August 14, 2024

Perimeter Medical Imaging AI Reports Second Quarter 2024 Financial Results and Provides Corporate Update

Conference Call/Webcast Today at 5 pm ET

TORONTO and DALLAS, Aug. 14, 2024 /CNW/ - Perimeter Medical Imaging AI, Inc. (TSXV: PINK) (OTC: PYNKF) (FSE: 4PC) ("Perimeter" or the "Company"), a commercial-stage medical technology company, today reported financial results for its second quarter ended June 30, 2024 and provided a corporate update.

Business Highlights

- The Company continues to gain positive commercial market traction with its first U.S. Food and Drug Administration ("FDA")-cleared product, Perimeter S-Series OCT. It has already achieved six (6) new S-Series OCT system placements year-to-date, compared to a total of three (3) for all of 2023, and Q2-2024 revenues grew 83% over Q2-2023. In addition, the Company is advancing the development of its next-generation Perimeter B-Series OCT system, which combines proprietary AI technology with OCT, toward potential commercialization.
- In May 2024, Perimeter provided an update on the ongoing pivotal clinical trial evaluating the use of its B-Series OCT system during breast-conserving surgeries ("BCS"). Today, based on current trends, the Company is pleased to announce that it now expects patient enrollment in the study to be completed in Q3-2024 rather than later in the 2024 fourth quarter. If successful, the trial is expected to support the Company's submission to the FDA for authorization to market Perimeter B-Series OCT in the United States in 2025.
- In June 2024, a white paper authored by Amelia A. Gunter, M.D. from the Center for Cancer and Blood Disorders, Weatherford, TX, reported results from a retrospective, quantitative assessment of reoperation rates among 72 patients in her practice who underwent OCT imaging during BCS in order to gain insight into the potential benefits and limitations of OCT for patient outcomes.[1] While not designed to guide clinical practice, the research demonstrated that:
  - Dr. Gunter's reoperation rate with OCT was 5.6%, compared to the national rate of 19.9% as determined from a national claims database study conducted by MD Anderson and University of Texas researchers that included 24,106 patients;
  - While the national reoperation rate in commercial insurance patients with ductal carcinoma in situ ("DCIS") was 30.8%, the Perimeter S-Series OCT reoperation rate in patients with DCIS was 13.3%; and
  - In commercial insurance patients with invasive ductal carcinoma ("IDC"), the national rate of reoperation was shown to be 18.0%, while Perimeter's S-Series OCT reoperation rate in patients with IDC was 0.0%.[1, 2, 3]
- In July 2024, the 1,000th paid Perimeter S-Series OCT patient scan was performed, representing an important clinical and commercial milestone achievement by the

Company.
- In July 2024, Perimeter's product innovation team completed the first-of-its-kind installation of the recently developed "ImgClear" AI image enhancement algorithm with a commercial Perimeter S-Series OCT system. Internal testing has demonstrated ImgClear enables users to achieve better quality images (up to 441% signal-to-noise ratio increase) and reduce scan time (28% reduction). The Company expects to upgrade all installed Perimeter S-Series OCT systems with ImgClear before the end of the year.

"It is exciting to see the scale, scope and speed with which the growth pillars we have been laying down since last year's management transition are starting to produce tangible results," said Adrian Mendes, Perimeter's Chief Executive Officer. "Chief among these are restructuring our sales organization, driving both record recurring revenues and new system placements; regimenting our real-world data collection, facilitating the recent publication of Dr. Gunter's OCT white paper; improving clinical trial execution, resulting in the anticipated completion of patient enrollment in the ongoing OCT Series-B with ImgAssist AI pivotal trial now tracking well ahead of schedule; and finally, continuing to innovate, bringing exciting product enhancements like our ImgClear AI image enhancement algorithm successfully to market. With these key pillars of our new growth strategy now firmly established, we expect that positive momentum to continue, and we are energized by the many potential value enhancing inflection points we see ahead."

Second Quarter 2024 Financial Results

Unless specified otherwise, all amounts in this press release are expressed in U.S. dollars and are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Company reported second quarter 2024 revenues of approximately $246,000, which consisted of the sale of consumables and system leases. Second quarter 2024 revenues increased 83% over Q2-2023. Revenue growth was driven by continued commercial adoption of Perimeter S-Series OCT, both in terms of existing system utilization and installed base growth.

