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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

Commission File Number 001-41027

PERIMETER SOLUTIONS, SA

(Exact name of Registrant as specified in its Charter)

Grand Duchy of Luxembourg
(State or other jurisdiction of incorporation or organization)

98-1632942
(I.R.S. Employer Identification No.)

12E rue Guillaume Kroll, L-1882 Luxembourg
Grand Duchy of Luxembourg
352 2668 62-1

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (314) 396-7343

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, nominal value \$1.00 per share	PRM	New York Stock Exchange
Warrants for Ordinary Shares	PRMFF	OTC Markets Group Inc.

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

As of May 5, 2023, there were 157,034,064 ordinary shares, nominal value \$1.00 per share, outstanding.

Table of Contents

	Page
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	3
PART I	
<u>FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	5
<u>Condensed Consolidated Balance Sheets as of March 31, 2023 (Unaudited) and December 31, 2022</u>	5
<u>Condensed Consolidated Statements of Operations and Comprehensive Income for the Three months ended March 31, 2023 and 2022 (Unaudited)</u>	6
<u>Condensed Consolidated Statements of Shareholders' Equity for the Three months ended March 31, 2023 and 2022 (Unaudited)</u>	7
<u>Condensed Consolidated Statements of Cash Flows for the Three months ended March 31, 2023 and 2022 (Unaudited)</u>	8
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	9
<u>1. Description of Business and Basis of Presentation</u>	9
<u>2. Summary of Significant Accounting Policies and Recent Accounting Pronouncements</u>	10
<u>3. Business Acquisitions</u>	11
<u>4. Balance Sheet Components</u>	12
<u>5. Goodwill and Other Intangible Assets</u>	13
<u>6. Leases</u>	14
<u>7. Long-Term Debt and Redeemable Preferred Shares</u>	14
<u>8. Income Taxes</u>	16
<u>9. Commitments and Contingencies</u>	16
<u>10. Equity</u>	17
<u>11. Share-Based Compensation and Employee Benefits</u>	17
<u>12. Fair Value Measurements</u>	19
<u>13. Related Parties</u>	21
<u>14. Revenue Recognition</u>	22
<u>15. Earnings Per Share</u>	22
<u>16. Segment Information</u>	23
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	30
<u>Item 4.</u>	
<u>Controls and Procedures</u>	31
PART II	
<u>OTHER INFORMATION</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	33
<u>Item 1A.</u>	
<u>Risk Factors</u>	33
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	33
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	33
<u>Item 4.</u>	
<u>Mine Safety Disclosures</u>	33
<u>Item 5.</u>	
<u>Other Information</u>	33
<u>Item 6.</u>	
<u>Exhibits</u>	34
<u>SIGNATURES</u>	35

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q for the period ended March 31, 2023 (this “Quarterly Report”) contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements involve risks and uncertainties and reflect our current views with respect to, among other things, future events and our financial performance. When used in this Quarterly Report, the words “believe,” “may,” “could,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “indicate,” “seek,” “should,” “would,” and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements contain these identifying words. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. These forward-looking statements include, without limitation, statements about the following matters:

- future financial performance, including any growth or expansion plans and opportunities;
- our ability to expand our fire safety business;
- our beliefs regarding certain growth drivers in our fire safety business;
- our ability to grow long-term value through, among other things, the continuing performance improvement of our existing operations, execution of a disciplined capital allocation and management of our capital structure;
- our expectations regarding future capital expenditures;
- cash flow projections;
- our ability to maintain a leadership position in any market;
- expectations concerning sources of revenue;
- expectations about demand for fire retardant products, equipment and services;
- the size of the markets we compete in and potential opportunities in such markets or new markets;
- our expectations regarding the impact of significant infrequent events, such as the COVID-19 pandemic and the conflict in Ukraine, on our business;
- expectations concerning certain of our products’ ability to protect life and property as population settlement locations change;
- expectations concerning the markets in which we will operate in the coming years, overall economic conditions and disruptive weather events;
- expectations concerning repurchases of our Ordinary Shares (as defined below) under the Share Repurchase Plan (as defined below);
- our beliefs regarding the sufficiency of our current sources of liquidity to fund our future liquidity requirements, our expectations regarding the types of future liquidity requirements and our expectations regarding the availability of future sources of liquidity;
- our expectations and beliefs regarding accounting and tax matters; and
- the expected outcome of litigation matters and the effect of such claims on business, financial condition, results of operations or cash flows.

Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date of this Quarterly Report, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to those summarized below:

- negative or uncertain worldwide economic conditions;
- volatility, seasonality and cyclicalities in the industries in which we operate;
- our ability to realize the strategic and financial benefits of the Business Combination (as defined below);

- our substantial dependence on sales to the U.S. Department of Agriculture ("USDA") Forest Service and the state of California and the risk of decreased sales to these customers;
- changes in the regulation of the petrochemical industry, a downturn in the lubricant additives and/or fire retardant end markets or our failure to accurately predict the frequency, duration, timing, and severity of changes in demand in such markets;
- changes in customer relations or service levels;
- a small number of our customers represent a significant portion of our revenue;
- failure to continuously innovate and to provide products that gain market acceptance, which may cause us to be unable to attract new customers or retain existing customers;
- improper conduct of, or use of our products, by employees, agents, government contractors or collaborators;
- changes in the availability of products from our suppliers on a long-term basis;
- production interruptions or shutdowns, which could increase our operating or capital expenditures or negatively impact the supply of our products resulting in reduced sales;
- changes in the availability of third-party logistics suppliers for distribution, storage and transportation;
- increases in supply and raw material costs, supply shortages, long lead times for components or supply changes;
- adverse effects on the demand for our products or services due to the seasonal or cyclical nature of our business or severe weather events;
- introduction of new products, which are considered preferable, which could cause demand for some of our products to be reduced or eliminated;
- current ongoing and future litigation, including multi-district litigation and other legal proceedings;
- heightened liability and reputational risks due to certain of our products being provided to emergency services personnel and their use to protect lives and property;
- future products liabilities claims where indemnity and insurance coverage could be inadequate or unavailable to cover these claims due to the fact that some of the products we produce may cause adverse health consequences;
- compliance with export control or economic sanctions laws and regulations;
- environmental impacts and side effects of our products, which could have adverse consequences for our business;
- compliance with environmental laws and regulations;
- our ability to protect our intellectual property rights and know-how;
- our ability to generate the funds required to service our debt and finance our operations;
- fluctuations in foreign currency exchange;
- potential impairments or write-offs of certain assets;
- the adequacy of our insurance coverage; and
- challenges to our decisions and assumptions in assessing and complying with our tax obligations.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please read (1) Part I, Item 1A. "Risk Factors" in the annual report on Form 10-K for the fiscal year ended December 31, 2022 (the "2022 Annual Report"); (2) Part II, "Item 1A. Risk Factors" in this Quarterly Report; (3) our reports and registration statements filed from time to time with the Securities and Exchange Commission (the "SEC"), and (4) other public announcements we make from time to time. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	March 31, 2023	December 31, 2022
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 91,789	\$ 126,750
Accounts receivable, net	24,715	26,646
Inventories	156,257	142,961
Income tax receivable	1,580	214
Prepaid expenses and other current assets	11,626	11,951
Total current assets	285,967	308,522
Property, plant and equipment, net	59,221	58,846
Operating lease right-of-use assets	17,274	18,582
Goodwill	1,032,802	1,031,460
Customer lists, net	701,590	710,329
Technology and patents, net	230,078	232,818
Tradenames, net	93,128	94,293
Other assets, net	1,654	1,766
Total assets	\$ 2,421,714	\$ 2,456,616
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 25,945	\$ 36,794
Accrued expenses and other current liabilities	35,939	32,705
Founders advisory fees payable - related party	9,108	4,655
Total current liabilities	70,992	74,154
Long-term debt	665,577	665,280
Operating lease liabilities, net of current portion	14,496	15,484
Deferred income taxes	272,158	278,270
Founders advisory fees payable - related party	137,374	170,718
Redeemable preferred shares	102,700	101,279
Redeemable preferred shares - related party	2,807	3,209
Other non-current liabilities	9,624	9,322
Total liabilities	1,275,728	1,317,716
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Ordinary shares, \$1 nominal value per share, 4,000,000,000 shares authorized; 165,066,195 and 163,234,542 shares issued; 158,513,889 and 156,797,806 shares outstanding at March 31, 2023 and December 31, 2022, respectively	165,067	163,235
Treasury shares, at cost; 6,552,306 and 6,436,736 shares at March 31, 2023 and December 31, 2022, respectively	(50,205)	(49,341)
Additional paid-in capital	1,693,875	1,698,781
Accumulated other comprehensive loss	(23,878)	(25,471)
Accumulated deficit	(638,873)	(648,304)
Total shareholders' equity	1,145,986	1,138,900
Total liabilities and shareholders' equity	\$ 2,421,714	\$ 2,456,616

See accompanying notes to condensed consolidated financial statements.

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net sales	\$ 43,858	\$ 57,758
Cost of goods sold	31,012	41,343
Gross profit	12,846	16,415
Operating expenses:		
Selling, general and administrative expense	10,465	19,154
Amortization expense	13,763	13,855
Founders advisory fees - related party	(24,236)	(59,848)
Other operating expense	2	196
Total operating expenses	(6)	(26,643)
Operating income	12,852	43,058
Other expense (income):		
Interest expense, net	10,146	10,496
Loss on contingent earn-out	246	—
Unrealized foreign currency (gain) loss	(721)	880
Other expense, net	72	165
Total other expense, net	9,743	11,541
Income before income taxes	3,109	31,517
Income tax benefit	6,322	5,446
Net income	9,431	36,963
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	1,593	126
Total comprehensive income	\$ 11,024	\$ 37,089
Earnings per share:		
Basic	\$ 0.06	\$ 0.23
Diluted	\$ 0.06	\$ 0.21
Weighted average number of ordinary shares outstanding:		
Basic	157,700,326	160,251,199
Diluted	169,485,631	174,777,232

See accompanying notes to condensed consolidated financial statements.

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share data)
(Unaudited)

	Ordinary Shares		Treasury Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2021	157,237,435	\$ 157,237	—	\$ —	\$ 1,670,033	\$ (7,135)	\$ (738,517)	\$ 1,081,618
Share-based compensation	—	—	—	—	4,963	—	—	4,963
Ordinary shares issued related to founders advisory fees - related party	5,952,992	5,954	—	—	7,829	—	—	13,783
Ordinary shares issued related to warrants exercised	44,115	44	—	—	485	—	—	529
Cumulative effect of accounting change on adoption of ASU 2016-13	—	—	—	—	—	—	(1,545)	(1,545)
Net income	—	—	—	—	—	—	36,963	36,963
Other comprehensive income	—	—	—	—	—	126	—	126
Balance, March 31, 2022	<u>163,234,542</u>	<u>\$ 163,235</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 1,683,310</u>	<u>\$ (7,009)</u>	<u>\$ (703,099)</u>	<u>\$ 1,136,437</u>
Balance, December 31, 2022	163,234,542	\$ 163,235	6,436,736	\$ (49,341)	\$ 1,698,781	\$ (25,471)	\$ (648,304)	\$ 1,138,900
Share-based compensation	—	—	—	—	(3,074)	—	—	(3,074)
Ordinary shares issued related to founders advisory fees - related party	1,831,653	1,832	—	—	(1,832)	—	—	—
Ordinary shares repurchased	—	—	115,570	(864)	—	—	—	(864)
Net income	—	—	—	—	—	—	9,431	9,431
Other comprehensive income	—	—	—	—	—	1,593	—	1,593
Balance, March 31, 2023	<u>165,066,195</u>	<u>\$ 165,067</u>	<u>6,552,306</u>	<u>\$ (50,205)</u>	<u>\$ 1,693,875</u>	<u>\$ (23,878)</u>	<u>\$ (638,873)</u>	<u>\$ 1,145,986</u>

See accompanying notes to condensed consolidated financial statements.

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash flows from operating activities:		
Net income	\$ 9,431	\$ 36,963
Adjustments to reconcile net income to net cash used in operating activities:		
Founders advisory fees - related party (change in accounting fair value)	(24,236)	(59,848)
Depreciation and amortization expense	16,087	16,371
Interest and payment-in-kind on preferred shares	1,698	1,634
Share-based compensation	(3,074)	4,963
Non-cash lease expense	1,153	1,309
Deferred income taxes	(6,322)	843
Amortization of deferred financing costs	410	395
Amortization of acquisition related inventory step-up	—	6,122
Loss on contingent earn-out	246	—
Unrealized (gain) loss on foreign currency	(721)	880
Loss on disposal of assets	5	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	1,670	(9,801)
Inventories	(13,119)	(16,782)
Prepaid expenses and current other assets	360	4,164
Other assets	—	599
Accounts payable	(10,878)	(6,143)
Deferred revenue	—	372
Income taxes payable, net	(7,381)	(6,229)
Accrued expenses and other current liabilities	8,785	8,094
Founders advisory fees - related party (cash settled)	(4,655)	(53,547)
Operating lease liabilities	(1,169)	(1,240)
Other liabilities	94	(15)
Net cash used in operating activities	<u>(31,616)</u>	<u>(70,896)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(2,456)	(1,313)
Purchase price adjustment under Business Combination Agreement	—	(1,638)
Net cash used in investing activities	<u>(2,456)</u>	<u>(2,951)</u>
Cash flows from financing activities:		
Ordinary shares repurchased	(864)	—
Proceeds from exercise of warrants	—	529
Net cash (used in) provided by financing activities	<u>(864)</u>	<u>529</u>
Effect of foreign currency on cash and cash equivalents	(25)	1,307
Net change in cash and cash equivalents	<u>(34,961)</u>	<u>(72,011)</u>
Cash and cash equivalents, beginning of period	126,750	225,554
Cash and cash equivalents, end of period	<u>\$ 91,789</u>	<u>\$ 153,543</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 142	\$ 145
Cash paid (received) for income taxes	\$ 10,155	\$ (17)
Non-cash investing and financing activities:		
Liability portion of founders advisory fees - related party reclassified to additional paid in capital	\$ —	\$ 13,783

See accompanying notes to condensed consolidated financial statements

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Organization and General

Perimeter Solutions, SA, (“PSSA”), a public company limited by shares (*société anonyme*) was incorporated on June 21, 2021 under the laws of the Grand Duchy of Luxembourg. PSSA is headquartered in the Grand Duchy of Luxembourg with global operations in North America, Europe, and Asia Pacific. PSSA's ordinary shares, nominal value, \$1.00 per share (the “Ordinary Shares”), are listed on the New York Stock Exchange (“NYSE”) and trade under the symbol “PRM.” The condensed consolidated financial statements herein include the assets, liabilities, and results of operations of PSSA and its subsidiaries, all of which are wholly owned (collectively, the “Company”).

Business Operations

The Company is a global solutions provider for the fire safety and specialty products industries. Approximately 74% of the Company's 2022 annual revenues were derived in the United States, approximately 15% in Europe, approximately 5% in Canada and approximately 2% in Mexico, with the remaining approximately 4% spread across various other countries. The Company's business is organized and managed in two reporting segments: Fire Safety and Specialty Products.

The Fire Safety business is a formulator and manufacturer of fire management products that help the Company's customers combat various types of fires, including wildland, structural, flammable liquids and other types of fires. The Company's Fire Safety business also offers specialized equipment and services, typically in conjunction with its fire management products to support firefighting operations. The Company's specialized equipment includes air base retardant storage, mixing, and delivery equipment; mobile retardant bases; retardant ground application units; mobile foam equipment; and equipment that it custom designs and manufactures to meet specific customer needs. Significant end markets include primarily government-related entities and are dependent on approvals, qualifications, and permits granted by the respective government and commercial customers around the world.

The Specialty Products segment produces and sells Phosphorus Pentasulfide (“P₂S₅”) in several end markets and applications, including lubricant additives, various agricultural applications, various mining applications, and emerging electric battery technologies. Within the lubricant additive end market, currently the Company's largest end market application, P₂S₅ is primarily used in the production of a family of compounds called Zinc Dialkyldithiophosphates (“ZDDP”), which is considered an essential component in the formulation of engine oils with its main function to provide anti-wear protection to engine components. P₂S₅ is also used in pesticide and mining chemicals applications.

Global Economic Environment

In recent years, the global economic and labor markets have experienced significant inflationary pressures attributable to ongoing economic recovery and supply chain issues, in part due to the impacts of the COVID-19 pandemic and the conflict in Ukraine. While the Company has limited exposure in Russia and Ukraine, it continues to monitor and take actions with its customers and suppliers to mitigate the impact of these inflationary pressures in the future. Actions to mitigate inflationary pressures with suppliers include aggregation of purchase requirements to achieve optimal volume benefits, negotiation of cost-reductions and identification of more cost competitive suppliers. While these actions are designed to offset the impact of inflationary pressures, the Company cannot provide assurance that they will be successful in fully offsetting increased costs resulting from inflationary pressure. In addition, interest payments for borrowings under the Company's revolving credit facility are based on variable rates and any continued increase in interest rates may reduce the Company's cash flow available for other corporate purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments of a normal and recurring nature considered necessary for a fair presentation have been included in the accompanying condensed consolidated financial statements. The results of operations for the interim period are not necessarily indicative of the results that will be realized for the entire fiscal year. These condensed consolidated financial statements should be read in conjunction with the Company’s audited financial statements and accompanying notes thereto included in the Company’s 2022 Annual Report. The condensed consolidated financial statements for the prior periods include certain reclassifications that were made to conform to the current period presentation. Such reclassifications have no impact on previously reported condensed consolidated financial position, results of operations or cash flows.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of intercompany transactions and balances.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates made by management in connection with the preparation of the accompanying unaudited condensed consolidated financial statements include the useful lives of long-lived and intangible assets, the allowance for doubtful accounts, the fair value of financial assets and liabilities, stock options, founder advisory fees, contingent earn-out liability and realizability of deferred tax assets. Actual results could differ from those estimates.

As of March 31, 2023, the Company’s significant accounting policies are consistent with those discussed in Note 2 - “Summary of Significant Accounting Policies and Recent Accounting Pronouncements” in its consolidated financial statements included in the Company’s 2022 Annual Report, except for stock options granted during the three months ended March 31, 2023.

For stock options granted during the three months ended March 31, 2023, the Company recognizes compensation costs related to stock options granted to employees and non-employees based on the estimated fair value of the awards on the date of grant. The Company estimates the grant date fair value, and the resulting share-based compensation expense, using the Black-Scholes option-pricing model. The Company records forfeitures as they are incurred. The grant date fair value of the stock options is expensed proportionately for each tranche over the applicable service period. The fair value of performance-based stock options is recognized as compensation expense beginning at the time in which the performance conditions are deemed probable of achievement, over the remaining requisite service period. The assumptions used in the Black-Scholes option-pricing model are as follows:

- *Exercise price.* The Company's Ordinary Share’s fair market value on the date of grant.
- *Fair Market Value of Ordinary Shares.* The grant date fair market value is the quoted market price of the Company's Ordinary Shares.
- *Expected term.* The expected term of stock options represents the period that the stock options are expected to remain outstanding and is based on vesting terms, exercise term and contractual lives of the options. The expected term is based on the simplified method and is estimated as the average of the weighted average vesting term and the time to expiration as of the grant date. The simplified method was used due to the lack of historical exercise information.

