continuity plans to protect the health of our employees, such plans cannot anticipate all scenarios, and may alter workplace practices that could negatively impact us and our business, such as a loss of productivity. Similarly, the military **conflict conflicts abroad** between Russia and Ukraine or the diplomatic tensions between the U. S. and China could result in geopolitical instability and adversely

affect the global economy or specific markets, which could have an adverse impact or cause volatility in the financial services industry generally or on our results of operations and financial conditions. Sanctions imposed by the United States and other countries in response to such **conflict events** could further adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others, could exacerbate market and economic instability **and increase the cost of doing business**. The cost of compliance with international broker - dealer, employment, labor, benefits and tax regulations may adversely affect our business and hamper our ability to expand internationally. Since we operate our business both in the U. S. and internationally, we are subject to many distinct broker - dealer, employment, labor, benefits and tax laws in each country in which we operate, including regulations affecting our employment practices and our relations with our employees and service providers. If we are required to comply with new regulations or new interpretations of existing regulations, or if we are unable to comply with these regulations or interpretations, our business could be adversely affected or the cost of compliance may make it difficult to expand into new international markets. Additionally, our competitiveness in international markets may be adversely affected by regulations requiring, among other things, the awarding of contracts to local contractors, the employment of local citizens and / or the purchase of services from local businesses or favoring or requiring local ownership. Our international operations are subject to certain risks, which may affect our revenue. In **2022-2023**, we earned approximately 21 % of our revenues from our international operations. We intend to grow our non - U. S. business, and this growth is important to our overall success. In addition, some of our larger clients are non - U. S. entities seeking to enter into transactions involving U. S. businesses. Our international operations carry special financial and business risks, which could include the following: • greater difficulties in managing and staffing foreign operations; • language and cultural differences; • fluctuations in foreign currency exchange rates that could adversely affect our results; • unexpected changes in trading policies, regulatory requirements, tariffs and other barriers; • longer transaction cycles; • higher operating costs; • adverse consequences or restrictions on the repatriation of earnings and / or capital; • potentially adverse tax consequences, such as trapped foreign losses; • less stable political and economic environments; and • civil disturbances or other catastrophic events that reduce business activity. If our international business increases relative to our total business, these factors could have a more pronounced effect on our operating results. We may not be able to generate sufficient cash in the future to service any future indebtedness. Our ability to make scheduled payments on or to refinance any future debt obligations depends on our financial condition and operating performance. We cannot provide assurance that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal of, and interest on, any future indebtedness, including lease liabilities. If our cash flows and capital resources are insufficient to fund any future debt service obligations or contractual obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance such indebtedness.

Risks Related to Growing Our Business We may enter into new lines of business which may result in additional risks and uncertainties in our business. We currently generate substantially all of our revenue from advisory transactions. However, we may grow our business by entering into new lines of business. To the extent we enter into new lines of business, we will face numerous risks and uncertainties, including risks associated with actual or perceived conflicts of interest because we would no longer be limited to the advisory business, the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, the required investment of capital and other resources and the loss of clients due to the perception that we are no longer focusing on our core business. Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. In addition, certain aspects of our cost structure, such as costs for compensation, occupancy and equipment rentals, communication and information technology services, and depreciation and amortization will be largely fixed, and we may not be able to timely adjust these costs to match fluctuations in revenue related to our entering into new lines of business. If a new business generates insufficient revenues or if we are unable to efficiently manage our expanded operations, our results of operations could be materially adversely affected. Our joint venture, strategic investments and acquisitions may result in additional risks and uncertainties in our business. In addition to recruiting and internal expansion, we may grow our core business through joint ventures, strategic investments or acquisitions. In the case of joint ventures and strategic investments, such as MA Financial, we are subject to additional risks and uncertainties relating to governance and controls, in that we may be dependent upon personnel, controls and systems, including management of the business by third parties, and subject to, liability, losses or reputational damage relating to such personnel, controls and systems and the management decisions of third parties that are not under our control. MA Financial is a public company listed on the Australian Securities Exchange and the value of the shares held by us at any given time are subject to fluctuation as a result of their performance and prevailing market and business conditions. These fluctuations in value may be material. In the event we make further strategic investments or acquisitions, we would face numerous risks and would be presented with financial, managerial and operational challenges, including the difficulty of integrating personnel, financial, accounting, technology and other systems and management controls. Our ability to grow our advisory business organically depends in part on our ability to open or acquire new offices, expand internationally and hire new Managing Directors and other senior professionals for these offices. We may not be successful in any efforts to open new offices, expand internationally or hire new Managing Directors and other senior professionals for these offices. The costs of opening a new office, expanding internationally and hiring the necessary personnel to staff the office are substantial. If we are not successful in these efforts, we may not be able to recover our investments or our substantial cost outlays, and new international operations may not achieve profitability.