Operating expenses for the three months ended June 30, 2024 were approximately $5.5 million, compared to approximately $3.4 million for the same period in 2023. The increase was primarily due to higher stock-based compensation, employee expenses, research and development expenses and subcontractor expenses.

Second quarter 2024 net loss improved 35% to approximately $3.2 million, or $0.05 per common share, compared to approximately $4.9 million, or $0.08 per common share, in the three months ended June 30, 2023.

Cash used in operating activities in the three months ended June 30, 2024, was approximately $7.5 million, compared to approximately $7.2 million in Q2-2023.

As of June 30, 2024, cash and cash equivalents were approximately $6.5 million. This amount does not include a Cancer Prevention and Research Institute of Texas (CPRIT) grant receivable of approximately $1.8 million, which is related to the reimbursement of pivotal clinical trial project costs, as of the end of the 2024 second quarter.

For detailed financial results, please refer to Perimeter's filings onSEDAR+ and the Company's website.

Conference Call

The Company will host a conference call and live audio webcast today at 5:00 pm Eastern Time to discuss its second quarter 2024 results and provide a corporate update. To participate in the call, please dial 1-800-717-1738 or 1-646-307-1865. The conference call will also be broadcast live online through a listen-only webcast, which will be posted on the Investors section of the Company's website and archived for approximately 90 days.

Sources

[1] Gunter, Amelia. Adjunct intraoperative optical coherence tomography imaging and reoperation rates after breast-conserving surgery. The Center for Cancer and Blood Disorders, Weatherford, TX. June 3, 2024

[2] National reoperation rate calculated based on weighted rates in Commercial and Medicare cohort in MD Anderson study[3] and overall percent of U.S. patients covered by Commercial versus Medicare insurance in U.S. Census health insurance coverage report. https://www.census.gov/library/publications/2023/demo/p60-281.html

[3] Kim Y, Ganduglia-Cazaban C, Tamirisa N, Lucci A, Krause TM. Contemporary Analysis of Reexcision and Conversion to Mastectomy Rates and Associated Healthcare Costs for Women Undergoing Breast-Conserving Surgery. Ann Surg Oncol. 2024; doi: 10.1245/s10434-024-14902-z

About Perimeter Medical Imaging AI, Inc.

Based in Toronto, Canada and Dallas, Texas, Perimeter Medical Imaging AI (TSX-V: PINK) (OTC: PYNKF) (FSE: 4PC) is 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. Available across the U.S., our FDA-cleared Perimeter S-Series OCT system provides real-time, cross-sectional visualization of excised tissues at the cellular level. The breakthrough-device-designated investigational Perimeter B-Series OCT with ImgAssist AI represents our next-generation artificial intelligence technology that is currently being evaluated in a pivotal clinical trial, with support from a grant of up to US$7.4 million awarded by the Cancer Prevention and Research Institute of Texas. The company's ticker symbol "PINK" is a reference to the pink ribbons used during Breast Cancer Awareness Month.

Perimeter B-Series OCT is limited by U.S. law to investigational use and not available for sale in the United States. Perimeter S-Series OCT has 510(k) clearance under a general indication and has not been evaluated by the U.S. FDA specifically for use in breast tissue, breast cancer, other types of cancer, margin evaluation, and reducing re-excision rates. The safety and effectiveness of these uses has not been established. For more information, please visit www.perimetermed.com/disclosures.

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 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 future financial position, business strategy and strategic goals, competitive conditions, research and development activities, projected costs and capital expenditures, research and clinical testing outcomes, taxes and plans and objectives of, or involving, Perimeter. Without limitation, information regarding the potential benefits of Perimeter S-Series OCT and Perimeter B-Series OCT, the expected benefits of Perimeter's updated version of its ImgAssist AI, the expected timing of the completion of full enrollment in Perimeter's clinical trial, Perimeter's expectations regarding the outcomes of the clinical trial, and the expected timing of the installation of ImgClear, are forward-looking information. 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, any particular result 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 Perimeter's Management Discussion and Analysis for the year ended December 31, 2023, which is available on Perimeter's SEDAR+ profile at https://www.sedarplus.ca, and could cause actual events or results to differ materially from those projected in any forward-looking statements. 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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