- *Expected volatility.* As the Company does not have sufficient historical stock price information to meet the expected life of the stock option grants, it uses a blended volatility based on the Company's short trading history and on the trading history from the common stock of a set of comparable publicly listed companies.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield with a maturity equal to the expected term of the stock options in effect at the time of grant.
- *Dividend yield.* The expected dividend is assumed to be zero as the Company has never paid dividends and has no current plan to pay any dividends on its ordinary shares.

Recently Issued and Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases, which will require lessees to recognize a right of use asset and a lease liability on their balance sheet for all leases, including operating leases, with a term of greater than 12 months. In July 2018, the FASB issued ASU 2018-11, which adds a transition option permitting entities to apply the provisions of the new standard at its adoption date instead of the earliest comparative period presented in the consolidated financial statements. The Company adopted Topic 842 as of January 1, 2022 at December 31, 2022, using the optional transition method provided by ASU 2018-11. Refer to Note 6, "Leases," for additional disclosures.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and issued subsequent amendments to the initial guidance within ASU 2019-04, ASU 2019-05 and ASU 2019-11. The amendments require an entity to replace the incurred loss impairment methodology in current U.S. GAAP with a new model that uses a forward-looking expected loss method, which generally results in earlier recognition of allowances for losses. The Company adopted the standard as of January 1, 2022 at December 31, 2022. The adoption of the standard did not have a material impact on the Company's consolidated financial statements with the most significant impact being the increase in allowance for doubtful accounts related to its trade accounts receivable. The adoption adjustment was recorded to accumulated deficit in the accompanying condensed consolidated statements of shareholders' equity.

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, and in January 2021 issued ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope. These ASUs provide temporary optional expedients and exceptions to existing guidance on contract modifications and hedge accounting to facilitate the market transition from existing reference rates, such as London Interbank Offered Rate ("LIBOR") which is being phased out, to alternate reference rates, such as Secured Overnight Financing Rate ("SOFR"). These standards are elective and are effective upon issuance for all entities through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06, which defers the sunset date of reference rate reform relief to December 31, 2024. The Company expects that the switch in the reference rates from LIBOR to SOFR, under its Revolving Credit Facility (defined below), will occur no later than June 30, 2023.

3. BUSINESS ACQUISITIONS

Business Combination

On November 9, 2021 (the "Closing Date"), PSSA consummated the transactions contemplated by the business combination (the "Business Combination") with EverArc Holdings Limited, the former parent company of PSSA ("EverArc"), SK Invictus Holdings, S.à r.l., ("SK Holdings"), SK Invictus Intermediate S.à r.l., ("SK Intermediate"), doing business under the name Perimeter Solutions and EverArc (BVI) Merger Sub Limited, incorporated in the British Virgin Islands and a wholly-owned subsidiary of PSSA pursuant to a business combination agreement (the "Business Combination Agreement") dated June 15, 2021.

Pursuant to the Business Combination Agreement, EverArc entered into an escrow agreement with SK Holdings and Wilmington Trust, N.A., a national banking association, as escrow agent, which provided that approximately \$7.6 million of the cash consideration payable pursuant to the Business Combination Agreement be held in escrow pending a determination of the post-closing purchase price adjustments under the Business Combination Agreement. On March 3, 2022, the post-closing purchase price adjustments under the Business Combination Agreement were finalized. Approximately \$7.6 million held in escrow was released and an additional \$1.6 million related to the difference in estimated and actual working capital as of the Closing Date was also paid to SK Holdings.

4. BALANCE SHEET COMPONENTS

Details of certain balance sheet items are presented below (in thousands):

	March 31, 2023	December 31, 2022
Inventory:		
Raw materials and manufacturing supplies	\$ 75,777	\$ 65,968
Work in process	262	248
Finished goods	80,218	76,745
Total inventory	<u>\$ 156,257</u>	<u>\$ 142,961</u>
Prepaid Expenses and Other Current Assets:		
Advance to vendors	\$ 2,208	\$ 2,047
Prepaid insurance	4,228	5,870
Prepaid value-added taxes	3,537	2,872
Other	1,653	1,162
Total prepaid expenses and other current assets	<u>\$ 11,626</u>	<u>\$ 11,951</u>
Property, Plant and Equipment:		
Buildings	\$ 3,966	\$ 3,948
Leasehold improvements	2,699	2,333
Furniture and fixtures	514	344
Machinery and equipment	58,701	58,314
Vehicles	3,995	4,106
Construction in progress	2,402	1,953
Total property, plant and equipment, gross	<u>72,277</u>	<u>70,998</u>
Less: Accumulated depreciation	(13,056)	(12,152)
Total property, plant and equipment, net	<u>\$ 59,221</u>	<u>\$ 58,846</u>
Accrued Expenses and Other Current Liabilities:		
Accrued bonus	\$ 82	\$ 3,278
Accrued salaries	2,608	2,332
Accrued employee benefits	1,005	846
Accrued interest	17,351	8,235
Accrued purchases	5,188	1,790
Accrued taxes	5,501	11,000
Operating lease liabilities	3,278	3,541
Other	926	1,683
Total accrued expenses and other current liabilities	<u>\$ 35,939</u>	<u>\$ 32,705</u>
Other Non-Current Liabilities:		
LaderaTech contingent earn-out	\$ 7,519	\$ 7,273
Other	2,105	2,049
Total other non-current liabilities	<u>\$ 9,624</u>	<u>\$ 9,322</u>

Depreciation expense related to property, plant and equipment for the three months ended March 31, 2023 and 2022 was \$2.3 million and \$2.5 million, respectively, substantially all of which was presented in cost of goods sold in the accompanying condensed consolidated statements of operations and comprehensive income.

The Company had an allowance for doubtful accounts, included in accounts receivable, net of \$0.9 million as of March 31, 2023 and December 31, 2022.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill by reportable segment are as follows (in thousands):

	Fire Safety	Specialty Products	Total
Balance, December 31, 2022	\$ 860,319	\$ 171,141	\$ 1,031,460
Foreign currency translation	700	642	1,342
Balance, March 31, 2023	<u>\$ 861,019</u>	<u>\$ 171,783</u>	<u>\$ 1,032,802</u>

Intangible assets and related accumulated amortization as of March 31, 2023 and December 31, 2022 are as follows (in thousands):

	March 31, 2023				
	Estimated Useful Life (in years)	Gross Value	Foreign Currency Translation	Accumulated Amortization	Net Book Value
Definite Lived Intangible Assets:					
Customer lists	20	761,000	(6,768)	(52,642)	701,590
Technology and patents	20	\$ 250,000	\$ (2,681)	\$ (17,241)	\$ 230,078
Tradenames	20	101,000	(884)	(6,988)	93,128
Balance, March 31, 2023		<u>\$ 1,112,000</u>	<u>\$ (10,333)</u>	<u>\$ (76,871)</u>	<u>\$ 1,024,796</u>

	December 31, 2022				
	Estimated Useful Life (in years)	Gross Value	Foreign Currency Translation	Accumulated Amortization	Net Book Value
Definite Lived Intangible Assets:					
Customer lists	20	761,000	(7,451)	(43,220)	710,329
Technology and patents	20	\$ 250,000	\$ (3,029)	\$ (14,153)	\$ 232,818
Tradenames	20	101,000	(970)	(5,737)	94,293
Balance, December 31, 2022		<u>\$ 1,112,000</u>	<u>\$ (11,450)</u>	<u>\$ (63,110)</u>	<u>\$ 1,027,440</u>

Amortization expense for definite-lived intangible assets for the three months ended March 31, 2023 and 2022 was \$3.8 million and \$13.9 million, respectively.

Estimated annual amortization expense of intangible assets for the next five years ended December 31 and thereafter is as follows (in thousands):

	Amount
2023 remaining	\$ 41,700
2024	55,600
2025	55,600
2026	55,600
2027	55,600
Thereafter	760,696
Total	<u>\$ 1,024,796</u>

6. LEASES

Lease cost for the three months ended March 31, 2023 and 2022 are as follows (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Operating lease cost ⁽¹⁾	\$ 1,153	\$ 1,309
Reported in:		
Cost of goods sold	\$ 1,092	\$ 1,204
Selling, general and administrative expense	61	105
Total lease cost	\$ 1,153	\$ 1,309

(1) Operating lease cost does not include short-term leases or variable costs, all of which are immaterial.

As of March 31, 2023, the weighted-average remaining lease term of operating leases was approximately 7 years and the weighted-average discount rate applied was 5.8%.

Supplemental cash flow information related to leases for the three months ended March 31, 2023 and 2022 are as follows (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows for operating leases	\$ 1,169	\$ 1,240
ROU assets obtained in exchange for new operating lease obligations:		
Non-cash investing and financing activity for operating leases	\$ 10	\$ 350

As of March 31, 2023, the estimated future minimum payment obligations for non-cancelable operating leases are as follows (in thousands):

	Amount
Remainder of 2023	\$ 3,283
2024	3,501
2025	3,349
2026	3,110
2027	2,230
Thereafter	6,693
Total lease payments	22,166
Less: imputed interest	(4,392)
Present value of operating lease liabilities	\$ 17,774

7. LONG-TERM DEBT AND REDEEMABLE PREFERRED SHARES

Long-term debt consists of the following (in thousands):

	March 31, 2023	December 31, 2022
Senior Notes	\$ 675,000	\$ 675,000
Less: unamortized debt issuance costs	(9,423)	(9,720)
Long-term debt	\$ 665,577	\$ 665,280

Revolving Credit Facility

On November 9, 2021, SK Invictus Intermediate II S.à r.l., a private limited liability company governed by the laws of the Grand Duchy of Luxembourg ("SK Intermediate II"), as borrower, entered into a five-year revolving credit facility (the "Revolving Credit Facility"), which provides for a senior secured Revolving Credit Facility in an aggregate principal amount of up to \$100.0 million.

The Revolving Credit Facility matures on November 9, 2026. The Revolving Credit Facility includes a \$0.0 million swingline sub-facility and a \$25.0 million letter of credit sub-facility. The Revolving Credit Facility allows SK Intermediate II to increase commitments under the Revolving Credit Facility up to an aggregate amount not to exceed the greater of (i) \$143.0 million and (ii) 100.00% of consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA") for the most recent four-quarter period (minus the aggregate outstanding principal amount of certain ratio debt permitted to be incurred thereunder). All borrowings under the Revolving Credit Facility are subject to the satisfaction of customary conditions, including the absence of a default and the accuracy of representations and warranties, subject to customary exceptions.

Solely to the extent that on the last day of the applicable fiscal quarter, the utilization of the Revolving Credit Facility (excluding cash collateralized letters of credit and up to \$10.0 million of undrawn letters of credit) exceeds 40% of the aggregate commitments, the Revolving Credit Facility requires compliance on a quarterly basis with a maximum secured net leverage ratio of 7.50:1.00.

The Revolving Credit Facility is fully and unconditionally guaranteed by the Company and each of SK Intermediate II's existing and future wholly-owned material restricted subsidiaries, subject to customary exceptions, and is secured by a first priority lien, subject to certain permitted liens, on substantially all of SK Intermediate II's and each of the guarantors' existing and future property and assets, subject to customary exceptions.

Deferred financing costs incurred in connection with securing the Revolving Credit Facility were \$2.3 million, which is carried as a long-term asset in the accompanying condensed consolidated balance sheets and is amortized on a straight-line over the term of the Revolving Credit Facility and included in interest expense in the accompanying condensed consolidated statements of operations and comprehensive income.

As of March 31, 2023, the Company did not have any outstanding borrowings under the Revolving Credit Facility and was in compliance with all covenants, including the financial covenants.

Senior Notes

On the Closing Date, SK Intermediate II assumed \$675.0 million principal amount of 5.00% senior secured notes due October 30, 2029 ("Senior Notes") issued by EverArc Escrow S.à r.l. ("Escrow Issuer"), a newly-formed limited liability company governed by the laws of the Grand Duchy of Luxembourg and a wholly owned subsidiary of EverArc under an indenture dated as of October 22, 2021 ("Indenture"). The Senior Notes bear interest at an annual rate of 5.00%. Interest on the Senior Notes is payable in cash semi-annually in arrears on April 30 and October 30 of each year.

The Senior Notes are general, secured, senior obligations of SK Intermediate II; rank equally in right of payment with all existing and future senior indebtedness of SK Intermediate II (including, without limitation, the Revolving Credit Facility); and together with the Revolving Credit Facility, are effectively senior to all existing and future indebtedness of SK Intermediate II that is not secured by the collateral. The Senior Notes are fully and unconditionally guaranteed on a senior secured basis, jointly and severally, by all of SK Intermediate II's existing or future restricted subsidiaries (other than certain excluded subsidiaries) that guarantee the Revolving Credit Facility. The Senior Notes contain certain covenants limiting SK Intermediate II's ability and the ability of the restricted subsidiaries (as defined in the indenture governing the Senior Notes) to, under certain circumstances, prepay subordinated indebtedness, pay distributions, redeem stock or make certain restricted investments; incur indebtedness; create liens on the SK Intermediate II's' assets to secure debt; restrict dividends, distributions or other payments; enter into transactions with affiliates; designate subsidiaries as unrestricted subsidiaries; sell or otherwise transfer or dispose of assets, including equity interests of restricted subsidiaries; effect a consolidation or merger; and change the Company's line of business.

Deferred financing costs incurred in connection with securing the Senior Notes were \$1.0 million, which were capitalized and will be amortized using the effective interest method over the term of the Senior Notes and included in interest expense in the accompanying condensed consolidated statements of operations and comprehensive income. The

unamortized portion of the deferred financing costs is included as a reduction to the carrying value of the Senior Notes which have been recorded as long-term debt, net in the accompanying condensed consolidated balance sheets.

Redeemable Preferred Shares

In connection with the Business Combination, the Company issued 10 million redeemable preferred shares of PSSA ("Redeemable Preferred Shares"), nominal value \$10 per share, valued at \$100.0 million. The Redeemable Preferred Shares are entitled to a preferred annual cumulative right to a dividend equal to 6.50% of its nominal value. 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. Holders of the Redeemable Preferred Shares generally have no voting rights.

The Company, under its articles of association (the "Articles") is mandatorily required to redeem the Redeemable Preferred Shares at any time prior to the earliest of (i) six months following the latest maturity date of the above-mentioned Senior Notes, (ii) nine years after the date of issuance of the Redeemable Preferred Shares or (iii) upon the occurrence of a change of control, as defined in the Company's Articles. Due to the fact that the Redeemable Preferred Shares are mandatorily redeemable, the Redeemable Preferred Shares are classified as a liability in the accompanying unaudited condensed consolidated balance sheets, and \$1.7 million and \$1.6 million of dividends on these Redeemable Preferred Shares for the three months ended March 31, 2023 and 2022, respectively, was recorded as interest expense in the accompanying unaudited condensed consolidated statements of operations and comprehensive income. Preferred dividends in arrears were \$5.5 million and \$4.5 million at March 31, 2023 and December 31, 2022, respectively.

The Redeemable Preferred Shares have an aggregate liquidation preference of \$100.0 million, plus any accrued and unpaid dividends thereon and is senior to the Ordinary Shares with respect to dividends and with respect to dissolution, liquidation or winding up of the Company. At March 31, 2023 and December 31, 2022, the redemption price was \$105.5 million and \$104.5 million, respectively.

8. INCOME TAXES

The Company is subject to U.S. federal income tax, U.S. state and local tax and tax in foreign jurisdictions. The Company estimates its annual effective tax rate in recording its quarterly provision for income taxes in the various jurisdictions in which it operates. The Company's effective tax rate for the three months ended March 31, 2023 and 2022 was (203.35)% and (17.28)%, respectively. The primary differences between the effective tax rate and the amount computed by applying the Luxembourg statutory rate of 24.94% are related to losses not expected to be benefited in certain jurisdictions that have a valuation allowance, permanently non-deductible compensation, withholding taxes accrued on unremitted earnings and the impact of foreign tax rate differences.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment. While the Company expects to realize the remaining net deferred tax assets, changes in future taxable income or in tax laws may alter this expectation and result in future increases to the valuation allowance. The valuation allowance for deferred tax assets as of March 31, 2023 and 2022 primarily relates to net operating loss carryforwards that, in the judgment of the Company, are not more likely than not to be realized.

The Company evaluates its tax positions and recognizes only tax benefits that, more likely than not, will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax position is measured at the largest amount of benefit that has a greater than 50.0% likelihood of being realized upon settlement. As of March 31, 2023, it is reasonably possible that the Company's uncertain tax benefits of \$36.3 million may decrease by up to \$34.0 million within twelve months, with no net impact on overall tax expense.

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is involved in various claims, actions, and legal proceedings arising in the ordinary course of business, including a number of matters related to the aqueous film forming foam litigation consolidated in the District of South

Carolina multi-district litigation and other similar matters pending in other jurisdictions in the United States. The Company's exposure to losses, if any, is not considered probable or reasonably estimable at this time.

Commitments

The Company has a supply agreement to purchase elemental phosphorus ("P4") from a supplier through 2023. The contract price is tied to the contract year cost times a multiplier, subject to a market-driven benchmark price adjustment, which is generally settled once per year. The Company did not purchase the anticipated minimum pounds of P4 for the three months ended March 31, 2023 and 2022. However, the Company has no obligation to record a liability, as there is no financial penalty owed to the vendor. Purchases under this supply agreement were \$10.0 million and \$14.0 million for the three months ended March 31, 2023 and 2022, respectively.

The Company also has an agreement to purchase various types of capital equipment up to \$5.0 million through October 2027. As of March 31, 2023, the Company paid \$2.0 million to the supplier and the remaining \$3.0 million will be paid through October 2027.

10. EQUITY

The Company's authorized share capital is \$4,100.0 million, consisting of 4.0 billion Ordinary Shares with a nominal value of \$1.00 per share and 10.0 million Redeemable Preferred Shares with a nominal value of \$10.00 per share. Each Ordinary Share entitles the holder thereof to one vote. Due to the fact that the Redeemable Preferred Shares are mandatorily redeemable, the Redeemable Preferred Shares are classified as a liability on the accompanying unaudited condensed consolidated balance sheets.

On July 21, 2022, subject to certain limits, the shareholders' of the Company approved a proposal authorizing the Company's board of directors (the "Board") to repurchase up to 25% of the Company's Ordinary Shares outstanding as of the date of the shareholders' approval, being 40,659,257 Ordinary Shares, at any time during the next five years (the "Share Repurchase Plan"). On November 3, 2022, the Board re-established the limit for Ordinary Share repurchases at \$100.0 million, which is within the repurchase limit approved by Company's shareholders on July 21, 2022.