Risks Related to Our Organizational Structure Moelis & Company's only assets are its partnership interests in Group LP, its equity interest in the sole general partner of Group LP, Moelis & Company Group GP LLC, and its interests in its subsidiaries, and Moelis & Company is accordingly dependent upon distributions from Group LP to pay dividends, taxes and other expenses. Moelis & Company is a holding company, and its only assets are its partnership interests in Group LP, its equity interest in the sole general partner of Group LP, Moelis & Company Group GP LLC, and its interests in its subsidiaries. Moelis

& Company has no independent means of generating revenue. Moelis & Company intends to cause Group LP to make distributions to its partners in an amount sufficient to cover all applicable taxes payable, other expenses and dividends, if any, declared by us. Group LP is generally prohibited under Delaware law from making a distribution to a partner to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of Group LP (with certain exceptions) exceed the fair value of its assets. Furthermore, certain subsidiaries of Group LP may be subject to similar legal limitations on their ability to make distributions to Group LP. Moreover, our regulated subsidiaries may be subject to regulatory capital requirements that limit the distributions that may be made by those subsidiaries. Deterioration in the financial condition, earnings or cash flow of Group LP and its subsidiaries for any reason could limit or impair their ability to pay such distributions. Additionally, to the extent that Moelis & Company requires funds and Group LP is restricted from making such distributions under applicable law or regulation or under the terms of financing arrangements, or is otherwise unable to provide such funds, our liquidity and financial condition could be materially adversely affected. A change in relevant income tax laws, regulations, or treaties, or an adverse interpretation of these items by tax authorities, could result in an audit adjustment or revaluation of our deferred tax assets that may cause our effective tax rate and tax liability to be higher than what is currently presented in the consolidated statements of financial condition. As part of the process of preparing our consolidated statements of financial condition, we are required to estimate income taxes in each of the jurisdictions in which we operate. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, and any valuation allowance recorded against our deferred tax assets. This process requires us to estimate our actual current tax liability and to assess temporary differences resulting from differing book versus tax treatment. Our effective tax rate and tax liability is based on the application of current income tax laws, regulations, and treaties. These laws, regulations, and treaties are complex, and the manner in which they apply to our facts and circumstance is sometimes open to interpretation. We believe our application of current laws, regulations, and treaties to be correct and sustainable upon examination by the tax authorities. However, the tax authorities could challenge our interpretation resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate. In addition, tax laws, regulations, or treaties enacted in the future may cause us to revalue our net deferred tax assets and have a material change to our effective tax rate. We will be required to pay our Managing Directors for certain tax benefits we may claim as a result of the tax basis step - up we receive in connection with follow- on offerings, exchanges of Group LP Class A partnership units for Class A common stock and related transactions. In certain circumstances, payments under the tax receivable agreement may be accelerated and / or significantly exceed the actual tax benefits we realize. Group LP Class A partnership units may be exchanged for shares of Class A common stock. On the date of our initial public offering in April 2014, we were treated for U. S. federal income tax purposes as having directly purchased Class A partnership units in Group LP from the then existing unitholders which resulted in an increase in the tax basis of the assets of Group LP that otherwise would not have been available. The exchange and purchases of Class A partnership units in Group LP in connection with the initial public offering, additional follow- on offerings and exchanges of Class A partnership units (including existing and newly issued units) for Class A common stock and related transactions, may also result in increases in the tax basis of the assets of Group LP that otherwise would not have been available. Such increases in tax basis are likely to increase (for tax purposes) depreciation and amortization deductions and therefore reduce the amount of income tax we would otherwise be required to pay in the future. These increases in tax basis may also decrease gain (or increase loss) on future dispositions of certain capital assets to the extent the increased tax basis is allocated to those capital assets. The Internal Revenue Service (the “ IRS ”) may challenge all or part of these tax basis increases, and a court could sustain such a challenge. We