

Annual Accounts for the period
from 21 June 2021 (date of incorporation) to 31 December 2021
(with the report of the Réviseur d'Entreprises agréé thereon)

Perimeter Solutions SA

Société anonyme

12E rue Guillaume Kroll
1882 Luxembourg
Luxembourg
R.C.S. Luxembourg: B256548

Perimeter Solutions SA
Annual accounts as at 31 December 2021

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Perimeter Solutions SA
Annual accounts as at 31 December 2021

To be replaced by the Report of the Réviseur d'entreprises agréé

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RCSL Nr. : B256548

Matricule : 2021 2203 735

eCDF entry date :

BALANCE SHEET**Financial year from** ⁰¹ 21/06/2021 **to** ⁰² 31/12/2021 (in ⁰³ USD)

Perimeter Solutions

12E, rue Guillaume Kroll

L-1882 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____ 4	109 1.627.904.559,00	110 0,00
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____ 4	135 1.627.904.559,00	136 0,00
1. Shares in affiliated undertakings	1137 _____ 4	137 1.627.904.559,00	138 0,00
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
D. Current assets	1151 _____ 5	151 22.117.073,90	152 0,00
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____ 5	163 20.041.258,90	164 0,00
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____ 5	171 20.040.958,90	172 0,00
a) becoming due and payable within one year	1173 _____ 5	173 20.040.958,90	174 0,00
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____ 5	183 300,00	184 0,00
a) becoming due and payable within one year	1185 _____ 5	185 300,00	186 0,00
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	Reference(s)	Current year	Previous year
III. Investments	1189 <u>6</u>	189 <u>40.000,00</u>	190 <u>0,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 <u>6</u>	209 <u>40.000,00</u>	210 <u>0,00</u>
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>2.035.815,00</u>	198 <u>0,00</u>
E. Prepayments	1199 <u>7</u>	199 <u>5.192.053,67</u>	200 <u>0,00</u>
TOTAL (ASSETS)		201 <u>1.655.213.686,57</u>	202 <u>0,00</u>

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CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301	1.418.976.210,71	0,00
I. Subscribed capital	1303 8	157.277.435,00	0,00
II. Share premium account	1305 9	1.414.136.965,00	0,00
III. Revaluation reserve	1307		
IV. Reserves	1309 10	40.000,00	0,00
1. Legal reserve	1311 10		
2. Reserve for own shares	1313 10	40.000,00	0,00
3. Reserves provided for by the articles of association	1315		
4. Other reserves, including the fair value reserve	1429		
a) other available reserves	1431		
b) other non available reserves	1433		
V. Profit or loss brought forward	1319		
VI. Profit or loss for the financial year	1321	-152.478.189,29	0,00
VII. Interim dividends	1323		
VIII. Capital investment subsidies	1325		
B. Provisions	1331		0,00
1. Provisions for pensions and similar obligations	1333		
2. Provisions for taxation	1335		
3. Other provisions	1337		0,00
C. Creditors	1435 11	236.237.475,86	0,00
1. Debenture loans	1437		
a) Convertible loans	1439		
i) becoming due and payable within one year	1441		
ii) becoming due and payable after more than one year	1443		
b) Non convertible loans	1445		
i) becoming due and payable within one year	1447		
ii) becoming due and payable after more than one year	1449		
2. Amounts owed to credit institutions	1355		
a) becoming due and payable within one year	1357		
b) becoming due and payable after more than one year	1359		

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____ 11	367 _____ 551.916,55	368 _____ 0,00
a) becoming due and payable within one year	1369 _____ 11	369 _____ 551.916,55	370 _____ 0,00
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 _____	380 _____
a) becoming due and payable within one year	1381 _____	381 _____	382 _____
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____ 11	451 _____ 235.685.559,31	452 _____ 0,00
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____ 11	397 _____ 235.685.559,31	398 _____ 0,00
i) becoming due and payable within one year	1399 _____ 11, 15, 16	399 _____ 135.685.559,31	400 _____ 0,00
ii) becoming due and payable after more than one year	1401 _____ 11	401 _____ 100.000.000,00	402 _____ 0,00
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 _____ 1.655.213.686,57	406 _____ 0,00