During the three months ended March 31, 2023, the Company repurchased 115,570 Ordinary Shares under its Share Repurchase Plan. The repurchased Ordinary Shares were recorded at cost and are being held in treasury. During the period from April 1, 2023 to May 5, 2023, the Company repurchased approximately 1,479,825 Ordinary Shares at an average price per share of approximately \$7.34.

As of March 31, 2023, there were 158,513,889 Ordinary Shares, 33,843,440 warrants and 10,000,000 Redeemable Preferred Shares outstanding.

11. SHARE-BASED COMPENSATION AND EMPLOYEE BENEFIT PLANS

2021 Equity Plan

In connection with the Business Combination, the Company's Board adopted, and its shareholders approved, the 2021 Equity Incentive Plan (the "2021 Equity Plan"). A total of 31,900,000 Ordinary Shares 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. 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.

During the three months ended March 31, 2023, the Company granted 2,175,000 performance-based non-qualified stock options ("PBNQSO") that vest based on the achievement of certain performance goals for fiscal years 2023-2027 (the "5-Year Option") to its chief executive officer and independent directors. The Company recognizes compensation costs related to the 5-Year Option granted in 2023 based on the estimated fair value of the awards on the date of grant. The Company estimates the grant date fair value, and the resulting share-based compensation expense, using the Black-Scholes option-pricing model. The Company records forfeitures as they are incurred. The grant date fair value of the PBNQSO is expensed proportionately for each tranche over the applicable service period. The fair value of performance-based stock

options is recognized as compensation expense beginning at the time in which the performance conditions are deemed probable of achievement, over the remaining requisite service period.

On March 8, 2023, in connection changes in the Company's leadership structure, it amended the performance terms and conditions of the outstanding 5-Year Options previously granted to its former chief executive officer (the "Executive") where by 50% of such outstanding options eligible to vest in each of fiscal years from 2023 through 2026 will remain subject to the existing performance terms and conditions. The remaining 50% of such outstanding options will be eligible to vest in such fiscal years subject to the performance terms and conditions related to the Executive's position and duties as Vice Chairman. For the remaining 50% of outstanding options, the Company's compensation committee will establish performance goals and communicate them to the Executive and assess achievement annually. For accounting purposes, the Company will recognize compensation expense related to the remaining 50% of outstanding options when the specified performance goal for future periods have been established and communicated to the Executive.

In March 2023, based on the Company's performance for 2022, its compensation committee verified and determined the Annual Operational Performance per Diluted Share ("AOP") for the 2022 tranche of the 5-Year Option to be \$8.39. As a result, it was determined that a mutual understanding of the key terms and conditions for the 2022 tranche had been ascertained and the grant date was therefore established. The cumulative compensation expense for the 2022 tranche was adjusted based on the fair value calculated using the Black-Scholes option-pricing model at the grant date. As the AOP for the 2022 tranche was below the minimum vesting AOP target of \$ 11.35 employees separated from the Company through the date of determination of the 2022 AOP relinquished 240,000 options retained by them relating the 2022 tranche and such options were cancelled by the Company.

As of March 31, 2023 there were 11,274,171 PBNQSO outstanding. The exercise prices of these PBNQSO ranged from \$8.26 to \$14.00 per Ordinary Share and expire ten years from the grant date.

The table below summarizes the PBNQSO activity for the three months ended March 31, 2023:

	Number of Options	Weighted-Average Exercise/Conversion Price	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2022	10,339,171	\$ 9.75		
Granted	2,175,000	\$ 8.31		
Exercised	—	\$ —		
Forfeited	(1,000,000)	\$ 10.00		
Cancelled	(240,000)	\$ 10.00		
Outstanding at March 31, 2023	11,274,171	\$ 9.45	8.94	\$ —
Options vested and exercisable	245,004	\$ 10.00	7.00	\$ —

The weighted-average assumptions used to fair value the PBNQSO at period end date or grant date using the Black-Scholes option-pricing model were as follows:

	Period End Date	Grant Date
Dividend yield	— %	— %
Risk-free interest rate	3.58 %	3.93% to 4.18%
Expected volatility	46.30 %	45.00 %
Expected term (years)	5.10 to 5.85	6.50
Weighted average exercise price of options granted	\$ 9.78	\$ 8.31
Weighted average fair value of options granted	\$ 3.24	\$ 4.24

Non-cash share-based compensation expense recognized by the Company for the three months ended March 31, 2023 and 2022 was \$6.1 million and \$5.0 million, respectively. The Company recognized negative compensation expense during the three months ended March 31, 2023 as a result of the remeasurement to the period end fair value of previously

issued PBNQSO primarily due to a decrease in the Ordinary Share price as of the period end and also due to reversal of share-based compensation expense upon forfeitures.

Compensation expense is recognized based upon probability assessments of PBNQSO that are expected to vest in future periods. Such probability assessments are subject to revision and, therefore, unrecognized compensation expense is subject to future changes in estimate. As of March 31, 2023, there was approximately \$27.2 million of total unrecognized compensation expense related to non-vested PBNQSO expected to vest, which is expected to be recognized over a weighted-average period of 1.7 years.

Founder Advisory Amounts

Upon consummation of the Business Combination, the Company assumed the advisory agreement entered into on December 12, 2019 by EverArc ("Founder Advisory Agreement") with EverArc Founders, LLC, a Delaware limited liability company ("EverArc Founder Entity"), pursuant to which the EverArc Founder Entity, for the services provided to the Company, including strategic and capital allocation advice, is entitled to receive both a fixed amount (the "Fixed Annual Advisory Amount") and a variable amount (the "Variable Annual Advisory Amount," each an "Advisory Amount" and collectively, the "Advisory Amounts") until the years ending December 31, 2027 and 2031, respectively. Under the Founder Advisory Agreement, at the election of the EverArc Founder Entity, at least 50% of the Advisory Amounts will be paid in Ordinary Shares and the remainder in cash.

The Fixed Annual Advisory Amount will be equal to 2,357,061 Ordinary Shares (1.5% of 157,137,410 Ordinary Shares outstanding) for each year through December 31, 2027 and is valued using the period end volume weighted average closing share price of our Ordinary Shares for ten consecutive trading days. The Variable Annual Advisory 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. Because up to 50% of the Advisory Amounts could be settled through a cash payment, 50% are classified as a liability and the remaining 50% is classified within equity. For Advisory Amounts classified within equity, the Company does not subsequently remeasure the fair value. For the Advisory Amounts classified as a liability, the Company remeasures the fair value at each reporting date, accordingly, the compensation expense recorded by the Company in the future will depend upon changes in the fair value of the liability-classified Advisory Amounts.

As of March 31, 2023 and December 31, 2022, the fair value of the Fixed Annual Advisory Amount was calculated to be \$91.1 million and \$104.4 million, respectively, based on the period end volume weighted average closing share price for ten consecutive trading days of Ordinary Shares of \$7.73 and \$8.86, respectively. As of March 31, 2023 and December 31, 2022, the fair value of the Variable Annual Advisory Amount, determined using a Monte Carlo simulation model, was \$ 201.9 million and \$237.0 million, respectively.

For the three months ended March 31, 2023 and 2022, the Company recognized a reduction in the compensation expense related to the founders advisory fees-related party due to a decrease in fair value for liability-classified Advisory Amounts of \$24.2 million and \$59.8 million, respectively.

12. FAIR VALUE MEASUREMENTS

Fair Value Measurement

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other current liabilities approximates fair value due to the short-term nature of their maturities. Borrowings under the Company's Revolving Credit Facility accrues interest at a floating rate tied to a standard short-term borrowing index, selected at the Company's option, plus an applicable margin. The carrying amount of this floating rate debt approximates fair value based upon the respective interest rates adjusting with market rate adjustments. The carrying amount of the Company's Redeemable Preferred Shares equals the redemption price, which approximates fair value. At March 31, 2023 and December 31, 2022, the estimated fair value of the Company's Senior Notes, calculated using Level 2 inputs, based on bid prices obtained from a broker was approximately \$553.5 million and \$556.9 million, respectively.

The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or a liability in the principal or most advantageous market. When considering

market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Liabilities by Hierarchy Level

The following tables set forth the Company’s liabilities that were measured at fair value on a recurring basis, by level, within the fair value hierarchy as of March 31, 2023 and December 31, 2022 (in thousands):

March 31, 2023	Fair Value Measurements Using:			Total
	Level 1	Level 2	Level 3	
Liabilities:				
Founders advisory fees payable - related party	\$ 45,544	\$ —	\$ 100,938	\$ 146,482
LaderaTech contingent earn-out included in other liabilities, non-current	—	—	7,519	7,519
Total liabilities	\$ 45,544	\$ —	\$ 108,457	\$ 154,001
December 31, 2022				
Liabilities:				
Founders advisory fees payable - related party	\$ 56,883	\$ —	\$ 118,490	\$ 175,373
LaderaTech contingent earn-out included in other liabilities, non-current	—	—	7,273	7,273
Total liabilities	\$ 56,883	\$ —	\$ 125,763	\$ 182,646

The fair value of the founders advisory fees payable 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, which requires the input of highly subjective assumptions, including the fair value of the underlying Ordinary Shares, the risk-free interest rate, the expected equity volatility, and the expected term of the Founder Advisory Agreement. See Note 11, “Share-Based Compensation” for discussion of the fair value estimation on the founders advisory fees payable.

The fair value of the contingent earn-out is related to the May 2020 purchase of LaderaTech, Inc. (“LaderaTech”) and is measured on a recurring basis using Level 3 fair value inputs. The LaderaTech earn-out is based on 20% of gross profits upon achieving a revenue threshold exceeding \$5.0 million through December 31, 2026 and is valued using a Monte Carlo simulation model. Significant changes in the projected revenue, projected gross margin, or discount rate would have a material impact on the fair value of the contingent consideration.

Changes in Level 3 Liabilities

The reconciliations for all liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows (in thousands):

For the three months ended March 31, 2023:	Founders Advisory Fees Payable - Related Party	LaderaTech Contingent Earn-out
Fair value, beginning of period	\$ 118,490	\$ 7,273
Founders advisory fees - related party, change in fair value	(17,552)	—
Loss on contingent earn-out	—	246
Fair value, end of period	<u>\$ 100,938</u>	<u>\$ 7,519</u>

For the three months ended March 31, 2022:	Founders Advisory Fees Payable - Related Party	LaderaTech Contingent Earn-out
Fair value, beginning of period	\$ 251,513	\$ 19,979
Settlements	(40,776)	—
Reclassification from liability to equity	(10,495)	—
Founders advisory fees - related party, change in fair value	(46,256)	—
Fair value, end of period	<u>\$ 153,986</u>	<u>\$ 19,979</u>

13. RELATED PARTIES

On November 9, 2021, in connection with the consummation of the Business Combination, the Company, EverArc and the EverArc Founder Entity entered into an Assignment and Assumption Agreement (the “Founder Assignment Agreement”) pursuant to which the Company assumed, and agreed to pay, perform, satisfy and discharge in full, all of EverArc’s liabilities and obligations under the Founder Advisory Agreement.

In exchange for the services provided to the Company, including strategic and capital allocation advice, the EverArc Founder Entity is entitled to receive both the Fixed Annual Advisory Amount and the Variable Annual Advisory Amount from the Company.

The Fixed Annual Advisory Amount will be equal to 2,357,061 Ordinary Shares (1.5% of 157,137,410 Ordinary Shares outstanding) for each year through December 31, 2027 and valued using the period end volume weighted average closing share price for ten consecutive trading days of Ordinary Shares. The Variable Annual Advisory 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.

For 2022, the average price was \$8.86 per Ordinary Share. The EverArc Founder Entity was entitled to receive the Fixed Annual Advisory Amount of 2,357,061 Ordinary Shares or a value of \$20.9 million, based on average price of \$8.86 per Ordinary Share (the “2022 Fixed Amount”). The EverArc Founder Entity did not qualify to receive the Variable Annual Advisory Amount as the average price of \$ 8.86 per Ordinary Share for 2022 was lower than the average price of \$13.63 per Ordinary Share established in 2021. Per the Founder Advisory Agreement, the EverArc Founder Entity elected to receive approximately 77.7% of the 2022 Fixed Amount in Ordinary Shares (1,831,653 Ordinary Shares) and approximately 22.3% of the 2022 Fixed Amount in cash (\$4.7 million). On February 15, 2023, the Company issued 1,831,653 Ordinary Shares and paid \$4.7 million in cash in satisfaction of the 2022 Fixed Amount.

As of March 31, 2023, the Company calculated the fair value of the Fixed Annual Advisory Amounts using the period end volume weighted average closing share price of Ordinary Shares for ten consecutive trading days of \$7.73 and used a Monte Carlo simulation model to calculate the fair value of the Variable Annual Advisory Amount. These approaches resulted in fair values of \$91.1 million for the Fixed Annual Advisory Amount and \$201.9 million for the Variable Annual Advisory Amount, of which 50% may be paid in cash and recorded as a liability and the remaining 50% would be settled in Ordinary Shares. While the entire instrument is subject to the fair value calculation described above, the amount classified and recorded as equity remains consistent while the amount classified and recorded as a liability is updated each period.

For the three months ended March 31, 2023, the Company recognized a reduction in share-based compensation expense related to a decrease in fair value for liability-classified Advisory Amounts of \$24.2 million primarily due to the decrease in share price of its Ordinary Share.

The Company paid \$0.1 million to lease real property from the sellers of First Response Fire Rescue, LLC, River City Fabrication, LLC, and H&S Transport, LLC (collectively, "Ironman"), during the three months ended March 31, 2023 and 2022.

14. REVENUE RECOGNITION

Disaggregation of revenues

Amounts recognized at a point in time primarily relate to products sold whereas amounts recognized over time primarily relate to services associated with the full-service and portable retardant contracts. Revenues for the three months ended March 31, 2023 and 2022 are as follows (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenues from products	\$ 43,140	\$ 55,594
Revenues from services	709	1,592
Other revenues	9	572
Total net sales	<u>\$ 43,858</u>	<u>\$ 57,758</u>

15. EARNINGS PER SHARE

Basic earnings per share represents income available to ordinary shareholders divided by the weighted average number of Ordinary Shares outstanding during the reported period. Diluted earnings per share is based upon the weighted-average number of Ordinary Shares outstanding during the period plus additional weighted-average potentially dilutive Ordinary Share equivalents during the period when the effect is dilutive.

Basic and diluted weighted average shares outstanding and earnings per share were as follows (in thousands, except share and per share data):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income	\$ 9,431	\$ 36,963
Weighted-average shares outstanding:		
Weighted average shares used in computing earnings per share, basic	157,700,326	160,251,199
Founders advisory fees	11,785,305	14,142,366
Ordinary Shares equivalent of warrants	—	383,667
Weighted average shares used in computing earnings per share, diluted	<u>169,485,631</u>	<u>174,777,232</u>
Basic earnings per share	\$ 0.06	\$ 0.23
Diluted earnings per share	\$ 0.06	\$ 0.21

As of March 31, 2023, 11.3 million PBNQSO and 26.1 million Ordinary Shares issuable under the Founder Advisory Agreement were excluded from the diluted earnings per share calculation as the contingencies related to such instruments had not been met. In addition, 8.5 million Ordinary Shares equivalent warrants were excluded from the diluted earnings per share calculation as their effect would have been anti-dilutive. As of March 31, 2022, 8.9 million PBNQSOs and 24.5 million Ordinary Shares issuable under the Founder Advisory Agreement were excluded from the diluted earnings per share calculation as the contingencies related to such instruments had not been met. In addition, 8.1 million Ordinary Shares equivalent warrants were excluded from the diluted earnings per share calculation as their effect would have been anti-dilutive.

16. SEGMENT INFORMATION

The Company's products and operations are managed and reported in two operating segments: Fire Safety and Specialty Products.

The Fire Safety segment manufactures and sells fire retardant and firefighting foam products, as well as specialized equipment and services typically offered in conjunction with these retardant and foam products.

The Specialty Products segment produces and sells P₂S₅ used in several end markets and applications, including lubricant additives, various agricultural applications, various mining applications, and emerging electric battery technologies. Within the lubricant additive end market, currently the Company's largest end market application, P₂S₅ is primarily used in the production of a family of compounds called ZDDP, which is considered an essential component in the formulation of engine oils with its main function to provide anti-wear protection to engine components. P₂S₅ is also used in pesticide and mining chemicals applications.

Interest income, interest expense, other income (expense) and certain corporate operating expenses are neither allocated to the segments nor included in the measures of segment performance by the chief operating decision-maker ("CODM"). The corporate category is not considered to be a segment. The CODM is the Company's CEO.

The Company's CODM uses the segment net sales and Adjusted EBITDA to assess the ongoing performance of the Company's business segments and to allocate resources. The Company defines Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, as adjusted on a consistent basis for certain non-recurring or unusual items in a balanced manner and on a segment basis. These non-recurring or unusual items may include acquisition and integration related costs, management fees and other non-recurring items.

Information related to net sales and Adjusted EBITDA for the Company's operations are summarized below (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net sales:		
Fire safety	\$ 18,744	\$ 18,470
Specialty products	25,114	39,288
Total	<u>\$ 43,858</u>	<u>\$ 57,758</u>
Adjusted EBITDA:		
Fire safety	\$ (3,361)	\$ (3,334)
Specialty products	6,477	15,311
Total segment Adjusted EBITDA	3,116	11,977
Less:		
Depreciation and amortization	16,087	16,371
Interest and financing expense	10,146	10,496
Founders advisory fees - related party	(24,236)	(59,848)
Non-recurring expenses	1,559	1,476
Share-based compensation expense	(3,074)	4,963
Non-cash purchase accounting impact	—	6,122
Loss on contingent earn-out	246	—
Unrealized foreign currency (gain) loss	(721)	880
Income before income taxes	<u>\$ 3,109</u>	<u>\$ 31,517</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included in Part I, Item 1 of this quarterly report on Form 10-Q for the quarter ended March 31, 2023 (this “Quarterly Report”). This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, such statements are subject to the “safe harbor” created by those sections and involve risks and uncertainties. Forward-looking statements are based on our management’s beliefs and assumptions and on information available to our management as of the date hereof. As a result of many factors, such as those set forth under “Item 1A. Risk Factors” included in our 2022 Annual Report and Part II, “Item 1A. Risk Factors” in this Quarterly Report, our actual results may differ materially from those anticipated in these forward-looking statements, accordingly, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Overview

Perimeter Solutions, S.A. (“PSSA”), a public company limited by shares (*société anonyme*) was incorporated on June 21, 2021 under the laws of the Grand Duchy of Luxembourg. PSSA is headquartered in the Grand Duchy of Luxembourg with global operations in North America, Europe, and Asia Pacific. PSSA's ordinary shares, nominal value, \$1.00 per share (the “Ordinary Shares”), are listed on New York Stock Exchange (“NYSE”) and trade under the symbol “PRM.”

We are a global solutions provider, producing high-quality firefighting products and lubricant additives. Approximately 74% of our 2022 annual revenues were derived in the United States, approximately 15% in Europe, approximately 5% in Canada and approximately 2% in Mexico, with the remaining approximately 4% spread across various other countries. Our business is organized and managed in two reporting segments: Fire Safety and Specialty Products.

