

Perimeter Medical Imaging AI Announces Strategic Private Placement to Social Capital

TORONTO & DALLAS--(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 announced that it has entered into a subscription agreement pursuant to which an affiliate of Social Capital Holdings Inc. ("Social Capital") will make a strategic C\$43.4 million investment in the Company.

Jeremy Sobotta, Perimeter's Chief Executive Officer stated, "We believe Social Capital's investment marks a transformative, pivotal event for Perimeter that will help accelerate our growth. This strategic partnering comes at a time when we are ramping up our Perimeter S-Series market development activities and commercialization efforts across the U.S., while also supporting the ongoing clinical development of our next-gen AI technologies. This financing provides us with the backing to execute upon our long-term vision to transform cancer surgery."

Chamath Palihapitiya, CEO of Social Capital, said, "Perimeter's advanced imaging technology has the opportunity to materially improve cancer surgery outcomes. Today's methods rely on contemporary imaging techniques, which often result in the need for additional surgery, increasing payer costs and potentially delaying subsequent treatment plans. This investment will support the commercial launch of Perimeter's initial imaging device for breast cancer, but equally as important, we believe it can accelerate their path to become the standard of care for many other surgical applications in the future."

Social Capital has agreed to subscribe, on a non-brokered private placement basis (the "Private Placement"), for C\$43.4 million in units of Perimeter at a price of C\$3.00 per unit (each, a "Unit"), with each Unit consisting of one common share (each, a "Common Share") and a total of one warrant ("Warrant") to purchase an additional Common Share (a "Warrant Share"). 80% of the Warrants issued in the Private Placement will have a strike price of C\$3.99 and 20% of the Warrants in the Private Placement will have a strike price of C\$4.50. Half of the Warrants at each strike price will be subject to accelerated expiry if the 60-day volume weighted average trading price of Perimeter's Common Shares is greater than the strike price during the applicable period. The other half of the Warrants will not be subject to accelerated expiry, and instead they may be exercised for cash or exercised using a cashless exercise feature at any time prior to expiry. Subject to the accelerated expiry clause described above, all Warrants will expire five years following the closing of the Private Placement.

Social Capital will also enter into an investor rights agreement with Perimeter at the closing of the Private Placement, which will provide Social Capital with the right to nominate one

director to the board of Perimeter, with anti-dilution rights to participate in future financings, and with customary registration rights.

Perimeter may, but has not yet committed to, issue up to an additional C\$7,000,000 million in Units on substantially the same economic terms as those issued to Social Capital.

The net proceeds of the Private Placement will be used for working capital, commercialization of Perimeter's technology, clinical studies and the further development of Perimeter's technology, and general corporate purposes.

About the Investment

Closing of the Private Placement is subject to the receipt of TSX Venture Exchange approval, the receipt of all necessary Perimeter shareholder approvals, and other customary closing conditions. The Private Placement will result in the creation of a new control person of Perimeter under Canadian securities laws as Social Capital will hold over 20% of the issued and outstanding shares of Perimeter, and accordingly, under TSX Venture Exchange policies, shareholder approval of the creation of the new control person will be required as a condition of closing, which will be sought by written consent. Roadmap Capital Inc., Perimeter's largest shareholder, which owns or controls approximately 38% of the issued and outstanding Perimeter common shares, has signed a support agreement in favour of the Private Placement and has committed to sign a written consent resolution approving the Private Placement. Perimeter will provide further details on the shareholder approval in a subsequent news release. Social Capital is at arms length to Perimeter. The subscription agreement is also subject to a number of customary closing conditions, including the lack of any material adverse effect on Perimeter prior to Closing. The subscription agreement contains an outside date of January 31, 2021 for closing, which may be extended in limited circumstances. Social Capital's board nomination and anti-dilution rights under the investor rights agreement will last so long as Social Capital holds at least 15% of the common shares of Perimeter on an undiluted basis, and Social Capital's registration rights will last so long as Social Capital holds at least 10% of the common shares of Perimeter on an undiluted basis. A finder's fee equal to 3% of the proceeds from the sale of Units to Social Capital is payable in respect of the Private Placement, which finders fee will be paid by issuing common shares of Perimeter ("Finder's Shares") at \$3.00 per share, subject to TSX-V approval.

The Common Shares comprising part of the Units, the Warrants and the Warrant Shares (if such Warrant Shares are issued before the date that is four months and one day following the applicable Closing Date) and the Finder's Shares shall be subject to a hold period ending on the date that is four months and one day following the applicable Closing Date.

About Social Capital

At Social Capital, we make big bets on transformational ideas, technology, and people. We strategically invest in smart, profit-minded opportunities and forward-thinking social investments that have the potential to shape a better future. We do this from a balance sheet of permanent capital to support entrepreneurship at all stages. This allows us more flexibility to double down on our convictions, without the limitations of traditional fund structures, and gives founders the runway and resources necessary to succeed. We believe in the outsized potential of for-profit businesses to drive impact in the world. We aim to set a new standard for what capitalism can be.

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.

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 size of, and the closing of, the Private Placement, including the necessity for shareholder and TSX-V approval 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, the closing of the Private Placement 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 uncertainties and contingencies, including as to whether the required shareholder and exchange approval will be obtained, and the other conditions of closing will be satisfied. 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, 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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