

Annual accounts as at 31 December 2022
(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 2022

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
Perimeter Solutions
Société anonyme
12E, rue Guillaume Kroll
L-1882 Luxembourg

Opinion

We have audited the annual accounts of Perimeter Solutions (the “Company”), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (CSSF). Our responsibilities under the law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the “*réviseur d’entreprises agréé*” for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Luxembourg, 21 June 2023

BDO Audit
Cabinet de révision agréé
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BALANCE SHEETFinancial year from ₀₁ 01/01/2022 to ₀₂ 31/12/2022 (in ₀₃ USD)Perimeter Solutions SA
12 E rue Guillaume Kroll1882 Luxembourg
Luxembourg**ASSETS**

	Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101	101			102
I. Subscribed capital not called	1103	103			104
II. Subscribed capital called but unpaid	1105	105			106
B. Formation expenses	1107	107			108
C. Fixed assets	1109 4	109	1,617,241,366.83	110	1,627,904,559.00
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

	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	1,617,241,366.83	136	1,627,904,559.00
1. Shares in affiliated undertakings	1137	4	137	1,617,241,366.83	138	1,627,904,559.00
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		151	50,672,777.79	152	22,117,073.90
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	6,389,027.54	164	20,041,258.90
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	6,366,423.12	172	20,040,958.90
a) becoming due and payable within one year	1173	5	173	6,366,423.12	174	20,040,958.90
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	6	183	22,604.42	184	300.00
a) becoming due and payable within one year	1185	6	185	22,604.42	186	300.00
b) becoming due and payable after more than one year	1187		187		188	

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)		Current year		Previous year
A. Capital and reserves	1301	301	1,380,373,093.06	302	1,418,976,210.71
I. Subscribed capital	1303 9	303	163,274,542.00	304	157,277,435.00
II. Share premium account	1305 10	305	1,445,524,782.22	306	1,414,136,965.00
III. Revaluation reserve	1307	307		308	
IV. Reserves	1309 11	309	44,256,352.78	310	40,000.00
1. Legal reserve	1311 11	311		312	
2. Reserve for own shares	1313 11	313	44,256,352.78	314	40,000.00
3. Reserves provided for by the articles of association	1315	315		316	
4. Other reserves, including the fair value reserves	1429	429		430	
a) other available reserves	1431	431		432	
b) other non available reserves	1433	433		434	
V. Profit or loss brought forward	1319	319	-152,478,189.29	320	0.00
VI. Profit or loss for the financial year	1321	321	-120,204,394.65	322	-152,478,189.29
VII. Interim dividends	1323	323		324	
VIII. Capital investment subsidies	1325	325		326	
B. Provisions	1331	331		332	
1. Provisions for pensions and similar obligations	1333	333		334	
2. Provisions for taxation	1335	335		336	
3. Other provisions	1337	337		338	
C. Creditors	1435 12	435	290,378,760.88	436	236,237,475.86
1. Debenture loans	1437	437		438	
a) Convertible loans	1439	439		440	
i) becoming due and payable within one year	1441	441		442	
ii) becoming due and payable after more than one year	1443	443		444	
b) Non convertible loans	1445	445		446	
i) becoming due and payable within one year	1447	447		448	
ii) becoming due and payable after more than one year	1449	449		450	
2. Amounts owed to credit institutions	1355	355		356	
a) becoming due and payable within one year	1357	357		358	
b) becoming due and payable after more than one year	1359	359		360	

	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	12	367	2,873,166.83	368	551,916.55
	a) becoming due and payable within one year	1369	12	369	2,873,166.83	370	551,916.55
	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	12	379	158,983,048.80	380	0.00
	a) becoming due and payable within one year	1381	12	381	158,983,048.80	382	0.00
	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	12	451	128,522,545.25	452	235,685,559.31
	a) Tax authorities	1393	12	393	438,939.13	394	0.00
	b) Social security authorities	1395		395		396	
	c) Other creditors	1397	12	397	128,083,606.12	398	235,685,559.31
	i) becoming due and payable within one year	1399	12,16,18	399	28,083,606.12	400	135,685,559.31
	ii) becoming due and payable after more than one year	1401	12	401	100,000,000.00	402	100,000,000.00
D. Deferred income		1403		403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)				405	1,670,751,853.94	406	1,655,213,686.57