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PROFIT AND LOSS ACCOUNT
Financial year from ⁰¹ 21/06/2021 **to** ⁰² 31/12/2021 (in ⁰³ USD)

Perimeter Solutions

12E, rue Guillaume Kroll
 L-1882 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____ 12	671 _____ -151.517.535,57	672 _____ 0,00
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ 12	603 _____ -151.517.535,57	604 _____ 0,00
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____ 13	621 _____ -57.777,00	622 _____ 0,00

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	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

Perimeter Solutions SA
Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31
December 2021

Notes to the Annual Accounts

Note 1: General information

Perimeter Solutions SA (hereafter the "Company") was incorporated on 21 June 2021 and is organised under the laws of Luxembourg as a "Société Anonyme" for an unlimited period.

The Company is registered with the Trade and Companies Register of Luxembourg (RCS) with the number B256548 and has its registered office established at 12E, Rue Guillaume Kroll, L-1882, Luxembourg .

The Company's financial year starts on 1 January and ends on 31 December each year, except for the first financial period which starts on 21 June 2021 (date of incorporation) and ends on 31 December 2021.

The object of the Company is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control and development of its portfolio.

The Company may provide any financial assistance to subsidiaries, affiliated companies or other companies forming part of the group of which the Company belongs, such as, among others, the providing of loans and the granting of guarantees or securities in any kind or form.

The Company may also invest in real estate, in intellectual property rights or any other movable or immovable assets in any kind or form.

The Company may borrow in any kind or form and issue bonds, notes or any other debt instruments as well as warrants or other share subscription rights.

In a general fashion the Company may carry out any commercial, industrial or financial operation, which it may deem useful in the accomplishment and development of its purpose.

On 9 November 2021, the Company was listed for trading on the NYSE under the symbol "PRM".

On the basis of the criteria defined by Luxembourg law, the Company is exempt from the obligation to establish consolidated accounts and a consolidated management report for the period ending 31 December 2021. Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis for approval by the shareholders in the course of the Annual General Meeting.

Note 2: Business Overview

The Company was incorporated under the laws of the Grand Duchy of Luxembourg. The Company is headquartered in the Grand Duchy of Luxembourg with global operations in North America, Europe, and Asia Pacific.

On 9 November 2021, the Company consummated the transactions contemplated by the Business Combination with EverArc Holdings Limited ("EverArc"), a company limited by shares incorporated with limited liability in the British Virgin Islands and the former parent company of the Company, SK Invictus Holdings, S.à r.l., a limited liability company (société à responsabilité limitée) governed by the laws of the Grand Duchy of Luxembourg ("SK Holdings"), SK Invictus Intermediate S.à r.l., a limited liability company (société à responsabilité limitée) governed by the laws of the Grand Duchy of Luxembourg ("SK II"), doing business under the name Perimeter Solutions and EverArc (BVI) Merger Sub Limited, a company limited by shares incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of EverArc ("Merger Sub") pursuant to a Business Combination Agreement (the "BCA") dated 15 June 2021.

Perimeter Solutions SA
Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31
December 2021

Note 3: Summary of significant accounting policies

3.1 Basis of preparation

The annual accounts have been drawn up in compliance with Luxembourg's legal and regulatory requirements by virtue of the historical cost convention on a going concern basis.

The accounting methods and valuation rules are determined and applied by the Board of Directors, in addition to those imposed by the amended Law of 19 December 2002.

The preparation of the annual accounts requires the use of certain indispensable accounting estimates. It also requires that the Board of Directors should exercise their judgement in the process of applying the accounting methods. Any changes in the assumptions made can have a significant impact on the annual accounts for the period during which the hypotheses were altered. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore faithfully reflect the financial situation and the financial results.