The Fire Safety business is a formulator and manufacturer of fire management products that help our customers combat various types of fires, including wildland, structural, flammable liquids and other types of fires. Our Fire Safety business also offers specialized equipment and services, typically in conjunction with our fire management products to support firefighting operations. Our specialized equipment includes air base retardant storage, mixing, and delivery equipment; mobile retardant bases; retardant ground application units; mobile foam equipment; and equipment that we custom design and manufacture to meet specific customer needs. Our service network can meet the emergency resupply needs of over 150 air tanker bases in North America, as well as many other customer locations globally. The segment is built on the premise of superior technology, exceptional responsiveness to our customers’ needs, and a “never-fail” service network. Significant end markets include primarily government-related entities and are dependent on approvals, qualifications, and permits granted by the respective governments and commercial customers around the world.

The Specialty Products segment produces and sells Phosphorus Pentasulfide (“P₂S₅”) in several end markets and applications, including lubricant additives, various agricultural applications, various mining applications, and emerging electric battery technologies. Within the lubricant additive end market, currently the Company’s largest end market application, P₂S₅ is primarily used in the production of a family of compounds called Zinc Dialkyldithiophosphates (“ZDDP”), which is considered an essential component in the formulation of engine oils with its main function to provide anti-wear protection to engine components. P₂S₅ is also used in pesticide and mining chemicals applications. We offer several grades of P₂S₅ with varying degrees of phosphorus content, particle size, distribution, and reactivity to global customers.

We operate seven business units within our two reporting segments. The business unit structure is meant to promote the decentralized execution and accountability and maintain the geography and product-specific focus and granularity necessary to drive continued improvement in our key operational value drivers. Our key operational value drivers are profitable new business, pricing our products and services to the value they provide, and continued productivity improvements. Each business unit has a business unit manager, who is responsible for achieving targeted financial and operational results.

Known Trends and Uncertainties

Growth in Fire Safety

We believe that our Fire Safety segment benefits from several secular growth drivers, including increasing fire severity, as measured by higher acres burned, longer fire seasons and a growing wildland urban interface resulting in a need for higher quantity of retardant use per acre and thereby necessitating an increase of the airtanker capacity. We believe that these trends are prevalent in North America, as well as globally.

We are also attempting to grow our fire prevention and protection business, which is primarily focused on high hazard industries like electrical utilities, railroads and transportation agencies. Fire prevention products can be used to prevent fire ignitions and protect property from potential fire danger by providing proactive retardant treatment in high-risk areas. Treating these areas ahead of the fire season can potentially stop ignitions from equipment failures or sparks. Our new Phos-Chek Fortify product, applied before or early in the fire season, can provide long-term protection until a significant rainfall event. In addition, Phos-Chek Fortify can proactively be applied to protect high value assets and critical infrastructure from the danger of wildfire.

We expect these trends to continue for the remainder of 2023 and beyond and drive growth in demand for fire retardant products. We have invested and intend to continue investing in the expansion our fire safety business through acquisitions in order to further grow our global customer base.

Weather Conditions and Climate Trends

Our business is highly dependent on the needs of government agencies to suppress fires. As such, our financial condition and results of operations are significantly impacted by weather as well as environmental and other factors affecting climate change, which impact the number and severity of fires in any given year. Historically, sales of our products have been higher in the summer season of each fiscal year due to weather patterns which are generally correlated to a higher prevalence of wildfires. This is in part offset by the disbursement of our operations in both the northern and southern hemispheres, where the summer seasons alternate.

Global Economic Environment

In recent years, the global economic and labor markets have experienced significant inflationary pressures attributable to ongoing economic recovery and supply chain issues, in part due to the impacts of the COVID-19 pandemic and the conflict in Ukraine. While the Company has limited exposure in Russia and Ukraine, it continues to monitor and take actions with its customers and suppliers to mitigate the impact of these inflationary pressures in the future. Actions to mitigate inflationary pressures with suppliers include aggregation of purchase requirements to achieve optimal volume benefits, negotiation of cost-reductions and identification of more cost competitive suppliers. While these actions are designed to offset the impact of inflationary pressures, the Company cannot provide assurance that they will be successful in fully offsetting increased costs resulting from inflationary pressure. In addition, interest payments for borrowings under the Company's revolving credit facility are based on variable rates and any continued increase in interest rates may reduce the Company's cash flow available for other corporate purposes.

Results of Operations

Three Months Ended March 31, 2023 Compared to the Three Months Ended March 31, 2022

Total Company

The following table sets forth our results of operations for each of the periods indicated (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Change	
			\$	%
Net sales	\$ 43,858	\$ 57,758	\$ (13,900)	(24 %)
Cost of goods sold	31,012	41,343	(10,331)	(25 %)
Gross profit	12,846	16,415	(3,569)	(22 %)
Operating expenses				
Selling, general and administrative expense	10,465	19,154	(8,689)	(45 %)
Amortization expense	13,763	13,855	(92)	(1 %)
Founders advisory fees - related party	(24,236)	(59,848)	35,612	(60 %)
Other operating expense	2	196	(194)	(99 %)
Total operating expenses	(6)	(26,643)	26,637	(100 %)
Operating income	12,852	43,058	(30,206)	(70 %)
Other expense (income):				
Interest expense, net	10,146	10,496	(350)	(3 %)
Loss on contingent earn-out	246	—	246	— %
Unrealized foreign currency (gain) loss	(721)	880	(1,601)	(182 %)
Other expense, net	72	165	(93)	(56 %)
Total other expense, net	9,743	11,541	(1,798)	(16 %)
Income before income taxes	3,109	31,517	(28,408)	(90 %)
Income tax benefit	6,322	5,446	876	16 %
Net income	\$ 9,431	\$ 36,963	\$ (27,532)	(74 %)

Net Sales. Net sales decreased by \$13.9 million for the three months ended March 31, 2023 compared to the same period in 2022. Net sales in the Fire Safety segment increased by \$0.3 million, representing a \$2.4 million increase in fire suppressant sales offset by lower fire retardant sales of \$2.1 million. Fire suppressant sales increased \$2.1 million in Europe due to improved market share and sales of new fluorine free foam concentrates and \$0.8 million in the Americas driven by growth in foam systems sales offset by a decrease in product sales of \$0.5 million in Asia Pacific. Fire retardant sales decreased \$2.7 million in the Americas and \$0.2 million in Asia Pacific due to mild fire activity in those regions, offset by an increase of \$0.8 million in Europe from improved pre-season sales. Fire retardant sales in a given geography are generally driven by the activity of the fire season in that geography. Net sales in the Specialty Products segment decreased \$14.2 million, of which \$8.9 million was in the Americas and \$5.3 million was in Europe. The decrease in Specialty Products sales reflects a reduction in purchases by our lubricant additives customers in order to destock their inventory.

Cost of Goods Sold. Cost of goods sold decreased by \$10.3 million for the three months ended March 31, 2023 compared to the same period in 2022. The decrease in Fire Safety segment of \$5.8 million was primarily due to a \$6.1 million decrease in amortization of inventory step-up related to the Business Combination and a \$0.7 million decrease in labor and share-based compensation expense offset by \$1.0 million in higher material and manufacturing and other costs. The \$4.5 million decrease in the Specialty Products segment was due to a \$4.5 million decrease in raw material and manufacturing and other costs related to lower sales and a \$0.2 million decrease in depreciation expense offset by a \$0.2 million increase in lease expense.

Selling, General and Administrative Expense. Selling, general and administrative expense decreased by \$8.7 million for the three months ended March 31, 2023 compared to the same period in 2022. The decrease was primarily due to \$7.2 million decrease in personnel related and share-based compensation expenses, a \$0.5 million decrease in insurance costs, a \$0.6 million decrease in logistics expenses and a \$0.4 million decrease in accounting, legal and consulting expenses. The decrease in personnel related and share-based compensation expenses is primarily due to the recognition of negative share-

based compensation expense of \$2.9 million during the three months ended March 31, 2023 resulting from a decrease in the Ordinary Share price as of the period end.

Founder advisory fees - related party. Founder advisory fees - related party represents the change in the fair value of the liability-classified Fixed Annual Advisory Amount and Variable Annual Advisory Amount. The decrease in the fair value of the Annual Advisory Amounts for the three months ended March 31, 2023 of \$24.2 million was primarily due to a reduction in the average price per Ordinary Share from \$8.86 as of December 31, 2022 to \$7.73. The decrease in the fair value of the Annual Advisory Amount for the three months ended March 31, 2022 of \$59.8 million was primarily due to a reduction in the average price per Ordinary Share from \$13.63 as of December 31, 2021 to \$11.97.

Unrealized Foreign Currency (Gain) Loss. Unrealized foreign currency gain of \$0.7 million for the three months ended March 31, 2023 reflects weakening of the US dollar, primarily against the Euro, during the quarter. Unrealized foreign currency loss of \$0.9 million for the three months ended March 31, 2022 reflects strengthening of the US dollar, primarily against the Euro, during the quarter.

Income Tax Benefit. Income tax benefit increased by \$0.9 million for the three months ended March 31, 2023 compared to the same period in 2022. The increase is due primarily to changes in earnings in jurisdictions that were not covered by a valuation allowance and the impact of non-deductible compensation and accrued withholding taxes on the annualized effective tax rate.

Business Segments

We use segment net sales and segment adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”), financial measures that are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), to evaluate operating performance by segment, for business planning purposes and to allocate resources. The following tables provide information for our net sales and Adjusted EBITDA (in thousands):

	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
	Fire Safety	Specialty Products	Fire Safety	Specialty Products
Net sales	\$ 18,744	\$ 25,114	\$ 18,470	\$ 39,288
Segment Adjusted EBITDA	\$ (3,361)	\$ 6,477	\$ (3,334)	\$ 15,311

Adjusted EBITDA for our Fire Safety segment was relatively flat compared to the prior year. A higher cost of goods sold, absent the amortization of inventory step-up related to the Business Combination, was offset by lower operating expenses.

Adjusted EBITDA for our Specialty Products segment decreased by \$8.8 million to \$6.5 million. The decrease was primarily due to lower net sales offset by lower cost of goods sold and operating expenses.

Liquidity and Capital Resources

We have historically funded our operations primarily through cash flows from operations, borrowings under our revolving credit facility, and the issuance of debt and equity securities. However, future cash flows are subject to a number of variables, including the length and severity of the fire season, growth of the wildland urban interface and the availability of air tanker capacity, all of which could negatively impact revenues, earnings and cash flows, and potentially our liquidity if we do not moderate our expenditures accordingly. Our cash requirements, cash flows, indebtedness and available credit as of March 31, 2023 is discussed below.

We believe that our existing cash and cash equivalents of approximately \$91.8 million, net cash flows generated from operations and availability under the Revolving Credit Facility as of March 31, 2023 will be sufficient to meet our current capital expenditures, working capital, and debt service requirements for at least 12 months from the filing date of this Quarterly Report. As of March 31, 2023, we expect our remaining fiscal year 2023 capital expenditure budget of approximately \$7.5 million, will cover both our maintenance and growth capital expenditures. We may also utilize borrowings under other various financing sources available to us, including the issuance of equity and/or debt securities through public offerings or private placements, to fund our acquisitions, the Annual Advisory Amounts and long-term liquidity needs. Our ability to complete future offerings of equity or debt securities and the timing of these offerings will depend upon various factors including prevailing market conditions and our financial condition.

Cash Flows:

The summary of our cash flows is as follows (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash (used in) provided by:		
Operating activities	\$ (31,616)	\$ (70,896)
Investing activities	(2,456)	(2,951)
Financing activities	(864)	529
Effect of foreign currency on cash and cash equivalents	(25)	1,307
Net change in cash and cash equivalents	<u>\$ (34,961)</u>	<u>\$ (72,011)</u>

Operating Activities

Cash used in operating activities was \$31.6 million and \$70.9 million for the three months ended March 31, 2023 and 2022, respectively. The decrease in cash used of \$39.3 million, as compared to the same period in 2022 was primarily due to a reduction in payment of founders advisory fee of \$48.9 million, increase in inventory and accounts receivable of \$15.2 million due to pre-season inventory build-up, offset by lower net income, non-cash items of \$15.0 million and an increase in operating liabilities of \$9.8 million, compared to 2022.

Investing Activities

Cash used in investing activities was \$2.5 million and \$3.0 million for the three months ended March 31, 2023 and 2022, respectively. During the three months ended March 31, 2023, we purchased property and equipment of \$2.5 million. During the three months ended March 31, 2022, we purchased property and equipment of \$1.3 million and paid an additional \$1.7 million to SK Holdings upon finalization of the difference in estimated and actual working capital as of the Closing Date under the Business Combination Agreement.

Financing Activities

Cash (used in) provided by financing activities was \$(0.9) million and \$0.5 million for the three months ended March 31, 2023 and 2022, respectively. During the three months ended March 31, 2023, we repurchased outstanding Ordinary Shares for \$0.9 million. During the three months ended March 31, 2022, the cash provided of \$0.5 million was primarily due to proceeds from exercise of warrants.

Revolving Credit Facility

On November 9, 2021, SK Invictus Intermediate II S.à r.l., a private limited liability company governed by the laws of the Grand Duchy of Luxembourg ("SK Intermediate II"), entered into a five-year revolving credit facility (the "Revolving Credit Facility"), which provides for a senior secured revolving credit facility in an aggregate principal amount of up to \$100.0 million.

The Revolving Credit Facility matures on November 9, 2026. The Revolving Credit Facility includes a \$20.0 million swingline sub-facility and a \$25.0 million letter of credit sub-facility. The Revolving Credit Facility allows SK Intermediate II to increase commitments under the Revolving Credit Facility up to an aggregate amount not to exceed the greater of (i) \$143.0 million and (ii) 100.00% of consolidated EBITDA for the most recent four-quarter period (minus the aggregate outstanding principal amount of certain ratio debt permitted to be incurred thereunder). All borrowings under the Revolving Credit Facility are subject to the satisfaction of customary conditions, including the absence of a default and the accuracy of representations and warranties, subject to certain exceptions.

Borrowings under the Revolving Credit Facility bear interest at a rate equal to (i) an applicable margin, plus (ii) at SK Intermediate II's option, either (x) London Interbank Offered Rate ("LIBOR") determined by reference to the cost of funds for U.S. dollar deposits for the interest period relevant to such borrowing, adjusted for certain additional costs (but which will not be less than a 0.00% LIBOR floor) or (y) a base rate determined by reference to the highest of (a) the prime commercial lending rate published by the Wall Street Journal, (b) the federal funds rate plus 0.50%, (c) the one-month LIBOR rate plus 1.00% and (d) a minimum floor of 1.00%. The applicable margin is 3.25% in the case of LIBOR-based

loans and 2.25% in the case of base rate-based loans, with two step downs of 0.25% each based upon the achievement of certain leverage ratios.

As of March 31, 2023, the Company did not have any outstanding borrowings under the Revolving Credit Facility and was in compliance with all covenants, including the financial covenants.

Senior Notes

On November 9, 2021, SK Intermediate II assumed \$675.0 million principal amount of 5.00% senior secured notes due October 30, 2029 ("Senior Notes") issued by EverArc Escrow S.à r.l. ("Escrow Issuer"), a newly-formed limited liability company governed by the laws of the Grand Duchy of Luxembourg and a wholly owned subsidiary of EverArc Holdings Limited ("EverArc") under an indenture dated as of October 22, 2021 ("Indenture"). The Senior Notes bear interest at an annual rate of 5.00%. Interest on the Senior Notes is payable in cash semi-annually in arrears on April 30 and October 30 of each year, commencing on April 30, 2022.

The Senior Notes are general, secured, senior obligations of SK Intermediate II; rank equally in right of payment with all existing and future senior indebtedness of SK Intermediate II (including, without limitation, the Revolving Credit Facility); and together with the Revolving Credit Facility, are effectively senior to all existing and future indebtedness of SK Intermediate II that is not secured by the collateral.

For additional information about our long-term debt, refer to Note 7, "Long-Term Debt and Redeemable Preferred Shares," in the notes to the condensed consolidated financial statements included in this Quarterly Report.

Share Repurchase Plan

On December 7, 2021, subject to the approval of our shareholders, the Board authorized the Share Repurchase Plan. Under the Share Repurchase Plan, we and our subsidiaries are authorized to repurchase up to \$100.0 million of our issued and outstanding Ordinary Shares at any time during the next 24 months or, if different, such other timeframe as approved by our shareholders. Until such time as the Share Repurchase Plan was approved by the shareholders of the Company, the Board authorized any subsidiary of the Company to take such actions necessary to purchase Ordinary Shares of the Company. Repurchases under the Share Repurchase Plan may be made, from time to time, in such quantities, in such manner and on such terms and conditions and at prices the Company deems appropriate.

On July 21, 2022, subject to certain limits, the shareholders' of the Company approved a proposal authorizing the Board to repurchase up to 25% of the Company's Ordinary Shares outstanding as of the date of the shareholders' approval, being 40,659,257 Ordinary Shares, at any time during the next five years. On November 3, 2022, the Board re-established the limit for Ordinary Share repurchases at \$100.0 million, which is within the repurchase limit approved by Company's shareholder on July 21, 2022.

We repurchased 115,570 Ordinary Shares during the three months ended March 31, 2023. The repurchased Ordinary Shares were recorded at cost and are being held in treasury. During the period from April 1, 2023 to May 5, 2023, we repurchased approximately 1,479,825 Ordinary Shares at an average price per share of approximately \$7.34.

Founder Advisory Agreement

The advisory agreement entered into on December 12, 2019 by EverArc ("Founder Advisory Agreement") with EverArc Founders, LLC, a Delaware limited liability company ("EverArc Founder Entity"), which is owned and operated by William N. Thorndike, Jr., W. Nicholas Howley, Tracy Britt Cool, Vivek Raj and Haitham Khouri ("EverArc Founders"), pursuant to which the EverArc Founder Entity, for the services provided to the Company, including strategic and capital allocation advice, is entitled to receive both a fixed amount (the "Fixed Annual Advisory Amount") and a variable amount (the "Variable Annual Advisory Amount," each an "Advisory Amount" and collectively, the "Advisory Amounts") until the years ending December 31, 2027 and 2031, respectively. Under the Founder Advisory Agreement, at the election of the EverArc Founder Entity, at least 50% of the Advisory Amounts will be paid in Ordinary Shares and the remainder in cash.

For 2022, the average price was \$8.86 per Ordinary Share. The EverArc Founder Entity was entitled receive the Fixed Annual Advisory Amount of 2,357,061 Ordinary Shares or a value of \$20.9 million, based on average price of \$8.86 per Ordinary Share (the "2022 Fixed Amount"). The EverArc Founder Entity did not qualify to receive the Variable Annual

Advisory Amount as the average price of \$8.86 per Ordinary Share for 2022 was lower than the average price of \$13.63 per Ordinary Share established in 2021. Per the Founder Advisory Agreement, the EverArc Founder Entity elected to receive approximately 77.7% of the 2022 Fixed Amount in Ordinary Shares (1,831,653 Ordinary Shares) and approximately 22.3% of the 2022 Fixed Amount in cash (\$4.7 million). On February 15, 2023, the Company issued 1,831,653 Ordinary Shares and paid \$4.7 million in cash in satisfaction of the 2022 Fixed Amount.