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PROFIT AND LOSS ACCOUNTFinancial year from ₀₁ 01/01/2022 to ₀₂ 31/12/2022 (in ₀₃ USD)Perimeter Solutions SA
12 E rue Guillaume Kroll1882 Luxembourg
Luxembourg**PROFIT AND LOSS ACCOUNT**

	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	13	671	-30,226,728.20	672	-151,517,535.57
a) Raw materials and consumables	1601		601		602	
b) Other external expenses	1603	13	603	-30,226,728.20	604	-151,517,535.57
6. Staff cost	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	14	621	-473,850.35	622	-57,777.00

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

	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	15	727	1,491.46	728	40,958.90
a) derived from affiliated undertakings	1729	15	729	0.00	730	40,958.90
b) other interest and similar income	1731	15	731	1,491.46	732	0.00
12. Share of profit or loss of undertakings accounted for under the equity method	1663				664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	4	665	-82,486,923.51	666	0.00
14. Interest payable and similar expenses	1627	12,16	627	-6,579,444.92	628	-943,835.62
a) concerning affiliated undertakings	1629	16	629	-41,319.61	630	
b) other interest and similar expenses	1631	12,16	631	-6,538,125.31	632	-943,835.62
15. Tax on profit or loss	1635		635		636	
16. Profit or loss after taxation	1667		667	-119,765,455.52	668	-152,478,189.29
17. Other taxes not shown under items 1 to 16	1637	17	637	-438,939.13	638	0.00
18. Profit or loss for the financial year	1669		669	-120,204,394.65	670	-152,478,189.29

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

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 started on 21 June 2021 (date of incorporation) and ended 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 shares issued by the Company were listed for trading on the NYSE under the symbol "PRM", ISIN LU2391723694.

The Company also prepares consolidated accounts, which are published in accordance with the provisions of the Law. These consolidated accounts are also available at the registered office of the Company.

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 as at 31 December 2022

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 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. As of 31 December 2022, 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 Board of Directors has assessed the loss for the current financial year and concluded that going concern is still appropriate.

3.2 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.

3.3 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.

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

3.4 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".

3.5 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 year.

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.

3.6 Prepayments

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

3.7 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.

3.8 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.

3.9 Taxes

Other creditors include the tax liabilities estimated by the Company for the accounting period under the item "Tax authorities". Advances and down payments are included among the balance sheet assets under the heading "Other debtors".

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

3.10 Redeemable preferred shares

Redeemable preferred shares issued by the Company have been recorded as debt under the balance sheet caption "Other creditors". Refer to note 12.

Note 4: Financial assets

The movements for the year are as follows:

Shares in affiliated undertakings

	USD
Gross book value - opening balance	1,627,904,559.00
Additions	71,823,731.34
Disposals	-
Transfers	-
Gross book value - closing balance	1,699,728,290.34
Accumulated value adjustment - opening balance	-
Allocations	(82,486,923.51)
Reversals	-
Transfers	-
Accumulated value adjustment - closing balance	(82,486,923.51)
<u>Net book value - opening balance</u>	<u>1,627,904,559.00</u>
<u>Net book value - closing balance</u>	<u>1,617,241,366.83</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 year
		%		USD	USD
EverArc Holdings Limited	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands	100.00	31/10/2021	394,498,285.00	(5,910,427.00)
SK Invictus Intermediate S.à r.l.	6, rue Eugène Ruppert, L - 2453 Luxembourg	100.00	31/12/2021	335,778,000.26	55,680,479.06

*These figures are based on the unaudited financial statements of the undertakings.

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

Note 4: Financial assets (continued)

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").

- 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.

The Board of Directors decided to adjust the value of the investment in EverArc for an amount of USD 82,486,923.51 based on the draft financial statements for the financial year 2022, according to which the net equity of EverArc at year end amounts to USD 214,232,145.00.