The Company makes estimates and assumptions that have an impact on the amounts carried forward for assets and liabilities in the course of the following accounting year. The said estimates and judgements are continually evaluated and are based on historical experience and other factors, including forecasts of future events that are considered reasonable in the circumstances.

The coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The impact of the COVID-19 outbreak on the Company has been considered within the going concern assessment and the valuation of the investment portfolio. As of 31 December 2021, the Board of Directors has assessed the situation of the Company and there has been no significant impact according to their analysis on the underlying investment. The Board of Directors continue to monitor the situation and the impact on the valuation of the underlying investments.

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Company does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities including within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day. The longer-term impact may also affect cash flows. Nevertheless, at the date of these annual accounts the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

The Board of Directors has assessed the loss of the first financial period and concluded that going concern is still appropriate.

3.2 Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the period in which they are incurred.

3.3 Financial assets

Valuation at historical cost

Shares in affiliated undertakings are valued at their historical cost including the expenses incidental thereto.

In the case of a durable depreciation in their value in the opinion of the Board of Directors, the value of financial assets is adjusted such that they are valued at the lowest figure to be attributed to them on the balance sheet date. Such value adjustments will not be continued if the reasons giving rise to them cease to apply.

Perimeter Solutions SA

Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

3.4 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. Such value adjustments will not be continued if the reasons giving rise to them cease to apply.

3.5 Investments

Own shares are valued at the purchase price, including expenses incidental thereto, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the weighted average purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Own shares are disclosed under the balance sheet caption "Investments".

3.6 Foreign currency translation

The Company maintains its books and records in United States Dollar "USD".

Transactions expressed in currencies other than USD are converted into USD at the applicable exchange rate at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than USD are converted into USD at the applicable exchange rate at the time of the transaction. On the balance sheet date, these assets remain converted at the historical exchange rates.

Cash at bank is converted at the applicable exchange rate on the balance sheet date. Exchange losses and gains are recorded in the profit and loss account for the period.

Other assets and liabilities are converted separately, respectively at the lower or higher value converted at the historical exchange rate or at the value determined on the basis of the applicable exchange rates on the balance sheet date. Only unrealised exchange losses are recorded in the profit and loss account. Exchange gains are recorded in the profit and loss account for the period as and when they occur.

Where there is an economic link between an asset and a liability, they are valued as a total, in accordance with the method described above with the net unrealised losses being recorded in the profit and loss account while unrealised exchange gains are not indicated.

3.7 Prepayments

This asset item includes expenditure incurred during the accounting period that relates to a subsequent accounting period.

3.8 Provisions

Provisions are intended to cover losses or debts, whose nature is clearly defined and which, on the balance sheet date, are either likely or certain to be incurred but are subject to uncertainty as regards the amount they represent or the date on which they will arise.

Provisions can also be set up to cover charges that arise in the course of the financial year under review or in the course of a previous financial year. These are charges whose nature is clearly defined and which, on the balance sheet date, are either likely or certain to be incurred but are subject to uncertainty as regards the amount they represent or the date on which they will arise.

3.9 Creditors

Creditors are recorded at their reimbursement value. Where the reimbursable amount in the account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

Perimeter Solutions SA

Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

3.10 Redeemable preferred shares

Redeemable preferred shares issued by the Company have been recorded as debt under the balance sheet caption "Other creditors".