As of March 31, 2023, the fair value of the Fixed Annual Advisory Amount was calculated to be \$91.1 million based on the period end volume weighted average closing share price for ten consecutive trading days of Ordinary Shares of \$7.73 and the fair value of the Variable Annual Advisory Amount was determined to be \$201.9 million using a Monte Carlo simulation model.

For additional information about the Founder Advisory Agreement, refer to Note 11, “Share-Based Compensation” and Note 13, “Related Parties,” in the notes to the condensed consolidated financial statements included in this Quarterly Report.

Critical Accounting Estimates and Policies

The discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements which have been prepared in accordance with U.S. GAAP. As of March 31, 2023, the Company’s significant accounting policies and estimates are consistent with those discussed in Note 2 - “Summary of Significant Accounting Policies and Recent Accounting Pronouncements” of its consolidated financial statements included in the Company’s 2022 Annual Report filed on Form 10-K with the SEC on March 1, 2023, except for stock options granted during the three months ended March 31, 2023, refer to Note 2, “Summary of Significant Accounting Policies” in the notes to the condensed consolidated financial statements included in this Quarterly Report. Significant estimates made by management in connection with the preparation of the accompanying unaudited condensed consolidated financial statements include the useful lives of long-lived and intangible assets, the allowance for doubtful accounts, the fair value of financial assets and liabilities, stock options, founder advisory fees, contingent earn-out liability and realizability of deferred tax assets. We are not presently aware of any events or circumstances that would require us to update our estimates, assumptions or revise the carrying value of our assets or liabilities. Our estimates may change, however, as new events occur and additional information is obtained. As a result, actual results may differ significantly from our estimates, and any such differences may be material to our financial statements. For information on the impact of recently issued accounting pronouncements, see Note 2, “Summary of Significant Accounting Policies and Recent Accounting Pronouncements” in the notes to the condensed consolidated financial statements included in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk from changes in foreign currency exchange rates, short-term interest rates and price fluctuations of certain material commodities in the ordinary course of our business. We have not engaged in hedging activities since inception and currently, do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

Foreign Currency Risk

Foreign currency exchange risks are attributable to sales to foreign customers and purchases from foreign suppliers not denominated in a location’s functional currency, foreign plant operations, intercompany indebtedness, intercompany investments and include exposures to the Euro, Canadian dollar, Norwegian krone and Australian dollar. We have elected to use the U.S. dollar for our Luxembourg entities. Transactions that are paid in a foreign currency are remeasured into U.S. dollars and recorded in the consolidated financial statements at prevailing currency exchange rates. A reduction in the value of the U.S. dollar against currencies of other countries could result in the use of additional cash to settle operating, administrative and tax liabilities.

Interest Rate Risk

For variable rate debt, interest rate changes generally do not affect the fair market value of such debt, but do impact future earnings and cash flows, assuming other factors are held constant. We are subject to market risk exposure related to changes in interest rates on borrowings under the Revolving Credit Facility. Interest on borrowings under the Revolving

Credit Facility is based on adjusted LIBOR plus or base rate plus an applicable margin. At March 31, 2023, we had no borrowings outstanding under the Revolving Credit Facility.

Commodity Price Risk

Our realized margins depend on the differential of sales prices over our total supply costs. Generally, we attempt to maintain an inventory position that is substantially balanced between our purchases and sales, including our future delivery obligations. However, market, weather or other conditions beyond our control may disrupt our expected supply of product, and we may be required to obtain supply at increased prices that cannot be passed through to our customers. For example, some of our material supply contracts follow market prices, which may fluctuate through the year, while our product sales prices may be fixed on a quarterly or annual basis, and therefore, fluctuations in our material supply may not be passed through to our customers and can produce an adverse effect on our margins.

Effects of Inflation

We are subject to inflationary pressures with respect to raw materials, labor and transportation. Accordingly, we continue to take actions with our customers and suppliers to mitigate the impact of these inflationary pressures in the future. Actions to mitigate inflationary pressures with customers include contractual price escalation clauses and negotiated customer recoveries. Actions to mitigate inflationary pressures with suppliers include aggregation of purchase requirements to achieve optimal volume benefits, negotiation of cost-reductions and identification of more cost competitive suppliers. While these actions are designed to offset the impact of inflationary pressures, the Company cannot provide assurance that it will be successful in fully offsetting increased costs resulting from inflationary pressure.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, at March 31, 2023, PSSA has evaluated, under the supervision and with the participation of the Company's management, including PSSA's principal executive officer and principal financial officer, the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act). Our controls and procedures are designed to ensure that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that the information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As described further in our 2022 Annual Report, PSSA's principal executive officer and principal financial officer had concluded that as of December 31, 2022, the design and implementation of our disclosure controls and procedures were not effective, due to the existence of material weaknesses. These material weaknesses around control environment and control activities continued to exist at March 31, 2023. These material weaknesses include:

- Failure to design and implement review controls at a sufficient level of precision over the consideration of key terms and conditions affecting grant date in accordance with ASC 718, *Compensation — Stock Compensation*, when accounting for performance-based stock.
- Failure to design and implement review controls at a sufficient level of precision around complex accounting areas and related disclosures, including business combinations and goodwill impairment assessment, specifically related to the determination of carrying value and review of valuation assumptions.
- Failure to design and implement controls over the business combination and its effects on the presentation of the statement of cash flows, equity issuance costs, and transaction costs and the judgments made in the determination of purchase consideration.

Remediation Plan

We have begun enhancing the process of, and are focused on, designing and implementing effective internal control measures to improve our internal control over financial reporting and remediate the material weaknesses. Our internal control remediation efforts include the following:

- Implementing new controls and procedures.
- Hiring of additional qualified resources.
- Continuing engagement of outside resources to assist with the design and implementation of a system of risk-based internal controls that aligns to and is measured against the framework issued to the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013) ("COSO 2013").

Changes in Internal Control Over Financial Reporting

Other than the changes described in the Remediation Plan detailed above, there were no changes to the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II**Item 1. Legal Proceedings.**

We are involved in various claims, actions, and legal proceedings arising in the ordinary course of business, including a number of matters related to the aqueous film forming foam litigation consolidated in the District of South Carolina multi-district litigation and other similar matters pending in other jurisdictions in the United States. Our exposure to losses, if any, is not considered probable or reasonably estimable at this time.

Item 1A. Risk Factors

There have been no material changes to the Company’s risk factors disclosed in Part I, Item 1A. “Risk Factors” of the Company’s 2022 Annual Report.

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

Below is a summary of Ordinary Share repurchases for the quarter ended March 31, 2023.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plan or Program ⁽¹⁾
January 1, 2023 - January 31, 2023	—	\$ —	—	34,222,521
February 1, 2023 - February 28, 2023	—	\$ —	—	34,222,521
March 1, 2023 - March 31, 2023	115,570	\$ 7.46	115,570	34,106,951
Total	115,570	\$ 7.46	115,570	

(1) On December 7, 2021, subject to the approval of the shareholders’ of the Company, the Board authorized a share repurchase plan (the “Share Repurchase Plan”). The Share Repurchase Plan allows the Company, which includes any subsidiary of the Company, to repurchase up to \$100.0 million of its issued and outstanding Ordinary Shares at any time during the next 24 months or, if different, such other timeframe as approved by the shareholders of the Company. On July 21, 2022, subject to certain limits, the shareholders’ of the Company approved a proposal authorizing the Board to repurchase up to 25% of the Company’s Ordinary Shares outstanding as of the date of the shareholders’ approval, being 40,659,257 Ordinary Shares, at any time during the next five years. On November 3, 2022, the Board re-established the limit for Ordinary Share repurchases at \$100.0 million, which is within the repurchase limit approved by Company’s shareholders’ on July 21, 2022.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit Number	Description
10.1†*	Employment Agreement, dated as of March 8, 2023 by and between Perimeter Solutions, SA and Haitham Khouri.
10.2†*	Amendment to the Employment Agreement, dated as of March 8, 2023 by and between Perimeter Solutions, SA and Edward Goldberg.
10.3†*	Employment Agreement, dated as of October 1, 2021 by and between Perimeter Solutions, SA and Noriko Yokozuka
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Perimeter Solutions, SA

Date: May 10, 2023

By: /s/ Haitham Khouri
Haitham Khouri
Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 10, 2023

By: /s/ Charles Kropp
Charles Kropp
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EMPLOYMENT AGREEMENT

THIS AGREEMENT, dated as of March 8, 2023 (this “Agreement”) is made by and between Perimeter Solutions, SA, a public company limited by shares duly incorporated and validly existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 12E, rue Guillaume Kroll, L1882 Luxembourg, Grand Duchy of Luxembourg and registered with the Registre de Commerce et des Sociétés, Luxembourg (Luxembourg Trade and Companies Register) under number B 256.548 (the “Parent”), Perimeter Solutions LP, a Delaware limited partnership (the “Company”), and Haitham Khouri (the “Executive”).

RECITALS:

WHEREAS, the Executive currently serves as a director on the board of directors of the Parent, and as an executive officer in his capacity as Vice Chairman of the Parent;

WHEREAS, the Company is an indirect wholly owned subsidiary of the Parent;

WHEREAS, each party desires the Executive to continue to provide his or her services as an executive officer of the Parent, and to be employed by the Company, subject to and upon the terms and conditions set forth herein; and

WHEREAS, the parties intend that this Agreement shall supersede all prior employment related agreements between the Executive and the Company or any of its Affiliates (except as set forth in Section 17).

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. Certain Definitions.

- a. “Affiliates” shall mean any entity, individual, firm, or corporation, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company.
 - b. “Annual Base Salary” shall have the meaning set forth in Section 4(a).
 - c. “Board” shall mean the Board of Directors of the Parent.
 - d. “Business” shall mean the business of serving as a global solutions provider for the fire safety and oil additives industries and any other business or operations conducted and operated by the Company and/or any of its Affiliates during the Term.
 - e. “Cause” shall mean either of the following: (i) the repeated failure by the Executive, after written notice from the Board, substantially to perform his or her material duties and responsibilities as an officer or employee or director of Parent and its subsidiaries, as applicable (other than any such failure resulting from incapacity due to reasonably documented physical or mental illness), or (ii) any willful misconduct by the Executive that has the effect of materially injuring the Business, including, without limitation, the disclosure of material secret or confidential information of the Company or any of its Affiliates.
 - f. “COBRA” shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as may be amended from time to time.
 - g. “Code” shall mean the Internal Revenue Code of 1986, as amended. Reference to a Section of the Code includes all rulings, regulations, notices, announcements, decisions, orders and other pronouncements that are issued by the United States Department of the Treasury, the Internal Revenue Service, or any court of
-

competent jurisdiction that are lawful and pertinent to the interpretation, application or effectiveness of such Section.

- h. “Company” shall have the meaning set forth in the preamble hereto.
 - i. “Compensation Committee” shall mean the Compensation Committee of the Board whose members shall be appointed by the Board from time to time.
 - j. “Competitor” shall mean any corporation, partnership, firm, proprietorship or other business organization that engages in any Competitive Activity.
 - k. “Competitive Activities” shall mean any activity or service that competes with the Business; provided that it shall not include (i) the passive ownership of securities of entities which are listed on a national securities exchange or traded in the national over-the-counter market in an amount which shall not exceed two percent (2%) of the outstanding shares of any such entity, or (ii) the Executive’s passive ownership in any private equity fund, venture capital fund or similar co-mingled private fund that owns interests in a Competitor.
 - l. “Date of Termination” shall mean (i) if the Executive’s employment is terminated by reason of his or her death, the date of his or her death, and (ii) if the Executive’s employment is terminated pursuant to Sections 5(a)(ii) - (vi), the date specified in the Notice of Termination (or, if different, the mutually agreed dated on which Executive’s employment with Parent and its subsidiaries otherwise actually terminates).
 - m. “Disability” shall mean the Executive’s absence from employment with the Company due to: (i) his or her inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which, with a very high degree of medical certainty, can be expected to result in death or to last for a continuous period of not less than twelve months; or (ii) such medically determinable physical or mental impairment, which, with a high degree of medical certainty, can be expected to result in death or to last for a continuous period of not less than twelve months, in each case, as determined by a doctor mutually agreed upon by the Company and the Executive (or his authorized representative) (provided that any such determination otherwise complies with this definition of Disability and Treasury Regulation Section 1.409A-3(i)(4)) and for which the Executive is receiving income replacement benefits for a period of not less than three months under an accident and health plan covering the Company’s employees.
 - n. “Effective Date” shall mean the date of this Agreement.
 - o. “Equity Compensation Agreements” shall mean any written agreements between the Parent or any of its subsidiaries and the Executive pursuant to which the Executive holds or is granted equity-based incentive awards of Parent or any of its subsidiaries, including, without limitation, agreements evidencing options granted under any equity incentive plan adopted or maintained by the Parent for Company employees generally, and any management deferred compensation or similar plans of the Parent or any of its subsidiaries.
 - p. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.
 - q. “Executive” shall have the meaning set forth in the preamble hereto.
 - r. “Good Reason” shall mean the occurrence of any of the following: (i) a material diminution in the Executive’s title, duties or responsibilities without Cause and without his or her prior written consent, (ii) any requirement that the Executive report to any Person other than to the Board or any duly authorized committee thereof, without his or her prior written consent; (iii) a reduction of the Executive’s base salary or target annual bonus opportunity, or a reduction in other benefits or perquisites that is material in the aggregate (except where such reduction is in connection with a diminution in role for Cause), without his or her prior written consent, (iv) any relocation of more than forty (40) miles of Executive’s then-current primary work place without his or her
-

prior written consent, or (v) any material breach of (x) this Agreement by the Company, or (y) any Equity Compensation Agreement by the Parent or any of its subsidiaries.

- s. "Notice of Termination" shall have the meaning set forth in Section 5(b).
 - t. "Payment Period" shall have the meaning set forth in Section 6(b).
 - u. "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.
 - v. "Restricted Territory" shall mean anywhere in the world where the Company (directly or indirectly through any of its Affiliates) conducts its Business during the Term.
 - w. "Specified Employee" shall have the meaning set forth in Code Section 409A.
 - x. "Term" shall have the meaning set forth in Section 2.
2. Employment. The Company shall employ the Executive, for the period set forth in this Section 2, in the position(s) set forth in Section 3 and upon the other terms and conditions herein provided. The term of employment under this Agreement (the "Term") shall commence on the Effective Date and shall continue until terminated pursuant to Section 5.
3. Position and Duties. During the Term, the Executive shall serve as Chief Executive Officer of each of the Parent and the Company, with such responsibilities, duties and authority as may from time to time be assigned to the Executive by the Board or any duly authorized committee thereof, in each case, that are commensurate with such position, including but not limited to: (a) providing overall leadership of Parent's and its subsidiaries' operations; (b) participating in capital allocation, capital market, merger, acquisition, divestiture, and similar activities; (c) developing Parent's and its subsidiaries' overall operating strategy including overall organization structure, compensation strategy and methodology and recommending to the Board any material changes thereto or significant changes in products or markets served; (d) developing, and recommending to the Board for approval, the annual business plan; (e) evaluating the performance of executive officers of Parent and its subsidiaries; (f) recommend compensation for executive officers of Parent and its subsidiaries to the Board; (g) developing and managing the officer succession planning process; (h) participate in investor relations activities; and (i) such other activities as are reasonably required to perform the Executive's duties hereunder that are commensurate with his position as Chief Executive Officer. During the Term, the Executive shall devote substantially all his working time and efforts to the business and affairs of the Parent, the Company; provided, that it shall not be considered a violation of the foregoing for the Executive to (i) serve on industry, civic or charitable boards, committees or in similar roles or, with the prior consent of the Board, for-profit boards or committees, or in advisory and similar roles for for-profit entities (provided, that such consent shall not be unreasonably withheld, conditioned or delayed), and (ii) manage his personal investments, so long as none of such activities significantly interferes with the Executive's duties hereunder.
4. Compensation and Related Matters.
- a. Annual Base Salary. During the Term (commencing as of the first pay period following the Effective Date), the Executive shall receive a base salary at a rate of \$525,000 per annum, payable in accordance with the Company's normal payroll practices, which shall be reviewed by the Compensation Committee annually and may be increased, but not decreased, upon such review (the "Annual Base Salary").
 - b. Bonus. For each fiscal year during the Term, the Executive shall be eligible to participate in any annual cash bonus plan of the Company or Parent, as applicable, in effect from time to time for senior executives of the Company and Parent generally. Executive's target bonus will be 100% of his or her Annual Base Salary and may be pro rated based on time in position.
-

- c. Long Term Incentive Compensation. During the Term, the Executive shall be entitled to participate in the 2021 Equity Incentive Plan or any other equity incentive plan adopted by the Parent or any of its subsidiaries. Concurrently with the execution of this Agreement, Executive will receive a grant of non-qualified stock options to purchase 2,000,000 shares of the Common Stock of the Parent, subject to the terms and conditions set forth in a stock option agreement evidencing such award in the form attached as Exhibit A, including the performance-related vesting conditions set forth therein.
- d. Benefits. During the Term, the Executive shall be entitled to participate in the other employee benefit plans, programs and arrangements of the Company or Parent, as applicable, now (or, to the extent determined by the Board or Compensation Committee, hereafter) in effect which are applicable to the senior officers of the Company or Parent generally, as applicable, subject to and on a basis consistent with the terms, conditions and overall administration thereof (including the right of the Company or Parent to amend, modify or terminate such plans).
- e. Expenses. Pursuant to any customary policies of the Company in force at the time of payment, the Executive shall be reimbursed for all expenses properly incurred by the Executive on the Company's behalf in the performance of the Executive's duties hereunder, including, without limitation, commuting, hotel and similar costs related to the Executive's presence in the Company's St. Louis offices. In addition, the Company will reimburse the Executive for the reasonable expenses of legal counsel retained by the Executive and related costs in connection with the negotiation and execution of this Agreement (including the Exhibits hereto).
- f. Vacation. The Executive shall be entitled to an amount of annual vacation days, and to compensation in respect of earned but unused vacation days, in an amount not less than twenty (20) days (not including paid holidays) or such higher amount in accordance with the Company's vacation policy as in effect from time to time applicable to senior officers of the Company and Parent generally.