As at 31 December 2022, the Net Book Value ("NBV") of EverArc in the books of the Company amounts to USD 214,232,144.34 (2021: 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.

- The Company entered into a contribution agreement with SK II dated 30 March 2023, whereby the Company transferred and contributed the receivables of an aggregate amount of USD 70,000,000.00 held against SK Invictus Intermediate II S.à r.l. as additional paid-in capital contributions without issuance of new shares to SK II. These transfers were contributed with the effective date as follows:

- USD 20,000,000.00 Promissory note entered on 9 December 2021 effective 1 January 2022;

- USD 20,000,000.00 Promissory note entered on 7 March 2022 effective 7 March 2022; and

- USD 30,000,000.00 Promissory note entered on 27 April 2022 effective 27 April 2022

- During the financial year ended 31 December 2022, the Company paid an additional amount of USD 1,637,648.35 to SK Holdings towards the settlement of purchase consideration.

As at 31 December 2022, the NBV of SK II as per the books of the Company amounts to USD 1,403,009,222.49 (2021: USD 1,331,185,491.15).

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

Note 5: Debtors

Debtors are mainly composed of:

	31-12-2022	31-12-2021
	USD	USD
Amounts owed by affiliated undertakings (i)	6,366,423.12	20,040,958.90
Other debtors (Note 6)	22,604.42	300.00
TOTAL	6,389,027.54	20,041,258.90

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

	Date	Maturity date	Interest rate	Principal amount	31-12-2022	31-12-2021
				USD	USD	USD
Settlement of charges on behalf of group affiliates				-	6,366,423.12	-
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					6,366,423.12	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% interest rate per annum.

As per a contribution agreement dated 30 March 2023, effective 1 January 2022, the Note receivable principal amount has been transferred and contributed to SK II as an additional paid-in contribution without issuance of new shares and the interest on Note receivable has been written-off.

Note 6: Other debtors

Other debtors are comprised as follows:

	31-12-2022	31-12-2021
	USD	USD
Amounts owed by shareholders	22,500.00	300.00
Net wealth tax advances	104.42	-
TOTAL	22,604.42	300.00

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Note 7: Investments

On 21 July 2022, the shareholders of the Company approved a proposal authorizing the Board to repurchase upto 25% of the ordinary shares of the Company outstanding as of the date, being 40,659,257 shares during the next five years. On 3 November 2022, the Board re-established the limit at USD 100,000,000.00, which is within the repurchase limit approved earlier by the shareholders.

During the financial year 2022, the Company made multiple transactions to buy back its own 6,436,736 ordinary shares, out of which 597,513 shares were repurchased on behalf of a wholly-owned subsidiary and are currently held by the subsidiary. The remaining 5,839,223 shares were bought back by the Company at a nominal average price of USD 7.57 each, for a total redemption price amounting to USD 44,216,352.78.

During the financial year 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.

As at 31 December 2022, the total number of own shares held by the Company is equal to 5,879,223 (2021: 40,000).

	31-12-2022	31-12-2021
	USD	USD
Treasury shares	44,256,352.78	40,000.00
TOTAL	44,256,352.78	40,000.00

Note 8: Prepayments

The prepayments are comprised as follows:

	31-12-2022	31-12-2021
	USD	USD
Deferred charges	2,837,709.32	5,192,053.67
TOTAL	2,837,709.32	5,192,053.67

It corresponds to insurance premiums and software licenses fees.

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Notes to the annual accounts as at 31 December 2022

Note 9: Subscribed capital

The subscribed capital amounts to USD 263,274,542.00 and is divided into 163,274,542 ordinary shares (out of which 5,879,223 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 12.

As at 31 December 2022, the remaining authorised share capital amounts to USD 3,736,765,458.00 (2021: USD 4,000,000,000.00).

The movements for the year in the ordinary share capital are as follows:

	Number of shares		Nominal value		Total
	Opening balance as at 1 January, 2022	Subscriptions	Closing balance as at 31 December, 2022	USD	USD
Share Capital	157,277,435	-	157,277,435	1.00	157,277,435.00
Conversion of warrants	-	44,115	44,115	1.00	44,115.00
Increase in share capital	-	5,952,992	5,952,992	1.00	5,952,992.00
TOTAL	157,277,435	5,997,107	163,274,542		163,274,542.00

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 7).