Note 4: Financial assets

The movements for the period are as follows:

Shares in affiliated undertakings

	USD
Gross book value - opening balance	-
Additions	2,889,511,491.15
Disposals	(1,261,606,932.15)
Transfers	-
Gross book value - closing balance	1,627,904,559.00
Accumulated value adjustment - opening balance	-
Allocations	-
Reversals	-
Transfers	-
Accumulated value adjustment - closing balance	-
<u>Net book value - opening balance</u>	-
<u>Net book value - closing balance</u>	<u>1,627,904,559.00</u>

Undertakings in which the Company holds at least 20% of the registered capital are listed below:

Name of undertaking	Registered office	Ownership	Last balance sheet date	Net equity at the balance sheet date of the company	Profit or loss for the financial period
		%		USD	USD
EverArc Holdings Limited	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands	100.00	31-Oct-2020	400,408,712.00	(947,832.00)
SK Invictus Intermediate S.à r.l.	6, rue Eugène Ruppert, L - 2453 Luxembourg	100.00	31-Dec-2020	340,097,521.20	(54,086.14)

EverArc Holdings Limited ("EverArc")

- On 8 November 2021, EverArc (BVI) Merger Sub Limited, a company formed under the laws of the British Virgin Islands ("MergerSub") and a wholly owned subsidiary of EverArc, merged into EverArc with EverArc surviving such merger as a direct wholly-owned subsidiary of the Company ("Merger").

Perimeter Solutions SA

Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

Note 4 (cont'd)

- Pursuant to the Merger, all 155,832,600 ordinary shares of EverArc outstanding immediately prior to the Merger were exchanged for 155,832,600 ordinary shares of the Company, with a nominal value of USD 1.00 each amounting to USD 155,832,600.00 and a share premium amount of USD 9.00 per share amounting to USD 1,402,493,400.00.

- On 8 November 2021, the Board of Directors of EverArc declared the capital repayment for an aggregate amount of USD 1,261,606,932.15, in favour of the Company as the sole shareholder pursuant to the Merger.

As at 31 December 2021, the Net Book Value ("NBV") of EverArc in the books of the Company amounts to USD 296,719,067.85.

SK Invictus Intermediate S.à r.l. ("SK II")

- On 9 November 2021, SK Holdings contributed 3,975,621.09 ordinary shares in SK II to the Company in exchange for 10,000,000 preferred shares of the Company with a nominal value of USD 10.00 each amounting to USD 100,000,000.00.

- On the same date, SK Holdings also sold its remaining 49,069,888.91 ordinary shares in SK II to the Company. The total consideration paid to SK Holdings, including the preferred shares exchange mentioned above, amounts to USD 1,331,185,491.15.

As at 31 December 2021, the NBV of SK II as per the books of the Company amounts to USD 1,331,185,491.15.

Note 5: Debtors

Debtors, becoming due and payable within one year are composed as follows:

	31-12-2021
	USD
Amounts owed by affiliated undertakings (i)	20,040,958.90
Amounts owed by shareholders	300.00
TOTAL	20,041,258.90

(i) The amounts owed by affiliated undertakings are comprised as follows:

	Date	Maturity date	Interest rate	Principal amount	31-12-2021
				USD	USD
Note receivable - SK Invictus Intermediate II S.à r.l.	9/12/2021	15/09/2022	3.25%	20,000,000.00	20,000,000.00
Interest on Note receivable - SK Invictus Intermediate II S.à r.l.	9/12/2021	15/09/2022	3.25%	20,000,000.00	40,958.90
TOTAL					20,040,958.90

On 9 December 2021, the Company granted a loan of USD 20,000,000.00 to SK Invictus Intermediate II S.à r.l., a directly held subsidiary of the Company, at 3.25% per annum.

Perimeter Solutions SA

Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

Note 6: Investments

During the financial period ended 31 December 2021, the Company bought back its own 40,000 ordinary shares with a nominal price of USD 1.00 each, for a redemption price amounting to USD 40,000.00.

	31-12-2021
	USD
Treasury shares	40,000.00
TOTAL	40,000.00

Note 7: Prepayments

The prepayments are comprised as follows:

	31-12-2021
	USD
Deferred charges	5,192,053.67
TOTAL	5,192,053.67

It corresponds to insurance premiums and accounting and administration fees.

