

Perimeter Medical Imaging AI Provides Update on Exercise of Warrants

TORONTO--(BUSINESS WIRE)-- Perimeter Medical Imaging AI, Inc. (TSX-V:PINK) (OTC:PYNKF) (FSE:4PC) ("Perimeter" or the "Company"), a medical technology company driven to transform cancer surgery with ultra-high-resolution, real-time, advanced imaging tools to address areas of high unmet medical need, today provided an update on its previously announced acceleration of the expiry date of the share purchase warrants issued by the Company on June 29, 2020 (the "Warrants").

Jeremy Sobotta, Perimeter's Chief Executive Officer, stated, "We are pleased to report that approximately 3.1 million out of a total of 3.5 million Warrants subject to the accelerated expiry have already been exercised. Since our last financial report, as a result of the exercise of Company warrants, we have added approximately \$7.3 million to our balance sheet, which will help enable our commercialization and development plans. These funds will contribute to bringing Perimeter's novel medical imaging to market – with the aim of creating better outcomes for patients and lower costs to the healthcare system."

Since February 1, 2021, when the Company announced the accelerated expiry date of the Warrants, 2,353,511 of the outstanding eligible Warrants with an accelerated expiry date have been exercised, resulting in cash proceeds of approximately \$4,707,022 to the Company. As of February 25, 2021, a total of 341,064 eligible Warrants subject to the accelerated expiry date remain outstanding, which would result in additional gross proceeds of \$682,128 if exercised. However, there can be no assurance that any or all of the remaining eligible Warrants will be exercised prior to March 8, 2021.

Inclusive of the \$4,707,022 in gross proceeds from the exercise of accelerated Warrants noted above, subsequent to the Company's third quarter results ending September 30, 2020, as of February 25, 2021, a total of 3,691,474 warrants have been exercised, resulting in gross proceeds of approximately \$7,285,796 to the Company.

More Information about the Acceleration of the Expiry Date of Warrants Issued on June 29, 2020

On February 1, 2021, the Company announced it had elected to exercise its right under the terms of a warrant indenture dated June 29, 2020 (the "Warrant Indenture") between the Company and Computershare Trust Company of Canada (the "Warrant Agent") to accelerate the expiry date of the warrants to purchase common shares of the Company ("Common Shares") issued on June 29, 2020 to investors in Perimeter's private placement financing of units completed on that day (the "Warrants"). Each Warrant is exercisable to acquire one Common Share at an exercise price of \$2.00. The expiry date of the Warrants has been accelerated to 4:00 p.m. (Toronto Time) on March 8, 2021. Pursuant to the Warrant Indenture, the Company has the right to accelerate the expiry date of the Warrants to a date that is 30 days following delivery of an Acceleration Notice (as described in the Warrant Indenture) if, the 15-day volume-weighted average trading price of the Common

Shares on the TSX Venture Exchange (the “TSXV”) equals or exceeds \$3.00. The Company calculates that, between January 11, 2021 and January 29, 2021, the 15-day volume-weighted average trading price of the Common Shares on the TSXV was \$3.0860.

If you hold eligible Warrants subject to the accelerated expiry date, in order to exercise these Warrants prior to 4:00 p.m. (Toronto Time) on March 8, 2021 you must complete and deliver to the Warrant Agent the Exercise Form attached to the Warrant Certificate along with a certified cheque, bank draft or money order payable to or to the order of the Company for the aggregate exercise price of the Warrants. The address of the Warrant Agent for the exercise of your Warrants is:

Computershare Trust Company of Canada
510 Burrard Street, 3rd Floor
Vancouver, BC V6C 3B9
Attention: General Manager, Corporate Trust

About Perimeter Medical Imaging AI, Inc.

Perimeter Medical Imaging AI (TSX-V:PINK)(OTC:PYNKF)(FSE:4PC) is a Toronto-based company with U.S. headquarters in Dallas, Texas that is developing, with plans to commercialize, advanced imaging tools that allow surgeons, radiologists, and pathologists to visualize microscopic tissue structures during a clinical procedure. Perimeter’s OTIS™ platform is a point-of-care imaging system that provides clinicians with real-time, ultra-high-resolution, sub-surface image volumes of the margin (1-2 mm below the surface) of an excised tissue specimen. The ability to visualize microscopic tissue structures during a clinical procedure in addition to standard of care tissue assessment for decision making during the procedure has the potential to result in better long-term outcomes for patients and lower costs to the healthcare system. Perimeter’s OTIS™ platform is cleared by the FDA as an imaging tool in the evaluation of excised human tissue microstructure by providing two-dimensional, cross-sectional, real-time depth visualization, with image review manipulation software for identifying and annotating regions of interest. In addition, Perimeter is developing advanced artificial intelligence/machine learning image assessment tools intended to increase the efficiency of review.

Perimeter’s ticker symbol “PINK” is a reference to the pink ribbons used during Breast Cancer Awareness Month by the Canadian Cancer Society and the American Cancer Society, driving home the company’s dedication to helping surgeons, radiologists and pathologists use Perimeter’s imaging technology and AI (Artificial Intelligence) in the fight against breast cancer, which is estimated to [account for 30%](#) of all female cancer diagnoses this year.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains statements that may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. In this news release, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”,

“plan”, “estimate” and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking information may relate to management’s future outlook and anticipated events or results, and may include statements or information regarding the total proceeds that the Company may raise upon exercise of the Warrants, the expected use of proceeds, and the Company’s plans and timeline for commercialization of its technology. These forward-looking statements are founded on the basis of expectations and assumptions made by the Company which include, but are not limited to, the decision of holders of Warrants to exercise their Warrants and the successful implementation of Perimeter’s commercialization strategy, generally. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur. Forward-looking information is based on information available at the time and/or management’s good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond Perimeter’s control. Such forward-looking statements reflect Perimeter’s current view with respect to future events, but are inherently subject to significant medical, scientific, business, economic, competitive, political, and social uncertainties and contingencies. In making forward-looking statements, Perimeter may make various material assumptions, including but not limited to (i) the accuracy of Perimeter’s financial projections; (ii) obtaining positive results from trials; (iii) obtaining necessary regulatory approvals; and (iv) general business, market and economic conditions. Further risks, uncertainties and assumptions include, but are not limited to, those applicable to Perimeter and described in the joint information circular dated May 12, 2020, prepared in respect of the securityholder meetings held on June 17, 2020 a copy of which is available on Perimeter’s SEDAR profile at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward-looking statements. In particular, we note the risk that our technology may not achieve the anticipated benefits in terms of surgical outcomes. Perimeter does not intend, nor does Perimeter undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events, or circumstances or otherwise, except if required by applicable laws.

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