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.

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

Note 9: Subscribed capital (continued)

During the financial year 2021, 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 12).

During the financial year 2021, 1,104,810 ordinary shares were subscribed by certain key people holding management positions in the Company and 570,000 ordinary shares were subscribed by the Directors of the Company.

On 8 December 2021, 100,000 shares were exercised and vested from the performance-based non-qualified stock options ("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).

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 81,111,897.00, by way of issuing 5,952,992 ordinary shares of the Company, with a nominal value of USD 1.00 each and a share premium attached thereto amounting to USD 75,158,905.00.

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.

During the financial year 2022, 462,699 ordinary shares were subscribed by certain key personnel holding management positions in the Company and 4,996,651 ordinary shares were subscribed by the Directors of the Company.

Note 10: Share premium account

The movements for the year are as follows:

	Share premium USD
Opening balance as at 1 January 2022	1,414,136,965.00
Movements	31,387,817.22
Closing balance as at 31 December 2022	1,445,524,782.22

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

Note 10: Share premium account (continued)

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.

On 6 January 2022, following the issue of 9,740 shares, a contribution for USD 11.00 per share amounting to USD 107,140.00 was made towards the share premium account by the holder.

On 12 January 2022, following the issue of 20,000 shares, a contribution for USD 11.00 per share amounting to USD 220,000.00 was made towards the share premium account by the holder.

On 18 January 2022, following the issue of 12,500 shares, a contribution for USD 11.00 per share amounting to USD 137,500.00 was made towards the share premium account by the holder.

On 01 February 2022, following the issue of 5,952,992 shares, a contribution amounting to USD 75,158,905.00 was made towards the share premium account by the holder.

On 14 March 2022, following the issue of 1,875 shares, a contribution for USD 11.00 per share amounting to USD 20,625.00 was made towards the share premium account by the holder

During the financial year 2022, USD 44,256,352.78 from the share premium account was allocated to reserve for own shares.

Note 11: 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 financial year ended 31 December 2022 (2021: Nil).

Reserves for own shares or own corporate units

During the financial year 2022, the Company bought back 5,839,223 of its own shares for an amount of USD 44,216,352.78, included in the assets presented in the balance sheet.

During the financial year 2021, the Company bought back 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 increased the non-distributable reserve included in the account "Reserve for own shares or own corporate units" by USD 44,216,352.78 for the financial year ended 31 December 2022 (2021: USD 40,000.00) .

As at 31 December 2022, the reserves for own shares amount to USD 44,256,352.78 (2021: USD 40,000.00)

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

Note 12: Creditors

Creditors are made up as follows:

	Within one year	After one year and within five years	After more than five years	Total 31-12-2022	Total 31-12-2021
	USD	USD	USD	USD	USD
Trade creditors	2,873,166.83	-	-	2,873,166.83	551,916.55
Amounts owed to affiliated undertakings (iii)	158,983,048.80	-	-	158,983,048.80	-
Other creditors (i)(ii)	28,083,606.12	-	100,000,000.00	128,083,606.12	235,685,559.31
Tax authorities	438,939.13	-	-	438,939.13	-
TOTAL	190,378,760.88	-	100,000,000.00	290,378,760.88	236,237,475.86

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

	31-12-2022	31-12-2021
	USD	USD
Founder's advisory fees (Note 13)	20,880,494.84	134,659,378.56
Redeemable preferred shares - Accrued Interest (Note 16)	7,103,110.96	943,835.62
Amounts payable to directors, managers and statutory auditors (Note 18)	100,000.32	82,345.13
TOTAL	28,083,606.12	135,685,559.31

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

	%	31-12-2022	31-12-2021
		USD	USD
Redeemable Preferred Shares	6.50	100,000,000.00	100,000,000.00
TOTAL		100,000,000.00	100,000,000.00

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Notes to the annual accounts as at 31 December 2022

Note 12: Creditors (continued)

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.