have entered into a tax receivable agreement with our Managing Directors that provides for the payment by us to our Managing Directors of 85 % of the amount of cash savings, if any, in U. S. federal, state and local income tax or franchise tax that we actually realize as a result of (a) the increases in tax basis attributable to exchanges by our Managing Directors and (b) tax benefits related to imputed interest deemed to be paid by us as a result of this tax receivable agreement. While the actual increase in tax basis, as well as the amount and timing of any payments under the tax receivable agreement, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, and the amount and timing of our income, we expect that, as a result of the size of the increases in the tax basis of the tangible and intangible assets of Group LP attributable to our interests in Group LP, during the expected term of the tax receivable agreement, the payments that we may make to our Managing Directors could be substantial. Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase, our Managing Directors generally will not reimburse us for any payments that may previously have been made under the tax receivable agreement. As a result, in certain circumstances we could make payments to the Managing Directors under the tax receivable agreement in excess of our cash tax savings. Our ability to achieve benefits from any tax basis increase, and the payments to be made under the tax receivable agreement, will depend upon a number of factors, as discussed above, including the timing and amount of our future income. In addition, the tax receivable agreement provides that, upon a merger, asset sale or other form of business combination or certain other changes of control or if, at any time, we elect an early termination of the tax receivable agreement, our (or our successor’ s) obligations with respect to exchanged or acquired Class A partnership units (whether exchanged or acquired before or after such change of control or early termination) would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement, and, in the case of certain early termination elections, that any Class A partnership units that have not been exchanged will be deemed exchanged for the market value of the Class A common stock at the time of termination. Consequently, it is possible, in these circumstances also, that the actual cash tax savings realized by us may be significantly less than the corresponding tax receivable agreement payments. Risks Related to Our Class A Common Stock Mr. Moelis has significant voting power in Moelis & Company which may give rise to actual or perceived conflicts of interests. Mr. Moelis, through his control of Partner Holdings, has significant voting power in Moelis & Company. Mr. Moelis’ interests may differ

from those of other stockholders. Mr. Moelis' voting power in Moelis & Company as of December 31, ~~2022~~ **2023** is approximately ~~42-40~~%. Mr. Moelis' voting power is primarily through his control of Partner Holdings, which currently holds all outstanding Class B common stock. The shares of Class B common stock entitle Partner Holdings to (i) for so long as the Class B Condition is satisfied, ten votes per share and (ii) after the Class B Condition ceases to be satisfied, one vote per share. In addition, Moelis & Company has entered into a stockholders agreement with Partner Holdings, pursuant to which, for so long as the Class B Condition is satisfied, Partner Holdings has certain approval rights over certain transactions. As a result, because Mr. Moelis has significant voting power in Moelis & Company and our amended and restated certificate of incorporation does not provide for cumulative voting, Mr. Moelis has significant power with respect to the election of the members of our board of directors and thereby with respect to our management and affairs, including determinations with respect to acquisitions, dispositions, borrowings, issuances of Class A common stock or other securities, and the declaration and payment of dividends. Mr. Moelis has significant power with respect to the outcome of all matters requiring stockholder approval, including a change of control of Moelis & Company or a change in the composition of our board of directors. Mr. Moelis' significant voting power could deprive our stockholders of an opportunity to receive a premium for their Class A common stock as part of a sale of Moelis & Company and might ultimately affect the market price of our Class A common stock. We have transitioned from a "controlled company" within the meaning of the rules of the New York Stock Exchange to no longer being a controlled company. On February 23, 2021, the Company lost its status as a "controlled company" under the rules of the New York Stock Exchange ("NYSE"). Under the NYSE rules, entities may elect not to comply with certain corporate governance requirements, including the requirements that (i) a majority of the board of directors consist of independent directors and (ii) that the board of directors have compensation and nominating and corporate governance committees composed entirely of independent directors. Previously, we had elected not to comply with those requirements. Accordingly, as we continue to implement changes relating to the transition to being a non-controlled company, we have incurred and may incur in the future additional corporate governance and other compliance costs, including increased director compensation for additional independent directors and expanded governance committees. Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes - Oxley Act of 2002 could have a material adverse effect on our business and share price. As a publicly traded company, we are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 (a) of Sarbanes - Oxley, which requires, beginning with the filing of our second annual report with the SEC, annual management assessments of the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm may not be able or willing to issue an unqualified report on the effectiveness of our internal control over financial reporting. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could materially adversely affect us and lead to a decline in the market price of our shares. If securities analysts do not publish research or reports about our business or if they downgrade our Company or our sector, the price of our Class A common stock could decline. The trading market for our Class A common stock depends in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrades our Company or our industry, or the stock of any of our competitors, the price of our Class A common stock could decline. If one or more of these analysts ceases coverage of our Company, we could lose visibility in the market, which in turn could cause the price of our Class A common stock to decline. The market price of our Class A common stock may be volatile, which could cause the value of your investment to decline. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our Class A common stock in spite of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors, and in response, the market price of our Class A common stock could decrease significantly. You may be unable to resell your shares of our Class A common stock at or above the public offering price. While we currently intend to pay a quarterly cash dividend to our stockholders, we may change our dividend policy at any time. There can be no assurance that we will continue to declare cash dividends. During February ~~2023~~ **2024**, the Board of Directors of Moelis & Company declared a quarterly dividend of \$ 0. 60 per share. The \$ 0. 60 per share will be paid on March 28, ~~2023~~ **2024** to Class A common stockholders of record on February ~~21~~ **20**, ~~2023~~ **2024**. Although we currently intend to pay a quarterly cash dividend to our stockholders, we have no obligation to do so, and our dividend policy may change at any time. Returns on stockholders' investments will primarily depend on the appreciation, if any, in the price of our Class A common stock. Whether we continue and the amount and timing of any dividends are subject to capital availability and periodic determinations by our Board of Directors that cash dividends are in the best interest of our stockholders and are in compliance with all respective laws and agreements of the Company applicable to the declaration and payment of cash dividends. Future dividends, including their timing and amount, may be affected by, among other factors: general economic and business conditions; our financial condition and operating results; our available cash and current anticipated cash needs; capital requirements; contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders; and such other factors as our board of directors may deem relevant. Our dividend payments may change from time to time, and we cannot provide assurance that we will continue to declare dividends in any particular amounts or at all. The reduction in or elimination of our dividend payments could have a negative effect on our stock price. Anti - takeover provisions in our organizational documents and Delaware law could delay or prevent a change in control. Our amended and restated certificate of incorporation and bylaws may delay or prevent a merger or acquisition that a stockholder may consider favorable by permitting our board of directors to issue one or more series of preferred stock, requiring advance notice for stockholder

proposals and nominations and placing limitations on convening stockholder meetings. In addition, there is no cumulative voting in the election of directors, and our amended and restated certificate of incorporation provides that directors may be removed, with or without cause, only with the affirmative vote of at least 80 % of the voting interest of stockholders entitled to vote; provided, however, that for so long as the Class B Condition is satisfied, directors may be removed, with or without cause, with the affirmative vote of a majority of the voting interest of stockholders entitled to vote. In addition, we are subject to provisions of the Delaware General Corporation Law that restrict certain business combinations with interested stockholders. These provisions may also discourage acquisition proposals or delay or prevent a change in control, which could harm our stock price. See “Description of Capital Stock.” **24**