Note 8: Subscribed capital

The total subscribed capital amounts to USD 157,277,435.00 and is divided into 157,277,435 ordinary shares (out of which 40,000 ordinary shares are held as treasury shares by the Company), with a nominal value of USD 1.00 per share and 10,000,000 redeemable preferred shares, with a nominal value of USD 10.00 per share, all fully paid-up, it being noted that the preferred shares have been classified as debt as further detailed below and in note 13.

The authorised share capital is set at USD 4,000,000,000.00 at the incorporation of the Company. As at 31 December 2021, the authorised share capital amounts to USD 3,742,762,565.00.

The movements for the period are as follows:

	Number of shares			Nominal value	Total
	Opening balance as at 21 June, 2021	Subscriptions	Closing balance as at 31 December, 2021		
				USD	USD
Incorporation Capital	-	40,000	40,000	1.00	40,000.00
Conversion of warrants	-	25	25	1.00	25.00
Increase in share capital	-	157,137,410	157,137,410	1.00	157,137,410.00
Share award	-	100,000	100,000	1.00	100,000.00
TOTAL	-	157,277,435	157,277,435	1.00	157,277,435.00

Perimeter Solutions SA

Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

Note 8 (cont'd)

On 21 June 2021, EverArc as the sole shareholder subscribed to the incorporation capital of the Company, 40,000 shares of USD 1.00 each amounting to USD 40,000.00, all fully paid-up.

On 1 November 2021, the Board of Directors of the Company decided to redeem 40,000 ordinary shares with a nominal value of USD 1.00 each, held by EverArc for a redemption price of USD 40,000.00 following the first increase in the share capital of the Company. As at 31 December 2021, the 40,000 ordinary shares are held as treasury shares by the Company (Refer to note 6).

On 30 November 2021, 100 warrants of the Company were exercised by the holder, entitling them to receive one-fourth of an ordinary share of the Company at an exercise price of USD 12.00 per whole ordinary share of the Company. The holder received 25 ordinary shares of the Company with a nominal value of USD 1.00 each, all fully paid-up.

On 3 December 2021, the share capital of the Company was increased by an amount of USD 155,832,600.00 by issuance of 155,832,600 new ordinary shares with a nominal value of USD 1.00 each. The new shares were fully subscribed and paid-up by means of contribution in kind consisting of all the shares of EverArc, contributed to Company's share capital by each of the shareholder of EverArc, thereby EverArc becoming the fully owned subsidiary of the Company for a total consideration amounting to USD 1,558,326,000.00.

On the same date, the share capital of the Company was further increased by an amount of USD 101,304,810.00 by issuance of 10,000,000 redeemable preferred shares with a nominal value of USD 10.00 per share, fully subscribed and paid-up by means of contribution in kind, amounting to USD 100,000,000 and 1,304,810 new ordinary shares with a nominal value of USD 1.00 each, fully subscribed and paid-up by means of contribution in cash, amounting to USD 1,304,810.00.

The Company issued 10,000,000 preferred shares that give entitlement to a preferred dividend of 6.50% per annum, calculated on the nominal value and allocated by priority compared to distribution to the ordinary shares. These shares have been classified as debt, taking into consideration the substance over form principle for the preparation of these annual accounts (Refer to note 13). The cumulative dividends not paid at the balance sheet date amounts to USD 943,835.62.

The 1,104,810 ordinary shares were subscribed by certain key people holding management positions in the Company and 200,000 ordinary shares were subscribed by the Directors of the Company.

On 8 December 2021, 100,000 shares were exercised and vested from the PBNQSO issued for the financial year ended 31 December 2021 at an exercise price of USD 11.75 per ordinary share. The subscribed capital was increased by an amount of USD 100,000.00 for issuance of 100,000 ordinary shares at nominal value of USD 1.00 each (Refer to note 22).