5. Termination.

- a. The Executive's employment hereunder may be terminated by the Company or the Executive, as applicable, without any breach of this Agreement only under the following circumstances and in accordance with subsection (b):
 - i. Death. The Executive's employment hereunder shall terminate upon his or her death.
 - ii. Disability. If the Executive has incurred a Disability, the Company may give the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that within such 30 day period the Executive shall not have returned to full-time performance of his or her duties. The Executive shall continue to receive his or her Annual Base Salary until the 90th day following the date of the Notice of Termination.
 - i. Termination for Cause. The Company may terminate the Executive's employment hereunder for Cause.
 - ii. Resignation for Good Reason. The Executive may terminate his or her employment hereunder for Good Reason.
 - iii. Termination without Cause. The Company may terminate the Executive's employment hereunder without Cause.
 - iv. Resignation without Good Reason. The Executive may resign his or her employment hereunder without Good Reason.
-

b. Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive under this Section 5 (other than termination pursuant to subsection (a)(i)) shall be communicated by a written notice from the Board or the Executive to the other indicating the specific termination provision in this Agreement relied upon (and, in the case of a Termination for Cause or Resignation for Good Reason, setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under Section 5(a)(iii) or 5(a)(iv), as applicable), and specifying a Date of Termination which, in the case of Resignation for Good Reason or Resignation without Good Reason pursuant to Section 5(a)(iv) or 5(a)(vi), respectively, shall be at least 90 days following the date of such notice (a "Notice of Termination"). In the event of the Executive's Resignation for Good Reason pursuant to Section 5(a)(iv), the Company shall have the right, if the basis for such Good Reason is curable, to cure the same within 30 days following the receipt of the Notice of Termination, and Good Reason shall not be deemed to exist if the Company cures the event giving rise to Good Reason within such 30 day period. The Executive shall continue to receive his or her Annual Base Salary, annual bonus and all other compensation and perquisites referenced in Section 4 through the Date of Termination.

6. Severance Payments.

a. Termination for any Reason. In the event the Executive's employment with the Company is terminated for any reason, the Company shall pay the Executive (or his or her beneficiary in the event of his or her death) any unpaid Annual Base Salary that has accrued as of the Date of Termination, any unreimbursed expenses due to the Executive in accordance with the Company's expense reimbursement policy and an amount equal to compensation for accrued but unused sick days and vacation days. The Company shall permit the Executive to elect to continue health plan coverage in accordance with the requirements of applicable law (e.g., COBRA coverage), at the applicable monthly cost charged for such coverage (the "Monthly COBRA Coverage Continuation Rate"). The Company may require the Executive to complete and file any election forms that are generally required of other employees to obtain COBRA coverage; and the Executive's COBRA coverage may be terminable in accordance with applicable law. The Executive shall also be entitled to accrued, vested benefits under the Company's benefit plans and programs as provided therein. The Executive shall be entitled to the additional payments and benefits described below only as set forth herein.

b. Termination without Cause, Resignation for Good Reason or Termination by Reason of Death or Disability. Subject to Sections 6(c) and (d) and the restrictions contained herein, in the event of the Executive's Termination without Cause (pursuant to Section 5(a)(v)), Resignation for Good Reason (pursuant to Section 5(a)(iv)) or termination by reason of death or Disability (pursuant to Section 5(a)(i) or (ii), respectively), the Company shall pay to the Executive the amounts described in subsection (a). In addition, upon such a termination described in the preceding sentence, subject to Sections 6(c) and (d) and the restrictions contained herein, and in the case of Termination without Cause (pursuant to Section 5(a)(v)), Resignation for Good Reason (pursuant to Section 5(a)(iv)) or Disability (pursuant to Section 5(a)(ii)), subject to the Executive's (or, in the case of the Executive's Disability, his authorized representative's) execution and non-revocation of a release substantially in the form attached hereto as Exhibit B (the "Release") no later than thirty (30) days following the Date of Termination (or such later period following the Date of Termination to the extent required by applicable law), the Company shall pay to the Executive (or his or her beneficiary in the event of his or her death) an amount equal to the "Severance Amount" described below. For purposes of this Agreement the Severance Amount is equal to the sum of:

- i. 1.25 times the Executive's Annual Base Salary,
 - ii. 1.0 times the Executive's target bonus for the fiscal year in which the Date of Termination falls, determined in accordance with Section 4(b);
 - iii. 15.0 times the difference of (A) the Monthly COBRA Continuation Coverage Rate determined as of the Date of Termination for the Executive's applicable health and welfare plan coverages as in effect
-

on such date, less (B) the monthly cost to Executive that is being charged for such coverage as of the Date of Termination; and

iv. any earned but unpaid annual cash bonus for a prior year, based on actual performance for such year (the “Prior Year Bonus”).

The Severance Amount as so determined shall be payable to the Executive (or his or her beneficiary) in substantially equal installments over the 15-month period following the Date of Termination (the “Payment Period”) commencing no later than thirty (30) days following the execution and non-revocation of the Release, in accordance with the Company’s regular payroll practices; provided that the Prior Year Bonus shall be paid, in each case, in a lump sum on the date it would otherwise have been paid under Section 4(b) if the Executive’s employment had continued through the applicable payment date (but in all events not later than March 15 of the year following the year the Executive’s employment terminates). The first installment payment shall include all amounts that would have otherwise been paid to the Executive during the period beginning on the Date of Termination and ending on the first installment payment date. Notwithstanding the foregoing, in the event that the end of the thirty (30) day notice and revocation period for the Release would result in the first installment payment occurring in the taxable year following the year in which the Date of Termination occurs, the first installment payment shall be made in the taxable year following the year in which the Date of Termination occurs to the extent required to avoid additional taxes under Code Section 409A.

- c. Benefits Provided Upon Termination of Employment. Subject to the last section of this Section 6(c), if the Executive’s termination or resignation does not constitute a “separation from service,” as such term is defined under Code Section 409A, the Executive shall nevertheless be entitled to receive all of the payments and benefits that the Executive is entitled to receive under this Agreement on account of his or her termination of employment. However, the payments and benefits that the Executive is entitled to under this Agreement shall not actually be paid to the Executive until such time as the Executive has incurred a “separation from service” within the meaning of Code Section 409A to the extent required to avoid excise and income taxes under Code Section 409A.
- d. Payments on Account of Termination to a Specified Employee. Notwithstanding the foregoing provisions of Sections 6(a) or 6(b), in the event that the Executive is determined to be a Specified Employee at the time of his or her termination of employment under this Agreement (or, if later, his or her “separation from service” under Code Section 409A), to the extent that a payment, reimbursement or benefit under Section 6(b) is considered to provide for a “deferral of compensation” (as determined under Code Section 409A), then such payment, reimbursement or benefit shall not be paid or provided until six months after the Executive’s separation from service, or his or her death, whichever occurs first. Any payments, reimbursements or benefits that are withheld under this provision for the first six months shall be payable in a lump sum on the 181st day after such termination of employment (or, if later, separation from service). The restrictions in this Section 6(d) shall be interpreted and applied solely to the minimum extent necessary to comply with the requirements of Code Section 409A(a)(2)(B). Accordingly, payments, benefits or reimbursements under Section 6(b) or any other part of this Agreement may nevertheless be provided to Executive with the six-month period following the date of Executive’s termination of employment under this Agreement (or, if later, his or her “separation from service” under Code Section 409A), to the extent that it would nevertheless be permissible to do so under Code Section 409A because those payments, reimbursements or benefits are (i) described in Treasury Regulations Section 1.409A-1(b)(9)(iii) (i.e., payments within the limitations therein that are being made on account of an involuntary termination or termination for good reason, within the meaning of the Treasury Regulations), or (ii) described in Treasury Regulation Section 1.409A-1(b)(4) (i.e., payments which are treated as short-term deferrals within the meaning of the Treasury Regulations), or (iii) benefits described in Treasury Regulations Section 1.409A-1(b)(9)(v) (e.g. health care benefits). The parties intend for the payments and benefits under this Agreement to be exempt from Code Section 409A or, if not so exempt, to be paid or provided in a manner that complies with the requirements of such section, and intend that this Agreement shall be construed and administered in accordance with such intention. For purposes of Code Section 409A, the
-

Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate and distinct payments. Notwithstanding anything to the contrary in this Agreement, all (A) reimbursements and (B) in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Code Section 409A, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.

- e. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and would, but for this Section 6(e) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax") (for the avoidance of doubt, after taking into account all permissible reductions to such payments permitted by Section 280G of the Code and the regulations and other guidance thereunder, such as for reasonable compensation for pre- and post- change in control service and any application of Q&A 24 of 26 CFR § 1.280G-1), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes. Any such reduction shall be made in accordance with Section 409A of the Code and the following: (x) the Covered Payments which do not constitute nonqualified deferred compensation subject to Section 409A of the Code shall be reduced first; and (y) all other Covered Payments shall then be reduced as follows: (A) payments and benefits to which Q&A 24(c) of 26 CFR § 1.280G-1 apply shall be reduced only after payments and benefits to which Q&A 24(c) of 26 CFR § 1.280G-1 does not apply are reduced; (C) contingent payments shall be reduced before non-contingent payments; (C) cash payments shall be reduced before non-cash payments; and (D) payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date. Any determination required under this Section 6(e), including whether any payments or benefits are Parachute Payments, shall be reasonably determined by the Company, after giving the Executive reasonable opportunity to review and comment and considering in good faith any comments provided by the Executive. The Executive shall provide the Company with such information and documents as it may reasonably request in order to make a determination under this Section 6(e), and the Company shall provide the Executive with such information and documents as he may reasonably request in order to review and comment on such determination, and the parties shall otherwise reasonably consult and cooperate in good faith with respect to such determination.

7. Competition; Non-solicitation.

- a. During the Term and, following any termination of Executive's employment, for a period equal to (i) the Payment Period, in the case of a termination of employment for which payments are made pursuant to Section 6(b) hereof, or (ii) 24 months from the date of such termination in the event of a voluntary termination of employment by the Executive without Good Reason, or a termination by the Company for Cause, the Executive shall not, and shall cause each of his or her affiliates not to, anywhere in the Restricted Territory, directly or indirectly engage in any Competitive Activities. The Executive acknowledges that the Company and/or its Affiliates conducted its Business throughout the Restricted Territory and the Executive provided
-

services to the Company and/or its Affiliates throughout the Restricted Territory. Except as otherwise set forth in Section 1(k) above, the Executive shall be deemed to be engaged in Competitive Activities if such Restricted Party or any of his or her affiliates (i) serves as a shareholder, owner, officer, director, member, manager, trustee or partner of, or consults with, advises or assists in any way, whether or not for consideration, any Competitor; or (ii) endorses the services of any Competitor.

- b. During the Term and for a period of two (2) years following any termination of the Executive's employment, the Executive shall not, and shall cause each of his or her affiliates not to, directly or indirectly: (i) solicit or transact any business with (in each case, for the benefit of a Competitor), or assist any third party in soliciting or transacting any business with (in each case, for the benefit of a Competitor), any Persons who are, or were in the past twelve (12) months, customers or suppliers of the Business; (ii) cause any customers or suppliers referred to in clause (i) to cease doing business with or to terminate its business relationship with the Company or any of its Affiliates; or (iii) solicit for employment or hire any employees of the Company or any of its Affiliates, unless such employee's employment has been (x) terminated by the Parent or any of its affiliates or (y) otherwise terminated at least six (6) months before any such solicitation or hiring. Notwithstanding the foregoing, the Executive shall not be prohibited from making general solicitations for employment over the internet, in print media or other mass media, or through recruiting firms or personnel, as long as such general solicitations are not specifically targeted at any employee or group of employees referenced in this Section 7(b).
- c. In the event a court of competent jurisdiction determines that the provisions in this Section 7 are excessively broad as to duration, geographical scope or activity, it is expressly agreed that this Section 7 shall be construed so that the remaining provisions shall not be affected, but shall remain in full force and effect, and any such overbroad provisions shall be deemed, without further action on the part of any Person, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable in such jurisdiction.

8. Nondisclosure of Proprietary Information.

- a. Except as required in the faithful performance of the Executive's duties hereunder or pursuant to subsection (c), the Executive shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for his or her benefit or the benefit of any person, firm, corporation or other entity any confidential or proprietary information or trade secrets of or relating to the Company and its Affiliates, including, without limitation, information with respect to their operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment, except for such information which is or becomes publicly available other than as a result of a breach by the Executive of this Section 8, or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such confidential or proprietary information or trade secrets. The parties hereby stipulate and agree that as between them the foregoing matters are important, material and confidential proprietary information and trade secrets and affect the successful conduct of the businesses of the Company and its Affiliates (and any of their successors or assignees).
 - b. Upon termination of the Executive's employment with the Company for any reason, the Executive shall promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products or processes of the Company and any of its Affiliates and/or which contain proprietary information or trade secrets.
 - c. The Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to
-

the Company and its counsel the documents and other information sought and shall assist such counsel in resisting or otherwise responding to such process.

9. Injunctive Relief. It is recognized and acknowledged by the Executive that a breach of the covenants contained in Sections 7 and 8 may cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Executive agrees that in the event of a breach of any of the covenants contained in Sections 7 and 8, in addition to any other remedy which may be available at law or in equity, the Company shall be entitled to seek specific performance and injunctive relief.
 10. Whistleblower Protection.
 - a. Nothing in this Agreement or any other agreement between the parties or any policy of the Company or any of its Affiliates shall prohibit or restrict any party or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating or testifying in any action, investigation or proceeding with, or providing information to, any governmental agency or legislative body, any selfregulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement or any other agreement among the parties or any policy of the Company or any of its Affiliates prohibits or restricts the any such party from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.
 - b. Pursuant to 18 U.S.C. § 1833(b), the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company or its Affiliates that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to the Executive's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding, if the Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or any other agreement between the parties or any policy of the Company or any of its Affiliates is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.
 11. Survival. The expiration or termination of the Term shall not impair the rights or obligations of any party hereto which shall have accrued hereunder prior to such expiration.
 12. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Company, Parent, the Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable.
 13. Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of Delaware, without regard to principles of conflicts of laws.
 14. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
 15. Notices. Any notice, request, claim, demand, document or other communication hereunder to any party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by telex, telecopy, or certified or registered mail, postage prepaid, as follows:
-

a. If to the Company or Parent, to:

Perimeter Solutions LP
8000 Maryland Ave, Suite 350, Clayton, MO 63105
Attn: General Counsel
Noriko.Yokozuka@perimeter-solutions.com

b. If to the Executive, to him or her at the address set forth below under his or her signature (with a copy (not constituting notice) to Moulton | Moore | Stella LLP, Frank Gehry Building 2431 Main Street, Suite C Santa Monica, California 90405, Attn: Adam Stella, Email: adam@moultonmoore.com; or at any other address as any party shall have specified by notice in writing to the other party in accordance with this Section 15.

16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. The signatures to this Agreement need not all be on a single copy of this Agreement, and may be electronic signatures (e.g., DocuSign) or copies on portable document format (.pdf) rather than originals, and in each case shall be fully effective as though all signatures were originals on the same copy.
17. Entire Agreement; Prior Employment Agreement. The terms of this Agreement shall supersede in their entirety any and all prior employment related agreements between the Executive and the Company or any of its Affiliates. The terms of this Agreement, together with the Exhibits hereto and the Equity Compensation Agreements, are intended by the parties to be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, and any Equity Compensation Agreements, shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement. For the avoidance of doubt, nothing herein shall have any impact on that certain Advisory Services Agreement dated and effective as of 12 December, 2019 by and between EverArc Holdings Limited and EverArc Founders LLC.
18. Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by each party hereto. By an instrument in writing similarly executed, the Executive or the Company or Parent may waive compliance by the other party or parties with any provision of this Agreement that such other party was or is obligated to comply with or perform; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy or power hereunder shall preclude any other or further exercise of any other right, remedy or power provided herein or by law or in equity.
19. No Inconsistent Actions. The parties hereto shall not voluntarily undertake or fail to undertake any action or course of action inconsistent with the provisions or essential intent of this Agreement. Furthermore, it is the intent of the parties hereto to act in a fair and reasonable manner with respect to the interpretation and application of the provisions of this Agreement.
20. Arbitration. Except as expressly provided elsewhere in this Agreement, any dispute arising out of, relating to, or having any connection with, this Agreement, including any question regarding its existence, validity, interpretation, performance, breach or termination, and any tort or other extra-contractual or statutory claims arising out of or relating to its negotiation, execution or performance, shall be exclusively and finally settled by arbitration in accordance with the Rules of the International Court of Arbitration of the International Chamber of Commerce (the "ICC Rules") by one or more arbitrators appointed in accordance with the ICC Rules; provided, however, that nothing in this Section 20 shall prohibit: (i) a party from instituting litigation to enforce any final award in any court of competent jurisdiction; or (ii) the Company from seeking a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of Section 7 or 8 of this Agreement and the Executive hereby consents that such restraining order or injunction may be granted without the necessity of the Company's posting any bond. The seat of the arbitration shall be in St. Louis,
-

Missouri. The language of the arbitration shall be English. The parties undertake to carry out any award of the tribunal without delay, and waive their right to refer any question of law and any right of appeal on the law or merits to a court of law or other judicial authority, insofar as such waiver may be validly made. The parties agree that an arbitral tribunal appointed under this Agreement may exercise jurisdiction with respect to this Agreement and any amendments or exhibits or schedules hereto (except as otherwise expressly provided therein), and that any disputes involving more than one of such agreements, exhibits or schedules shall proceed as a consolidated arbitration in accordance with Article 10 of the ICC Rules.

Each party shall bear its own costs and attorneys' fees in connection with the arbitration . The Company shall bear all fees of the arbitrator.

21. Indemnification and Insurance; Legal Expenses. During the Term and thereafter, the Company and Parent shall indemnify the Executive to the fullest extent permitted by the laws of Delaware and Luxembourg, respectively, as in effect at the time of the subject act or omission, and shall advance to the Executive reasonable attorneys' fees and expenses as such fees and expenses are incurred (subject to an undertaking from the Executive to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that the Executive was not entitled to the reimbursement of such fees and expenses) and Executive shall be entitled to the protection of any insurance policies the Company and/or Parent shall maintain generally for the benefit of their respective directors and officers ("Directors and Officers Insurance") against all costs, charges and expenses incurred or sustained by Executive in connection with any dispute, claim, controversy, action, suit or proceeding to which Executive may be made a party by reason (whether in whole or in part, to the fullest extent permitted by applicable law) of his or her being or having been a director, officer, employee or service provider of the Company or any of its Affiliates or his or her serving or having served any other enterprise as a director, officer, employee or service provider at the request of the Company (other than any dispute, claim or controversy arising under or relating to this Agreement). During the Term and thereafter, the Company and/or Parent will maintain for the benefit of the Executive (in his or her capacity as an officer and/or director of the Company and Parent, as applicable) Directors and Officers Insurance providing customary benefits to the Executive. During the Term, the Company and Executive will in good faith review and agree upon the level of Directors and Officers Insurance in effect for the benefit of officers and directors. For the avoidance of doubt, this Section 21 shall survive indefinitely following the termination of the Executive's employment with the Company and its affiliates.

