

# Perimeter Medical Imaging AI Reports Second Quarter 2021 Financial Results and Provides Corporate Update

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 high unmet medical needs, today reported financial results for its second quarter ended June 30, 2021 and provided a corporate update.

## Second Quarter Highlights

- [U.S. FDA grants "Breakthrough Device Designation" for Perimeter's Optical Coherence Tomography \(OCT\) Imaging System combined with ImgAssist AI](#)
- [ATLAS AI project marked important milestone as ImgAssist AI Algorithm – for use in breast conserving surgery – achieves key performance metric of 0.94 AUC](#)

Jeremy Sobotta, Perimeter's Chief Executive Officer stated, "We believe we have made significant progress this past quarter as we continue to ramp-up our commercialization efforts to bring Perimeter's innovative, 'real-time' imaging technology to our target customers. Our initial market development managers, under the direction of our Chief Commercial Officer, are actively meeting with prominent surgeons to place Perimeter S-Series OCT in leading healthcare institutions throughout key regions the U.S. In this highly competitive market, I am proud that we continue to attract top talent to our sales team and across all of our departments, including the additions of Jay Widdig, CFO and Dr. Sarah Butler, VP, Clinical & Medical Affairs, to our senior leadership team."

Mr. Sobotta continued, "Our medical affairs and marketing teams remain sharply focused on clinical education activities that will support our commercial growth plans and help our customers successfully use Perimeter's technology with the goal of obtaining better patient outcomes and lowering costs. In addition, we continue to make advancements with the clinical development of our breakthrough-device-designated, 'next-gen' Perimeter B-Series OCT with ImgAssist AI, which is aimed at helping breast cancer surgeons reduce re-operation rates. We expect to initiate a randomized, multi-site pivotal study in order to generate data to demonstrate how Perimeter's technology performs against the standard of care."

## Corporate Updates

- On April 15, 2021, Perimeter announced that the FDA granted a Breakthrough Device Designation for Perimeter OCT combined with ImgAssist AI – to be called Perimeter B-Series OCT. This designation allows for accelerated interactions with the FDA during product development and prioritized review of future regulatory submissions. In addition, a new Medicare policy program (Medicare Coverage of Innovative

Technology, or MCIT) provides national Medicare coverage for up to four years for FDA-designated Breakthrough Devices upon market authorization, enabling more rapid utilization of new and innovative technologies for the Medicare population.

- On April 14, 2021, Perimeter provided an update on its ATLAS AI Project. Using more than 400 volumes of images of excised breast tissue collected in the first stage of the project, the standalone AI algorithm achieved a key performance metric of 0.94 AUC (area under the receiver operating characteristic curve). The data generated to date support the continued advancement of Perimeter's "ImgAssist" AI technology to the next stage of the ATLAS AI Project. Perimeter intends to conduct a randomized, multi-site, pivotal study to evaluate Perimeter OCT combined with ImgAssist AI against the current standard of care and assess the impact on re-operation rates for patients undergoing breast conservation surgery.
- Perimeter also continued to strengthen its team through key leadership appointments and significant expansion of the Company's commercial infrastructure. On July 13, 2021, Perimeter announced the appointment of Dr. Sarah Butler as VP, Clinical and Medical Affairs. Dr. Butler joins Perimeter with extensive healthcare industry experience and a reputation as an expert in global medical education and scientific communication, healthcare systems, clinical trial strategy, conduct, and compliance in clinical and industry environments. Subsequent to quarter end on July 26, 2021, Perimeter announced the appointment of Jay Widdig as Chief Financial Officer. Mr. Widdig has more than 30 years of experience in the medtech, healthcare, technology, and software-as-a-service industry sectors and brings an extensive array of financial experience to Perimeter, including a background in corporate finance, M&A transactions, and financial planning and analysis with both global public and private companies.
- Subsequent to quarter end, Perimeter announced that its common shares are now eligible for electronic clearing and settlement through The Depository Trust Company ("DTC") in the United States. This electronic method of clearing securities speeds up the receipt of stock and cash and thus can accelerate the settlement process for investors and brokers, enabling the stock to be traded over a wider selection of brokerage firms.
- Perimeter provided a corporate update on the ramp-up of its commercial organization subsequent to quarter end on August 25, 2021. Under the leadership of Steve Sapot, Perimeter's Chief Commercial Officer, the Company continues to build the infrastructure to support and expand its sales and marketing team, including the addition of the initial four key market development managers tasked with launching Perimeter's novel S-Series OCT medical imaging technology in the U.S. market.

## **Summary of Second Quarter 2021 Financial Results**

All of the amounts are expressed in Canadian dollars unless otherwise indicated and are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting.

Operating expenses for the three months ended June 30, 2021 were \$3,056,431 compared to \$1,997,959 during the same period in 2020.

The net loss for the three months ended June 30, 2021 of \$3,238,722 compared to \$4,659,480 for the same period in 2020.

For the six months ended June 30, 2021, cash used in operating activities was \$5,926,277. The cash use during the period was mainly driven by costs associated with research and development as well as expenditures supporting commercial operations.

As at June 30, 2021, cash and cash equivalents were \$13,734,517 and investments were \$886,000.

For detailed financial results, please see Perimeter's filings at [www.sedar.com](http://www.sedar.com) and on the company's website at <https://ir.perimetermed.com/>.

### **About Perimeter S-Series OCT**

Cleared by the U.S. FDA, Perimeter S-Series Optical Coherence Tomography (OCT) is a novel medical imaging system that provides clinicians with cross-sectional, real-time margin visualization (1-2 mm below the surface) of an excised tissue specimen. Giving physicians the ability to visualize microscopic tissue structures “real time” in the operating room has the potential to result in better long-term outcomes for patients and lower costs to the healthcare system.

### **About Perimeter B-Series OCT with ImgAssist AI**

Perimeter is advancing the development of its proprietary, next-gen “ImgAssist” artificial intelligence technology under its ATLAS AI project, which is made possible, in part, by a US\$7.4 million grant awarded by the Cancer Prevention and Research Institute of Texas (CPRIT). The U.S. FDA granted Breakthrough Device Designation for Perimeter B-Series OCT coupled with ImgAssist AI, and Perimeter has plans to initiate a randomized, multi-site, pivotal study to evaluate it against the current standard of care and assess the impact on re-operation rates for patients undergoing breast conservation surgery.

### **About Perimeter Medical Imaging AI, Inc.**

With headquarters in Toronto, Canada and Dallas, Texas, [Perimeter Medical Imaging AI](#) (TSX-V:PINK) (OTC:PYNKF) (FSE:4PC) is a medical technology company that is driven to transform cancer surgery with ultra-high-resolution, real-time, advanced imaging tools to address areas of high unmet medical need. The company's ticker symbol “PINK” is a reference to the pink ribbons used during Breast Cancer Awareness Month, underscoring the company's dedication to helping surgeons, radiologists, and pathologists use Perimeter's imaging technology and AI in the fight against breast cancer, which is estimated to [account for 30%](#) of all female cancer diagnoses this year.

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### **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 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 future sales and marketing activities, Perimeter's technology platform, including Perimeter S-Series OCT, Perimeter B-Series OCT, Perimeter ImgAssist (the "Products"), sales, placements and utilization rates, reimbursement for the various procedures, future revenues arising from the sales of the Company's Products, research and development activities, the Company's plans to seek further regulatory clearances for additional indications, as well as the Company's plans for development of the Products is 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, 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 Perimeter's Management Discussion and Analysis for the year ended December 31, 2020, which is available on Perimeter's SEDAR profile at [www.sedar.com](http://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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