Note 9: Share premium account

The movements for the period are as follows:

	Share premium USD
Opening balance as at 21 June 2021	-
Movements	1,414,136,965.00
Closing balance as at 31 December 2021	1,414,136,965.00

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Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

Note 9 (cont'd)

On 30 November 2021, following the conversion of 100 warrants to 25 new ordinary shares of the Company, a contribution for USD 11.00 per share amounting to USD 275.000 was made towards the share premium account by the holder.

On 3 December 2021, following the issue of 155,832,600 new ordinary shares, a contribution in kind for USD 9.00 per share was made towards the share premium account amounting to USD 1,402,493,400.00 by the subscribers of the Company.

On the same date, following the issue of additional 1,304,810 new ordinary shares, a contribution in cash for USD 9.00 per share was made towards the share premium account amounting to USD 11,743,290.00.

Note 10: Reserves

Legal reserve

The Company is required to allocate a minimum of 5% of its net annual income to a legal reserve until such time as that reserve reaches 10% of the subscribed share capital. This reserve cannot be distributed.

No allocation is required in respect of the period ended 31 December 2021.

Reserves for own shares or own corporate units

In the course of the period, the Company bought its own shares for an amount of USD 40,000.00, included in the assets presented in the balance sheet.

In accordance with the law, the Company has created a non-distributable reserve included in the account "Reserve for own shares" for an amount of USD 40,000.

Note 11: Creditors

Creditors are made up as follows:

	Within one year	After more than one year	Total 31-12-2021
	USD	USD	USD
Trade creditors	551,916.55	-	551,916.55
Other creditors (i)(ii)	135,685,559.31	100,000,000.00	235,685,559.31
TOTAL	136,237,475.86	100,000,000.00	236,237,475.86

(i) Other creditors, becoming due and payable within one year are comprised as follows:

	31-12-2021
	USD
Founder's advisory fees	134,659,378.56
Redeemable preferred shares - Accrued Interest	943,835.62
Amounts payable to directors, managers and statutory auditors	82,345.13
TOTAL	135,685,559.31

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(ii) Other creditors, becoming due and payable after more than one year are comprised as follows:

		31-12-2021
	%	USD
Redeemable Preferred Shares	6.50	100,000,000.00
TOTAL		100,000,000.00

Founder's advisory fees

On 8 November 2021, the Company ("Assignee") entered into an Assignment and Assumption Agreement with EverArc ("Assignor") whereby the Assignor absolutely assigns, transfers and conveys to Assignee all of the Assignor's right, title and interest in and to the Founder Advisory Agreement (the "FAA"), whereas, Assignor and EverArc Founders LLC ("EverArc Founders") are parties to that certain Advisory Services Agreement, dated as of 12 December 2019.

As per the FAA, EverArc Founders are entitled to receive both a Fixed Annual Advisory Amount and a Variable Annual Advisory Amount until the years ending 31 December 2027 and 2031, respectively, in exchange for the services provided to the Company, including strategic and capital allocation advice. Under the FAA, at the election of the EverArc Founders, at least 50% of the Advisory Amounts will be paid in Ordinary Shares of the Company and the remainder in cash.

As at 31 December 2021, the total amount payable to the EverArc Founders amounts to USD 134,659,378.56, comprising of Fixed Annual Advisory fee amounting to USD 32,115,898.95 and Variable Annual Advisory fee amounting to USD 102,543,479.61 (see note 22).

Redeemable preferred shares

On 9 November 2021, in connection with the BCA, 10,000,000 redeemable preferred shares with a nominal value of USD 10.00 per share were issued amounting to USD 100,000,000.00. The holders of the redeemable preferred shares are entitled to a preferred annual cumulative right to a dividend equal to 6.5% of its nominal value. The redeemable preferred shares are mandatorily redeemable on occurrence of certain events as defined in the BCA, but no later than 8 November 2029.