(SIGNATURE PAGE FOLLOWS)

Exhibit A
Form of Option Agreement
[See attached]

Exhibit B
Form of Release

GENERAL RELEASE

I, [____], in consideration of and subject to the performance by Perimeter Solutions LP, a Delaware limited partnership (together with its subsidiaries, the “Company”), of its obligations under the Employment Agreement dated as of [____], 2023 (the “Agreement”), do hereby release and forever discharge as of the date hereof the Company, Perimeter Solutions, SA, a public company limited by shares duly incorporated and validly existing under the laws of the Grand Duchy of Luxembourg (“Parent”), and their respective affiliates and all present, former and future managers, directors, officers, employees, successors and assigns of the Company, Parent and their respective affiliates and direct or indirect owners (collectively, the “Released Parties”) to the extent provided below (this “General Release”). The Released Parties are intended to be third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

Section 1. My employment or service with the Company and its affiliates terminated as of [____], and I hereby resign from any position as an officer, member of the board of managers or directors (as applicable) or fiduciary of the Company, Parent or their affiliates (or reaffirm any such resignation that may have already occurred). I understand that any payments or benefits paid or granted to me under Section 6 of the Agreement (other than the accrued obligations described in Section 6(a) (the “Accrued Obligations”)) represent, in part, consideration for signing this General Release and are not salary, compensation, wages or benefits to which I was already entitled. I understand and agree that I will not receive certain of the payments and benefits specified in Section 6 of the Agreement (other than the Accrued Obligations) unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

Section 2. Except as provided in Sections 4 and 5 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys’ fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are related to my employment with or my separation or termination from employment with the Company, Parent or their affiliates (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation

or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company, Parent or their affiliates; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys’ fees incurred in these matters) (all of the foregoing collectively referred to herein as the “Claims”).

Section 3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by Section 2 above.

Section 4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 or otherwise, in each case, which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

Section 5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claim, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding, including with the Equal Employment Opportunity Commission (“EEOC”); provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such EEOC charge or investigation or proceeding. Additionally, I am not waiving (i) any right to the Accrued Obligations or any severance benefits to which I am entitled under the Agreement, (ii) any right to or interest in vested payments, benefits, property or rights under any Equity Compensation Agreement or otherwise under any employee benefit plan covering employees of the Company, or (iii) any claim relating to any right of indemnification (including related advancement of expenses) under the Agreement, Company’s organizational documents or otherwise or related to Directors and Officers Insurance. For the avoidance of doubt, nothing herein shall have any impact on that certain Advisory Services Agreement dated and effective as of 12 December, 2019 by and between EverArc Holdings Limited and EverArc Founders LLC.

Section 6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending claim of the type described in Section 2 above as of the execution of this General Release.

Section 7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

Section 8. I agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys’ fees.

Section 9. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

Section 10. I represent and warrant that I have returned all property of the Company and its affiliates, including identification cards or badges, access codes or devices, keys, laptops, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files, physical files, and any other property of the Company or its affiliates in my possession. I further represent and warrant that I no longer have access to and do not claim ownership of any cloud storage or social media accounts of the Company or any of its affiliates.

Section 11. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

Section 12. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

- a. I HAVE READ IT CAREFULLY;
- b. I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- c. I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- d. THE COMPANY HEREBY ADVISES ME TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;
- e. I HAVE HAD AT LEAST [21][45] DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT, AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED [21][45]-DAY PERIOD;
- f. I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;
- g. I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND
- h. I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

SIGNED: _____

DATED: _____

AMENDMENT TO EMPLOYMENT AGREEMENT AND OPTION AGREEMENT

THIS AMENDMENT, dated as of March 8, 2023 (this “Amendment”), to the Employment Agreement, dated October 1, 2021 (“Employment Agreement”), and the Option Agreement (2021) (Stock Option Grant Notice and Stock Option Agreement), with respect to the options granted November 8, 2021 (the “Option Agreement”), is made by and between Perimeter Solutions, SA, a public company limited by shares duly incorporated and validly existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 12E, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg and registered with the Registre de Commerce et des Sociétés, Luxembourg (Luxembourg Trade and Companies Register) under number B 256.548 (the “Parent”), Perimeter Solutions LP, a Delaware limited partnership (the “Company”), and Edward Goldberg (the “Executive”).

RECITALS:

WHEREAS, the Executive is currently employed by the Company and is party to the Employment Agreement and Option Agreement;

WHEREAS, each party desires the Executive to continue to provide his services to and be employed by the Company following the date of this Amendment on the revised terms set forth herein; and

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. Amendment to Employment Agreement. Section 3 of the Employment Agreement is amended and restated in its entirety to read as follows:
 - a. Position and Duties. During the Term, the Executive shall serve as Vice Chairman of each of the Parent and the Company, with such responsibilities, duties and authority as may from time to time be assigned to the Executive by the Chief Executive Officer commensurate with such position, including but not limited to, in each case subject to oversight of Chief Executive Officer: (a) provide leadership of the Company’s relationship, and contracting process, with its key fire retardant customers; (b) provide leadership of the Company’s efforts to secure and grow its market position in current and new retardant markets; (c) serve as a representative of the Company in establishing and fostering relationships with key customers, governmental agencies, industry associations and trade groups and other constituencies that are important to the Company as identified in collaboration with the Chief Executive Officer; and (d) participate in capital allocation, capital market, merger, acquisition, divestiture, and similar activities particularly as they relate to fire safety. During the Term, the Executive shall devote substantially all his working time and efforts to the business and affairs of the Company; provided, that it shall not be considered a violation of the foregoing for the Executive to (i) with the prior consent of the Chief Executive Officer, serve on corporate, industry, civic or charitable boards or committees (provided, that without such prior consent of the Chief Executive Officer, the Executive shall, subject to the limitations set forth below, be permitted to continue to serve as a member of the board of directors (or board of trustees) or as a committee member, as the case may be, The Clayton Chamber of Commerce), and (ii) manage his personal investments, so long as none of such activities significantly interferes with the Executive’s duties hereunder.
 2. Amendment to Option Agreement.
 - a. The Executive and the Parent agree to amend the performance terms and conditions of the outstanding 5-Year Options granted under the Option Agreement so that 50% of such outstanding options eligible to vest in each of fiscal years 2023 through 2026 will remain subject to the existing performance terms and conditions, and the remaining 50% of such outstanding options eligible to vest
-

in such fiscal years will be subject to performance terms and conditions related to the Executive’s position and duties as Vice Chairman. To effect this amendment, the table appearing at the beginning of Section 4 of Exhibit B to the Option Agreement is hereby amended and replaced with the following:

AOP Vesting Schedule for 5-Year Options

Fiscal Year (A)	Minimum Vesting (13.5% Growth)			Maximum Vesting (23.5% Growth)		
	% of 5-Year Option Vesting (B)		YE Annual Operating Performance per Diluted Share (C)	% of 5-Year Option Vesting (D)		YE Annual Operating Performance per Diluted Share (E)
2022	5	%	\$ 11.35	20	%	\$ 12.35
2023	2.5	%	\$ 12.88	10	%	\$ 15.25
2024	2.5	%	\$ 14.62	10	%	\$ 18.84
2025	2.5	%	\$ 16.60	10	%	\$ 23.26
2026	2.5	%	\$ 18.84	10	%	\$ 28.73

Performance Assessment Vesting for 5-Year Options

In addition to the foregoing, for each of fiscal years 2023 through 2026, up to a maximum of 10% of the 5-Year Options shall be eligible to vest each year based the achievement of certain performance goals related to the Executive’s position and duties as Vice Chairman. The Committee will establish such performance goals and communicate them to the Executive and will assess achievement annually.

- b. With respect to the portion of the outstanding 5-Year Options that remain subject vesting based on AOP, the Parent agrees that to the extent any such terms and conditions are amended for other executives of the Company generally, the Executive’s options will be amended in the same manner.
3. **No Severance.** The Parent, the Company and the Executive agree that this Amendment does not constitute a “termination” or grounds for “Good Reason” pursuant to the Employment Agreement, or otherwise constitute any trigger for the Parent’s or the Company’s payment of any severance payments or benefits to Executive pursuant to the Employment Agreement.
4. **Acknowledgment.** The Executive confirms that he has read this Amendment, understands the terms thereof and has had sufficient opportunity to obtain independent legal advice.
5. **No Other Modification.** Except as modified or amended in this Amendment, no other term or provision of the Employment Agreement or Option Agreement is amended or modified in any respect. The Employment Agreement and Option Agreement (together with the notice of grant related thereto), along with this Amendment, set forth the entire understanding between the Parties with regard to the subject matter hereof and supersede any prior oral discussions or written communications and agreements. This Amendment cannot be modified or amended except in writing signed by the Executive and an authorized officer of the Parent and the Company.
6. **Governing Law.** This Amendment shall be governed, construed, interpreted and enforced in accordance with the substantive laws of Delaware.

7. Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. The signatures to this Amendment need not all be on a single copy of this Amendment, and may be electronic signatures (e.g., DocuSign) or copies on portable document format (.pdf) rather than originals, and in each case shall be fully effective as though all signatures were originals on the same copy.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

PERIMETER SOLUTIONS S.A.

By: _____ /s/ Haitham Khouri
Name: Haitham Khouri
Title: Director

By: _____ /s/ Vivek Raj
Name: Vivek Raj
Title: Director

PERIMETER SOLUTIONS LP

By: _____ /s/ Nori Yokozuka
Name: Nori Yokozuka
Title: General Counsel and Secretary

EXECUTIVE

By: _____ /s/ Edward Goldberg
Name: Edward Goldberg

EMPLOYMENT AGREEMENT

THIS AGREEMENT, dated as of October 1, 2021 (this “Agreement”) is made by and between Perimeter Solutions, SA, a public company limited by shares duly incorporated and validly existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 12E, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg and registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg Trade and Companies Register) under number B 256.548 (the “Parent”), Perimeter Solutions LP, a Delaware limited partnership (the “Company”), and Noriko Yokozuka (the “Executive”).

RECITALS:

WHEREAS, the Executive is currently employed by the Company;

WHEREAS, upon the consummation of the transactions contemplated by the Business Combination Agreement (as defined herein) (the “Closing”), the Company will become an indirect wholly owned subsidiary of the Parent;

WHEREAS, each party desires the Executive to continue to provide his or her services to and be employed by the Company following the Closing, subject to and upon the terms and conditions set forth herein; and

WHEREAS, the parties intend that this Agreement shall be conditioned and effective upon the Closing and, upon becoming effective, shall supersede all prior employment related agreements between the Executive and the Company or any of its Affiliates.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. Certain Definitions

- a. “Affiliates” shall mean any entity, individual, firm, or corporation, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company.
 - b. “Annual Base Salary” shall have the meaning set forth in Section 4(a).
 - c. “Board” shall mean the Board of Directors of the Parent.
 - d. “Business” shall mean the business of serving as a global solutions provider for the fire safety and oil additives industries and any other business or operations conducted and operated by the Company and/or any of its Affiliates during the Term.
 - e. “Business Combination Agreement” means that certain Business Combination Agreement, dated June 15, 2021, by and among Parent, EverArc Holdings Limited, SK Invictus Holdings S.à r.l., SK Invictus Intermediate S.à r.l., and EverArc (BVI) Merger Sub Limited, as it may be amended, supplemented or otherwise modified from time to time
 - f. “Cause” shall mean either of the following: (i) the repeated failure by the Executive, after written notice from the Board, substantially to perform his or her material duties and responsibilities as an officer or employee or director of the Company or any of its Affiliates, as applicable (other than any such failure resulting from incapacity due to reasonably documented
-

physical or mental illness), or (ii) any willful misconduct by the Executive that has the effect of materially injuring the Business, including, without limitation, the disclosure of material secret or confidential information of the Company or any of its Affiliates.

g. “COBRA” shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as may be amended from time to time.

h. “Code” shall mean the Internal Revenue Code of 1986, as amended. Reference to a Section of the Code includes all rulings, regulations, notices, announcements, decisions, orders and other pronouncements that are issued by the United States Department of the Treasury, the Internal Revenue Service, or any court of competent jurisdiction that are lawful and pertinent to the interpretation, application or effectiveness of such Section.

i. “Company” shall have the meaning set forth in the preamble hereto.

j. “Compensation Committee” shall mean the Compensation Committee of the Board whose members shall be appointed by the Board from time to time.

k. “Competitor” shall mean any corporation, partnership, firm, proprietorship or other business organization that engages in any Competitive Activity.

l. “Competitive Activities” shall mean any activity or service that competes with the Business; provided that it shall not include the passive ownership of securities of entities which are listed on a national securities exchange or traded in the national over-the-counter market in an amount which shall not exceed two percent (2%) of the outstanding shares of any such entity.

m. “Date of Termination” shall mean (i) if the Executive’s employment is terminated by reason of his or her death, the date of his or her death, and (ii) if the Executive’s employment is terminated pursuant to Sections 5(a)(ii) - (vi), the date specified in the Notice of Termination.

n. “Disability” shall mean the Executive’s absence from employment with the Company due to: (i) his or her inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which, with a very high degree of medical certainty, can be expected to result in death or to last for a continuous period of not less than twelve months; or (ii) such medically determinable physical or mental impairment, which, with a high degree of medical certainty, can be expected to result in death or to last for a continuous period of not less than twelve months, and for which the Executive is receiving income replacement benefits for a period of not less than three months under an accident and health plan covering the Company’s employees.

o. “Effective Date” shall mean the date of the Closing.

p. “Equity Compensation Agreements” shall mean any written agreements between the Parent and the Executive pursuant to which the Executive holds or is granted any equity incentive awards, including, without limitation, agreements evidencing options granted under any equity incentive plan adopted or maintained by the Parent for Company employees generally, and any management deferred compensation or similar plans of the Parent.

q. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

r. “Executive” shall have the meaning set forth in the preamble hereto.

s. “Good Reason” shall mean the occurrence of any of the following: (i) a material diminution in the Executive’s title, duties or responsibilities without Cause and without his or her prior written consent, (ii) a reduction of the Executive’s base salary or target annual bonus opportunity or a reduction in other benefits or perquisites that is material in the aggregate (except where such reduction is in connection with a diminution in role for Cause), without his or her prior written consent, (iv) any relocation of more than forty (40) miles of Executive’s primary work place as of the Effective Date without his or her prior written consent, or (v) any material breach of (x) this Agreement by the Company, or (y) the Equity Compensation Agreements by the Parent.

t. “Notice of Termination” shall have the meaning set forth in Section 5(b).

u. “Payment Period” shall have the meaning set forth in Section 6(b).

v. “Person” shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a “group” as defined in Section 13(d) thereof.

w. “Restricted Territory” shall mean anywhere in the world where the Company (directly or indirectly through any of its Affiliates) conducts its Business during the Term.

x. “Specified Employee” shall have the meaning set forth in Code Section 409A.

y. “Term” shall have the meaning set forth in Section 2.

2. Employment. The Company shall employ the Executive, for the period set forth in this Section 2, in the position(s) set forth in Section 3 and upon the other terms and conditions herein provided. The term of employment under this Agreement (the “Term”) shall commence on the Effective Date and shall continue until terminated pursuant to Section 5.

3. Position and Duties. During the Term, the Executive shall serve as General Counsel of the Company and any reasonably corresponding officer position of the Parent to the extent appointed by the Board, in each case with such customary responsibilities, duties and authority as may from time to time be assigned to the Executive by the Chief Executive Officer or the Board or the board of directors of the Company. During the Term, the Executive shall devote substantially all his or her working time and efforts to the business and affairs of the Company and its Affiliates; provided, that it shall not be considered a violation of the foregoing for the Executive to (i) with the prior consent of the Board (which consent shall not unreasonably be withheld), serve on corporate, industry, civic or charitable boards or committees, and (ii) manage his or her personal investments, so long as none of such activities significantly interferes with the Executive’s duties hereunder.

4. Compensation and Related Matters

a. Annual Base Salary. During the Term (commencing as of the first pay period following the Effective Date), the Executive shall receive a base salary at a rate of \$300,000 per annum, payable in accordance with the Company’s normal payroll practices, which shall be reviewed by the Compensation Committee annually and may be increased, but not decreased, upon such review (the “Annual Base Salary”).

b. Bonus. For each fiscal year during the Term, the Executive shall be eligible to participate in any annual cash bonus plan of the Company or Parent, as applicable, in effect from time to time. The Executive’s bonus for fiscal year 2021 shall be the amount determined in accordance

with the bonus plan in effect at the Company as of the date of this Agreement, and thereafter Executive's target bonus will be 40% of his or her Annual Base Salary and may be pro rated based on time in position.

c. Long Term Incentive Compensation. During the Term, the Executive shall be entitled to participate in the 2021 Equity Incentive Plan or any other equity incentive plan adopted by the Parent.

d. Benefits. During the Term, the Executive shall be entitled to participate in the other employee benefit plans, programs and arrangements of the Company or Parent, as applicable, now (or, to the extent determined by the Board or Compensation Committee, hereafter) in effect which are applicable to the senior officers of the Company or Parent generally, as applicable, subject to and on a basis consistent with the terms, conditions and overall administration thereof (including the right of the Company or Parent to amend, modify or terminate such plans).

e. Expenses. Pursuant to any customary policies of the Company in force at the time of payment, the Executive shall be reimbursed for all expenses properly incurred by the Executive on the Company's behalf in the performance of the Executive's duties hereunder.

f. Vacation. The Executive shall be entitled to an amount of annual vacation days, and to compensation in respect of earned but unused vacation days, in an amount not less than twenty (20) days (not including paid holidays) or such higher amount in accordance with the Company's vacation policy as in effect from time to time applicable to senior officers of the Company or Parent generally.

5. Termination.

a. This Agreement shall terminate, and be void ab initio, with no further action by or liability to any party upon the earlier of (1) termination of the Business Combination Agreement and the transactions contemplated therein for any reason, and (2) termination of Executive's employment with the Company or Perimeter Solutions North America, Inc., a Delaware corporation, prior to the Effective Date for any reason. During the Term, the Executive's employment hereunder may be terminated by the Company or the Executive, as applicable, without any breach of this Agreement only under the following circumstances and in accordance with subsection (b):

i. Death. The Executive's employment hereunder shall terminate upon his or her death.

ii. Disability. If the Company determines in good faith that the Executive has incurred a Disability, the Company may give the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that within such 30-day period the Executive shall not have returned to full-time performance of his or her duties. The Executive shall continue to receive his or her Annual Base Salary until the 90th day following the date of the Notice of Termination.

iii. Termination for Cause. The Company may terminate the Executive's employment hereunder for Cause.

iv. Resignation for Good Reason. The Executive may terminate his or her employment hereunder for Good Reason.

v. Termination without Cause. The Company may terminate the Executive's employment hereunder without Cause.

vi. Resignation without Good Reason. The Executive may resign his or her employment hereunder without Good Reason.

b. Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive under this Section 5 (other than termination pursuant to subsection (a)(i)) shall be communicated by a written notice from the Chief Executive Officer of the Company or the Executive to the other indicating the specific termination provision in this Agreement relied upon (and, in the case of Resignation for Good Reason, setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under Section 5(a)(iv)), and specifying a Date of Termination which, in the case of Resignation for Good Reason or Resignation without Good Reason pursuant to Section 5(a)(iv) or 5(a)(vi), respectively, shall be at least 90 days following the date of such notice (a "Notice of Termination"). In the event of the Executive's Resignation for Good Reason pursuant to Section 5(a)(iv), the Company shall have the right, if the basis for such Good Reason is curable, to cure the same within 30 days following the receipt of the Notice of Termination, and Good Reason shall not be deemed to exist if the Company cures the event giving rise to Good Reason within such 30 day period. The Executive shall continue to receive his or her Annual Base Salary, annual bonus and all other compensation and perquisites referenced in Section 4 through the Date of Termination.