On 15 February 2022, the Company paid the 2021 Founder's advisory fee amounting to USD 134,659,378.56, approximately 60% in ordinary shares of the Company and 40% in cash. The Company issued 5,952,992 ordinary shares amounting to USD 81,111,897.00 and paid USD 53,547,483.00 in cash in satisfaction of 2021 Advisory amounts.

For the financial year 2022, EverArc Founders are entitled to receive a Fixed Annual Advisory amount of 2,357,061 Ordinary shares of the Company for a value amounting to USD 20,880,494.84 based on an average price of USD 8.86 per share. The EverArc Founders did not qualify to receive the Variable Annual Advisory amount for the financial year 2022 (see note 22 and 23).

For the financial year 2021, the total amount payable to the EverArc Founders amounted 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.

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.

The preferred dividend expense for the financial year 2022 amounts to USD 6,536,809.59 (2021: USD 943,835.62).

As at 31 December 2022, the cumulative preferred dividends not paid and outstanding to be settled amounts to USD 7,103,110.96 ((2021: USD 943,835.62).

(iii) Amounts owed to affiliated undertakings majorly comprise of the amounts payable to EverArc Holdings Limited amounting to USD 155,168,188.09, for cash settlements made on behalf of the Company and Perimeter Solutions LP amounting to USD 3,800,000.00, for cash advances received by the Company for settlement of operational expenses.

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Note 13: Other external expenses

Other external expenses are composed as follows:

	31-12-2022	31-12-2021
	USD	USD
Founder's advisory fees (Note 12)	(20,880,496.28)	(134,659,378.56)
Insurance premiums	(5,626,855.11)	(5,134,915.90)
Accounting, tax and audit fees	(2,338,740.45)	(70,824.25)
Other professional fees	(698,204.13)	-
Legal fees	(643,772.75)	(20,607.86)
Bank fees	(1,818.84)	(4,185.00)
Chambre de commerce fees	(351.47)	-
Telecommunication costs	(762.53)	-
Other fees (i)	(35,726.64)	(909,053.00)
Transaction costs (ii)	-	(10,718,571.00)
TOTAL	(30,226,728.20)	(151,517,535.57)

(i) Other fees are composed of other miscellaneous operating charges.

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

Note 14: Other operating expenses

Other operating expenses are composed as follows:

	31-12-2022	31-12-2021
	USD	USD
Director fees	(399,665.92)	(57,777.00)
Software user licence fees	(74,184.43)	-
TOTAL	(473,850.35)	(57,777.00)

Note 15: Other interest receivable and similar income

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

	31-12-2022	31-12-2021
	USD	USD
Interest on note receivable - SK Invictus Intermediate II S.à r.l.	-	40,958.90
Foreign exchange gains	1,491.46	-
TOTAL	1,491.46	40,958.90

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Note 16: Interest payable and similar expenses

The interests payable and similar expenses are comprised as follows:

	31-12-2022	31-12-2021
	USD	USD
Interest on redeemable preferred shares (i)	(6,536,809.54)	(943,835.62)
Reversal of interest on Note receivable (ii)	(41,319.61)	-
Foreign exchange losses	(1,315.77)	-
TOTAL	(6,579,444.92)	(943,835.62)

(i) Please refer to note 12.

(ii) Please refer to note 5.

Note 17: Taxes

The taxes are comprised as follows:

	31-12-2022	31-12-2021
	USD	USD
Net wealth tax	(438,939.13)	-
TOTAL	(438,939.13)	-

Note 18: Staff and members of the management

As at 31 December 2022, the Company did not have any employees (2021: None).

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

	31-12-2022	31-12-2021
	USD	USD
Supervisory bodies	25,000.00	3,611.00
Management	375,000.00	54,166.00
TOTAL	400,000.00	57,777.00

Note 19: 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 (2021: None).

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Note 20: 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 (2021: None).

Note 21: Related party transactions

All transactions which have been entered into by the Company with related parties during the financial year 2022 have been presented in the notes above.

Note 22: 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 2022, 176,460 warrants were exercised and converted to 44,115 ordinary shares of the Company at an exercise price of USD 12.00 per share.