The preferred dividend will generally be paid 40.00% in cash and 60.00% in kind each year within three business days following the Company's annual general meeting. The redemption price per share would be equal to the nominal value of the redeemable preferred shares plus any accrued and unpaid preferential dividend, if any.

Based on the rights of the redeemable preferred shareholders and taking into consideration the substance over form principle, the redeemable preferred shares have been classified as debt instead of equity for the purposes of preparation of these annual accounts.

As the redeemable preferred shares are mandatorily redeemable, the dividend payable on these shares is classified as an interest expense. As at 31 December 2021, USD 943,835.62 of preferred dividends were in arrears.

(iii) Amounts owed to affiliated undertakings

On 1 November 2021, the Board of Directors of the Company decided to buy back its own 40,000 ordinary shares, with a nominal value of USD 1.00 each, all fully paid-up, from EverArc, the sole shareholder as on that date, for a total consideration amounting to USD 40,000.00.

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Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

Note 12: Other external expenses

Other external expenses are composed as follows:

	31-12-2021
	USD
Bank fees	(4,185.00)
Legal fees	(20,607.86)
Accounting, tax and audit fees	(70,824.25)
Insurance premium	(5,134,915.90)
Founder's advisory fees	(134,659,378.56)
Transaction costs (i)	(10,718,571.00)
Other fees (ii)	(909,053.00)
TOTAL	(151,517,535.57)

(i) Transaction costs comprises of the professional fees incurred in relation to the acquisition of SKII.

(ii) Other fees are composed of other professional fees amounting to USD 909,053.00.

Note 13: Other operating expenses

Other operating expenses are composed as follows:

	31-12-2021
	USD
Director fees	(57,777.00)
TOTAL	(57,777.00)

Note 14: Other interest receivable and similar income

The other interest receivable and similar income is comprised as follows:

	31-12-2021
	USD
Interest on note receivable - SK Invictus Intermediate II S.à r.l.	40,958.90
TOTAL	40,958.90

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Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31
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Note 15: Interest payable and similar expenses

The interests payable and similar expenses are comprised as follows:

	31-12-2021
	USD
Interest on redeemable preferred shares (i)	(943,835.62)
TOTAL	(943,835.62)

(i) Please refer to note 13

Note 16: Staff and members of the management

As at 31 December 2021, the Company did not have any employees.

The emoluments paid to members of the management and supervisory bodies in that capacity of the Company are as follows:

	2021
	USD
Management	3,611.00
Supervisory bodies	54,166.00
TOTAL	57,777.00

Note 17: Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

There are no emoluments or commitments arising or entered into in respect of retirement pensions for former members of the management or supervisory bodies.

Note 18: Advances and loans granted to the members of the management and supervisory bodies

No advances and loans were granted to the members of the management or supervisory bodies.

Note 19: Related party transactions

All transactions which have been entered into by the Company with related parties during the financial period from 21 June 2021 to 31 December 2021 have been presented in the notes above.

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Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

Note 20: Off balance sheet commitments

Share Warrants

On 8 November 2021, 34,020,000 EverArc Warrants issued and outstanding were converted into the right to purchase the ordinary shares of the Company, entitling the holder thereof to purchase one-fourth of a ordinary share at an exercise price of \$12.00 per each share. The warrant subscription period ends on the earlier of the third anniversary of the Closing Date or such earlier date as determined by the warrant instrument.

Warrants are subject to mandatory redemption at \$0.01 per warrant if at any time the average price per ordinary share of the Company equals or exceeds \$18.00 for a period of ten consecutive trading days subject to any prior adjustment in accordance with the terms of the warrant Instrument. Management considers this feature to be an early exercise contingency.

During the year 2021, 100 warrants were exercised and converted to 25 ordinary shares of the Company at an exercise price of USD 12.00 per share.

As at 31 December 2021, there were 34,019,900 warrants issued and outstanding.