6. Severance Payments.

a. Termination for any Reason. In the event the Executive's employment with the Company is terminated for any reason, the Company shall pay the Executive (or his or her beneficiary in the event of his or her death) any unpaid Annual Base Salary that has accrued as of the Date of Termination, any unreimbursed expenses due to the Executive in accordance with the Company's expense reimbursement policy and an amount equal to compensation for accrued but unused sick days and vacation days. The Company shall permit the Executive to elect to continue health plan coverage in accordance with the requirements of applicable law (e.g., COBRA coverage), at the applicable monthly cost charged for such coverage (the "Monthly COBRA Coverage Continuation Rate"). The Company may require the Executive to complete and file any election forms that are generally required of other employees to obtain COBRA coverage; and the Executive's COBRA coverage may be terminable in accordance with applicable law. The Executive shall also be entitled to accrued, vested benefits under the Company's benefit plans and programs as provided therein. The Executive shall be entitled to the additional payments and benefits described below only as set forth herein.

b. Termination without Cause, Resignation for Good Reason or Termination by Reason of Death or Disability. Subject to Sections 6(c) and (d) and the restrictions contained herein, in the event of the Executive's Termination without Cause (pursuant to Section 5(a)(v)), Resignation for Good Reason (pursuant to Section 5(a)(iv)) or termination by reason of death or Disability (pursuant to Section 5(a)(i) or (ii), respectively), the Company shall pay to the Executive the amounts described in subsection (a). In addition, subject to Sections 6(c) and (d) and the restrictions contained herein, and in the case of Termination without Cause (pursuant to Section 5(a)(v)), Resignation for Good Reason (pursuant to Section 5(a)(iv)) or Disability (pursuant to Section 5(a)(ii)), subject to the Executive's execution and non-revocation of a release in the form attached hereto as Exhibit A (the "Release") no later than thirty (30) days following the Date of Termination, the Company shall pay to the Executive (or his or her beneficiary in the event of his or her death) an amount equal to the "Severance Amount" described below. For purposes of this Agreement the Severance Amount is equal to the sum of:

- i. 1.25 times the Executive's Annual Base Salary,
- ii. 1.0 times the Executive's target bonus for the fiscal year in which the Date of Termination falls, determined in accordance with Section 4(b); and
- iii. 15.0 times the difference of (A) the Monthly COBRA Continuation Coverage Rate determined as of the Date of Termination for the Executive's applicable health and welfare plan coverages as in effect on such date, less (B) the monthly cost to Executive that is being charged for such coverage as of the Date of Termination.

The Severance Amount as so determined shall be payable to the Executive (or his or her beneficiary) in substantially equal installments over the 15-month period following the Date of Termination (the "Payment Period") commencing no later than thirty (30) days following the execution and non-revocation of the Release, in accordance with the Company's regular payroll practices. The first installment payment shall include all amounts that would have otherwise been paid to the Executive during the period beginning on the Date of Termination and ending on the first installment payment date. Notwithstanding the foregoing, in the event that the end of the thirty (30) day notice and revocation period for the Release would result in the first installment payment occurring in the taxable year following the year in which the Date of Termination occurs, the first installment payment shall be made in the taxable year following the year in which the Date of Termination occurs.

c. Benefits Provided Upon Termination of Employment. If the Executive's termination or resignation does not constitute a "separation from service," as such term is defined under Code Section 409A, the Executive shall nevertheless be entitled to receive all of the payments and benefits that the Executive is entitled to receive under this Agreement on account of his or her termination of employment. However, the payments and benefits that the Executive is entitled to under this Agreement shall not be provided to the Executive until such time as the Executive has incurred a "separation from services" within the meaning of Code Section 409A.

d. Payments on Account of Termination to a Specified Employee. Notwithstanding the foregoing provisions of Sections 6(a) or 6(b), in the event that the Executive is determined to be a Specified Employee at the time of his or her termination of employment under this Agreement (or, if later, his or her "separation from service" under Code Section 409A), to the extent that a payment, reimbursement or benefit under Section 6(b) is considered to provide for a "deferral of compensation" (as determined under Code Section 409A), then such payment, reimbursement or benefit shall not be paid or provided until six months after the Executive's separation from service, or his or her death, whichever occurs first. Any payments, reimbursements or benefits that are withheld under this provision for the first six months shall be payable in a lump sum on the 181st day after such termination of employment (or, if later, separation from service). The restrictions in this Section 6(d) shall be interpreted and applied solely to the minimum extent necessary to comply with the requirements of Code Section 409A(a)(2)(B). Accordingly, payments, benefits or reimbursements under Section 6(b) or any other part of this Agreement may nevertheless be provided to Executive with the six-month period following the date of Executive's termination of employment under this Agreement (or, if later, his or her "separation from service" under Code Section 409A), to the extent that it would nevertheless be permissible to do so under Code Section 409A because those payments, reimbursements or benefits are (i) described in Treasury Regulations Section 1.409A-1(b)(9)(iii) (i.e., payments within the limitations therein that are being made on account of an involuntary termination or termination for good reason, within the meaning of the Treasury Regulations), or (ii) described in Treasury Regulation Section 1.409A-1(b)(4) (i.e., payments which are treated as short-term deferrals within the meaning of the Treasury Regulations), or (iii) benefits described in Treasury Regulations Section 1.409A-1(b)(9)(v) (e.g. health care benefits).

e. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and would, but for this Section 6(e) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes. Any such reduction shall be made in accordance with Section 409A of the Code and the following: (x) the Covered Payments which do not constitute nonqualified deferred compensation subject to Section 409A of the Code shall be reduced first; and (y) all other Covered Payments shall then be reduced as follows: (A) cash payments shall be reduced before non-cash payments; and (B) payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date. Any determination required under this Section 6(e), including whether any payments or benefits are Parachute Payments, shall be made by the Company in its sole discretion. The Executive shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section 6(e). The Company's determination shall be final and binding on the Executive.

7. Competition: Non-solicitation.

a. During the Term and, following any termination of Executive's employment, for a period equal to (i) the Payment Period, in the case of a termination of employment for which payments are made pursuant to Section 6(b) hereof, or (ii) 24 months from the date of such termination in the event of a voluntary termination of employment by the Executive without Good Reason, or a termination by the Company for Cause, the Executive shall not, and shall cause each of his or her affiliates not to, anywhere in the Restricted Territory, directly or indirectly engage in any Competitive Activities. The Executive acknowledges that the Company and/or its Affiliates conducted its Business throughout the Restricted Territory and the Executive provided services to the Company and/or its Affiliates throughout the Restricted Territory. The Executive shall be deemed to be engaged in Competitive Activities if such Restricted Party or any of his or her affiliates (i) serves as a shareholder, owner, officer, director, member, manager, trustee or partner of, or consults with, advises or assists in any way, whether or not for consideration, any Competitor; or (ii) endorses the services of any Competitor, solicits customers, provides or otherwise serves as an intermediary for any such Competitor or loans money or renders any other form of financial assistance to any such Competitor.

b. During the Term and for a period of two (2) years following any termination of the Executive's employment, the Executive shall not, and shall cause each of his or her affiliates not to, directly or indirectly: (i) solicit or transact any business with, or assist any third party in soliciting or transacting any business with, any Persons who are, or were in the past twelve (12) months, customers or suppliers of the Business; (ii) cause any customers or suppliers referred to in clause (i) to cease doing business with or to terminate its business relationship with the Company or any of its Affiliates; or (iii) solicit for employment or hire any employees of the

Company or any of its Affiliates, unless such employee's employment has been terminated by the Parent or any of its affiliates, as the case may be, at least six (6) months before any such solicitation or hiring.

c. In the event a court of competent jurisdiction determines that the provisions in this Section 7 are excessively broad as to duration, geographical scope or activity, it is expressly agreed that this Section 7 shall be construed so that the remaining provisions shall not be affected, but shall remain in full force and effect, and any such overbroad provisions shall be deemed, without further action on the part of any Person, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable in such jurisdiction.

d. For the avoidance of doubt, nothing in this Section 7 shall in any way limit the covenants set forth in Sections 2 and 3 of that certain Letter Agreement, by and among Executive, Parent and EverArc Holdings Limited, dated June 15, 2021, which shall remain in effect in accordance with its terms.

8. Nondisclosure of Proprietary Information.

a. Except as required in the faithful performance of the Executive's duties hereunder or pursuant to subsection (c), the Executive shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for his or her benefit or the benefit of any person, firm, corporation or other entity any confidential or proprietary information or trade secrets of or relating to the Company and its Affiliates, including, without limitation, information with respect to their operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment, except for such information which is or becomes publicly available other than as a result of a breach by the Executive of this Section 8, or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such confidential or proprietary information or trade secrets. The parties hereby stipulate and agree that as between them the foregoing matters are important, material and confidential proprietary information and trade secrets and affect the successful conduct of the businesses of the Company and its Affiliates (and any of their successors or assignees).

b. Upon termination of the Executive's employment with the Company for any reason, the Executive shall promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products or processes of the Company and any of its Affiliates and/or which contain proprietary information or trade secrets.

c. The Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and shall assist such counsel in resisting or otherwise responding to such process.

9. Injunctive Relief. It is recognized and acknowledged by the Executive that a breach of the covenants contained in Sections 7 and 8 may cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Executive agrees that in the event of a breach of any of the covenants contained in Sections 7 and 8, in addition to any

other remedy which may be available at law or in equity, the Company shall be entitled to seek specific performance and injunctive relief.

10. Whistleblower Protection.

a. Nothing in this Agreement or any other agreement between the parties or any policy of the Company or any of its Affiliates shall prohibit or restrict any party or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating or testifying in any action, investigation or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement or any other agreement among the parties or any policy of the Company or any of its Affiliates prohibits or restricts the any such party from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

b. Pursuant to 18 U.S.C. § 1833(b), the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company or its Affiliates that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to the Executive's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding, if the Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or any other agreement between the parties or any policy of the Company or any of its Affiliates is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

11. Survival. The expiration or termination of the Term shall not impair the rights or obligations of any party hereto which shall have accrued hereunder prior to such expiration.
12. Binding on Successors. This Agreement shall be binding upon and inure to the benefit of the Company, Parent, the Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable.
13. Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of Delaware.
14. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
15. Notices. Any notice, request, claim, demand, document or other communication hereunder to any party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by telex, telecopy, or certified or registered mail, postage prepaid, as follows:
- a. If to the Company or Parent, to:

Perimeter Solutions LP

8000 Maryland Ave, Suite 350, Clayton, MO 63105
Attn: CEO
Edward.Goldberg@perimeter-solutions.com

b. If to the Executive, to him or her at the address set forth below under his or her signature; or at any other address as any party shall have specified by notice in writing to the other party in accordance with this Section 15.

16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. The signatures to this Agreement need not all be on a single copy of this Agreement, and may be electronic signatures (e.g., DocuSign) or copies on portable document format (.pdf) rather than originals, and in each case shall be fully effective as though all signatures were originals on the same copy.
 17. Entire Agreement; Prior Employment Agreement. Upon the Closing, the terms of this Agreement shall supersede in their entirety any and all prior employment related agreements between the Executive and the Company or any of its Affiliates. The terms of this Agreement, together with the Equity Compensation Agreements, are intended by the parties to be the final expression of their agreement with respect to the employment of the Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement, and any Equity Compensation Agreements, shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.
 18. Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by the Executive and the Chief Executive Officer. By an instrument in writing similarly executed, the Executive or the Company or Parent may waive compliance by the other party or parties with any provision of this Agreement that such other party was or is obligated to comply with or perform; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy or power hereunder shall preclude any other or further exercise of any other right, remedy or power provided herein or by law or in equity.
 19. No Inconsistent Actions. The parties hereto shall not voluntarily undertake or fail to undertake any action or course of action inconsistent with the provisions or essential intent of this Agreement. Furthermore, it is the intent of the parties hereto to act in a fair and reasonable manner with respect to the interpretation and application of the provisions of this Agreement.
 20. Arbitration. Except as expressly provided elsewhere in this Agreement, any dispute arising out of, relating to, or having any connection with, this Agreement, including any question regarding its existence, validity, interpretation, performance, breach or termination, and any tort or other extra-contractual or statutory claims arising out of or relating to its negotiation, execution or performance, shall be exclusively and finally settled by arbitration in accordance with the Rules of the International Court of Arbitration of the International Chamber of Commerce (the "ICC Rules") by one or more arbitrators appointed in accordance with the ICC Rules; provided, however, that nothing in this Section 20 shall prohibit: (i) a party from instituting litigation to enforce any final award in any court of competent jurisdiction; or (ii) the Company from seeking a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of Section 7 or 8 of this Agreement and the Executive hereby consents that such restraining order or injunction may be granted without the necessity of the Company's posting any bond. The seat of the arbitration shall be in St. Louis, Missouri. The
-

language of the arbitration shall be English. The parties undertake to carry out any award of the tribunal without delay, and waive their right to refer any question of law and any right of appeal on the law or merits to a court of law or other judicial authority, insofar as such waiver may be validly made. The parties agree that an arbitral tribunal appointed under this Agreement may exercise jurisdiction with respect to this Agreement and any amendments or exhibits or schedules hereto (except as otherwise expressly provided therein), and that any disputes involving more than one of such agreements, exhibits or schedules shall proceed as a consolidated arbitration in accordance with Article 10 of the ICC Rules. The arbitrator selected pursuant to this Section 20 shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration and, if the arbitrator determines a party to be the prevailing party under circumstances where the prevailing party won on some but not all of the claims and counterclaims, the arbitrator may award the prevailing party an appropriate percentage of the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration and the enforcement of its rights under this Agreement.

21. Indemnification and Insurance: Legal Expenses. During the Term and so long as the Executive has not breached any of his or her obligations set forth in Sections 7 and 8, the Company and Parent shall indemnify the Executive to the fullest extent permitted by the laws of Delaware and Luxembourg, respectively, as in effect at the time of the subject act or omission, and shall advance to the Executive reasonable attorneys' fees and expenses as such fees and expenses are incurred (subject to an undertaking from the Executive to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that the Executive was not entitled to the reimbursement of such fees and expenses) and Executive shall be entitled to the protection of any insurance policies the Company and/or Parent shall maintain generally for the benefit of their respective directors and officers ("Directors and Officers Insurance") against all costs, charges and expenses incurred or sustained by Executive in connection with any action, suit or proceeding to which Executive may be made a party by reason of his or her being or having been a director, officer or employee of the Company or any of its Affiliates or his or her serving or having served any other enterprise as a director, officer or employee at the request of the Company (other than any dispute, claim or controversy arising under or relating to this Agreement). The Company and/or Parent will maintain during the Term for the benefit of the Executive (in his or her capacity as an officer and/or director of the Company and Parent, as applicable) Directors and Officers Insurance providing customary benefits to the Executive.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

PERIMETER SOLUTIONS S.A.

By: /s/ Haitham Khouri
Name: Haitham Khouri
Title: Director

By: /s/ Vivek Raj
Name: Vivek Raj
Title: Director

PERIMETER SOLUTIONS LP

By: /s/ Edward Goldberg
Name: Edward Goldberg
Title: CEO and President

EXECUTIVE

/s/ Noriko Yokozuka
Noriko Yokozuka

Exhibit A
Form of Release

GENERAL RELEASE

I, [____], in consideration of and subject to the performance by Perimeter Solutions LP, a Delaware limited partnership (together with its subsidiaries, the “Company”), of its obligations under the Employment Agreement dated as of [____], 2021 (the “Agreement”), do hereby release and forever discharge as of the date hereof the Company, Perimeter Solutions, SA, a public company limited by shares duly incorporated and validly existing under the laws of the Grand Duchy of Luxembourg (“Parent”), and their respective affiliates and all present, former and future managers, directors, officers, employees, successors and assigns of the Company, Parent and their respective affiliates and direct or indirect owners (collectively, the “Released Parties”) to the extent provided below (this “General Release”). The Released Parties are intended to be third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

Section 1. My employment or service with the Company and its affiliates terminated as of [____], and I hereby resign from any position as an officer, member of the board of managers or directors (as applicable) or fiduciary of the Company, Parent or their affiliates (or reaffirm any such resignation that may have already occurred). I understand that any payments or benefits paid or granted to me under Section 6 of the Agreement (other than the accrued obligations described in Section 6(a) (the “Accrued Obligations”)) represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive certain of the payments and benefits specified in Section 6 of the Agreement (other than the Accrued Obligations) unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

Section 2. Except as provided in Sections 4 and 5 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys’ fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with or service for, or my separation or termination from, the Company, Parent or their affiliates (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company, Parent or their affiliates; or any claim for wrongful

discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims").

Section 3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by Section 2 above.

Section 4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

Section 5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claim, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding, including with the Equal Employment Opportunity Commission ("EEOC"); provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such EEOC charge or investigation or proceeding. Additionally, I am not waiving (i) any right to the Accrued Obligations or any severance benefits to which I am entitled under the Agreement or (ii) any claim relating to any right of indemnification under the Company's organizational documents or otherwise.

Section 6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending claim of the type described in Section 2 above as of the execution of this General Release.

Section 7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

Section 8. I agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees.

Section 9. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

Section 10. I represent and warrant that I have returned all property of the Company and its affiliates, including identification cards or badges, access codes or devices, keys, laptops, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files, physical files, and any other property of the Company or its affiliates in my possession. I further represent and warrant that I no longer have access to and do not claim ownership of any cloud storage or social media accounts of the Company or any of its affiliates.

Section 11. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

Section 12. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

- a. I HAVE READ IT CAREFULLY;
- b. I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- c. I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- d. I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;
- e. I HAVE HAD AT LEAST [21][45] DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT, AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED [21][45]-DAY PERIOD;
- f. I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;
- g. I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND
- h. I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

SIGNED: _____

DATED: _____

Certification of Principal Executive Officer
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Haitham Khouri, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Perimeter Solutions, SA;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2023

By: /s/ Haitham Khouri
Haitham Khouri
Chief Executive Officer and Director
(Principal Executive Officer)

Certification of Principal Financial Officer
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles Kropp, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Perimeter Solutions, SA;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2023

By: /s/ Charles Kropp

Charles Kropp
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Haitham Khouri, Chief Executive Officer of Perimeter Solutions, SA (the "Registrant"), and Charles Kropp, Chief Financial Officer of the Registrant, each hereby certifies that, to the best of his knowledge on the date hereof:

1. the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 (the "Quarterly Report"), to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Perimeter Solutions, SA

Date: May 10, 2023

By: /s/ Haitham Khouri

Haitham Khouri
Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 10, 2023

By: /s/ Charles Kropp

Charles Kropp
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.