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 2022, there were 33,843,440 warrants issued and outstanding (2021: 34,019,900).

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 year ended 31 December 2022, the Company granted additional 2,579,167 PBNQSO to its executive officers, non-employee directors and other members of senior management and forfeited 1,003,750 PBNQSO issued to the former executives of the Company.

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Notes to the annual accounts as at 31 December 2022

Note 22: Off balance sheet commitments (continued)

The exercise prices of these PBNQSOs ranges from \$8.36 to \$14.00 per ordinary share and consist of two types of vesting criteria. The PBNQSOs expire ten years from the grant date.

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. 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.

As at 31 December 2022, the Company had a total of 10,339,171 PBNQSO's outstanding (2021: 8,763,754), of which 1,948,754 PBNQSO's are vested and exercisable.

During the financial year 2022, no options were exercised. During the financial period 2021, 100,000 shares were exercised and vested from the PBNQSO issued for the financial at an exercise price of USD 11.75 per ordinary share.

As at 31 December 2022, there were 31,900,000 ordinary shares of the Company authorized and reserved for issuance under the 2021 Equity Plan (2021: 31,900,000).

Founder's Advisory fees

Under the FAA, the Company is liable to pay to the Everarc Founders a fixed advisory amount and a variable advisory amount in consideration for the services provided to the Company, including strategic and capital allocation advice.

The variable annual amount for each year through December 31, 2031 is based on the appreciation of the market price of Ordinary Shares if such market price exceeds certain trading price minimums at the end of each reporting period and is valued using a Monte Carlo simulation model. The advisory amounts may be settled by paying up to 50% in cash, recorded as a liability, with the remaining percentage settled in Ordinary Shares.

Effective upon the consummation of the Business Combination through December 31, 2031, and once the average price per Ordinary Share is at least \$10.00, the Variable Annual Advisory Amount will be equal in value to:

- in the first year in which the Variable Annual Advisory Amount is payable, (x) 18% of the increase in the market value of one ordinary share of the Company over \$10.00 (such increase in market value, the "Payment Price") multiplied by (y) 157,137,410 Ordinary Shares, the Founder Advisory Agreement Calculation Number; and.

- in the following years in which the Variable Annual Advisory Amount may be payable (if at all), (x) 18% of the increase in Payment Price over the previous year Payment Price multiplied by (y) 157,137,410 Ordinary Shares, the Founder Advisory Agreement Calculation Number.

The Founder Advisory Agreement can be terminated at any time (i) by the EverArc Founders if the Company ceases to be traded on the NYSE; or (ii) by the EverArc Founders or the Company if there is (A) a Sale of the Company (as defined in the FAA) or (B) a liquidation of the Company.

During the year 2022, the EverArc Founders did not qualify to receive any variable advisory amount as the average price of USD 8.86 per Ordinary Share for 2022 was lower than the average price of USD 13.63 per Ordinary Share established for 2021 (USD 102,543,479.61). Please refer to note 12 in relation to the payment of fixed advisory amount.

Perimeter Solutions SA
Notes to the annual accounts as at 31 December 2022

Note 23: Subsequent events

On 15 February 2023, the Board decided to increase the share capital of the Company by issuing 1,831,653 ordinary shares with a nominal value of USD 1.00 each amounting to USD 1,831,653.00 and a share premium attached thereto for an aggregate amount of USD 14,396,792.58.

On 15 February 2023, the Company paid the 2022 Founder's advisory fee amounting to USD 20,880,496.28, 77.71% in ordinary shares of the Company and 22.29% in cash. The Company issued 1,831,653 ordinary shares and paid approximately USD 4,655,114.88 in cash in satisfaction of 2022 Advisory amounts.

During the financial year 2023, until June, as at the time of preparation of these accounts, the Company has bought back its 3,601,546 own Ordinary shares at an average price of USD 6.67 for a total consideration amounting to USD 24,018,984.97.

In the opinion of the Board of Directors, no other matters or events have occurred subsequent to 31 December 2022 which could materially affect the Annual Accounts and related disclosures for the period ended 31 December 2022.