2021 Equity Incentive Plan (the "2021 Equity Plan")

In connection with the BCA, the Company's Board adopted, and its shareholders approved, the 2021 Equity Plan. A total of 32,000,000 ordinary shares of the Company are authorized and reserved for issuance under the 2021 Equity Plan which provides for the grant of stock options (either incentive or non-qualified), stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), performance shares, performance share units and other share-based awards with respect to the ordinary shares of the Company. Shares associated with underlying awards that are expired, forfeited, or otherwise terminated without the delivery of shares, or are settled in cash, and any shares tendered to or withheld by the Company for the payment of an exercise price or for tax withholding will again be available for issuance under the 2021 Equity Plan. The purpose of the 2021 Equity Plan is to promote the interests of the Company and its shareholders by providing the Company with a means to attract and retain employees, officers, consultants, advisors and directors who will contribute to its long-term growth and success and providing such individuals with incentives that will align with those of the Company's shareholders.

During the financial period ended 31 December 2021, the Company granted approximately 8,763,754 performance-based non-qualified stock options ("PBNQSO") to its executive officers, non-employee directors and other members of senior management under the 2021 Equity Plan. The exercise prices of these PBNQSOs ranged from \$10.00 to \$14.00 per ordinary share and consist of two types of vesting criteria. Of the aggregate number of PBNQSO granted, 245,004 PBNQSOs are eligible to vest based on the achievement of certain performance goals for fiscal year 2021 (the "Bridge Option"), and the remaining 8,518,750 PBNQSOs are eligible to vest based on the achievement of certain performance goals for fiscal years 2022-2026 (the "5-Year Option"). The PBNQSOs expire ten years from the grant date.

On 8 December 2021, 100,000 shares were exercised and vested from the PBNQSO issued for the financial year ended 31 December 2021 at an exercise price of USD 11.75 per ordinary share.

As at 31 December 2021, there were 31,900,000 ordinary shares of the Company authorized and reserved for issuance under the 2021 Equity Plan.

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Notes to the annual accounts for the period from 21 June 2021 (date of incorporation) to 31 December 2021

Note 21: Subsequent events

On 6 January 2022, the Company issued 9,740 new ordinary shares against 38,960 warrants at an exercise price of USD 12.00 per warrant for an aggregate amount of USD 116,880.00. The new shares were issued at a nominal value of USD 1.00 each amounting to USD 9,740.00 and a share premium attached thereto of USD 11.00 each amounting to USD 107,140.00.

On 12 January 2022, the Company issued 20,000 new ordinary shares against 80,000 warrants at an exercise price of USD 12.00 per warrant for an aggregate amount of USD 240,000.00. The new shares were issued at a nominal value of USD 1.00 each amounting to USD 20,000.00 and a share premium attached thereto of USD 11.00 each amounting to USD 220,000.00.

On 18 January 2022, the Company issued 12,500 new ordinary shares against 50,000 warrants at an exercise price of USD 12.00 per warrant for an aggregate amount of USD 150,000.00. The new shares were issued at a nominal value of USD 1.00 each amounting to USD 12,500.00 and a share premium attached thereto of USD 11.00 each amounting to USD 137,500.00.

On 15 February 2022, the Company paid the Founder's advisory fee amounting to USD 134,659,378.56, 60% in ordinary shares of the Company and 40% in cash. The Company issued 5,952,992 ordinary shares and paid approximately USD 53,500,000.00 in cash in satisfaction of 2021 Advisory amounts.

On 14 March 2022, the Company issued 1,875 new ordinary shares against 7,500 warrants at an exercise price of USD 12.00 per warrant for an aggregate amount of USD 22,500.00. The new shares were issued at a nominal value of USD 1.00 each amounting to USD 1,875.00 and a share premium attached thereto of USD 11.00 each amounting to USD 20,625.00.

In the opinion of the Board of Directors, no other matters or events have occurred subsequent to 31 December 2021 which could materially affect the Annual Accounts and related disclosures for the period ended 31 December 2021.